

Lane Cove LEP 2009 (Amendment No. 20) - 75-79 Lithgow Street, 84-90 Christie Street, and portion of Lithgow Street, St Leonards

Proposal Title :	Lane Cove LEP 2009 (Amendment No. 20) - 75-79 Lithgow Street, 84-90 Christie Street, and portion of Lithgow Street, St Leonards		
Proposal Summary :	Rezone the site from B3 Commercial Core to B4 Mixed Use, to allow the development of two residential towers above retail/commercial; increase the maximum height from 65 metres to 144 metres (RL 224) (tower on Christie Street to be approximately 44-47 storeys, and the tower on Lithgow Street to be approximately 20-27 storeys); increase the floor space ratio via an incentive bonus scheme.		
PP Number :	PP_2015_LANEC_002_00	Dop File No :	15/08723

Proposal Details

Date Planning Proposal Received :	11-May-2015	LGA covered :	Lane Cove
Region :	Metro(CBD)	RPA :	Lane Cove Municipal Council
State Electorate :	NORTH SHORE	Section of the Act :	55 - Planning Proposal
LEP Type :	Spot Rezoning		

Location Details

Street :	75 Lithgow Street		
Suburb :	St Leonards	City :	Sydney
Land Parcel :	Lot 10 / 18 / DP 3175		Postcode : 2065
Street :	77 Lithgow Street		
Suburb :	St Leonards	City :	Sydney
Land Parcel :	Lot 72 DP 542079		Postcode : 2065
Street :	79 Lithgow Street		
Suburb :	St Leonards	City :	Sydney
Land Parcel :	Lot 71 DP 542079		Postcode : 2065
Street :	86-90 Christie Street		
Suburb :	St Leonards	City :	Sydney
Land Parcel :	Lot 4 DP 560889 and Lot 50 / 18 / DP 3175		Postcode : 2065
Street :	84 Christie Street		
Suburb :	St Leonards	City :	Sydney
Land Parcel :	Lot 1 and 2 / SP 4116		Postcode : 2065

DoP Planning Officer Contact Details

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Land Release Data

Growth Centre :	Release Area Name :
Regional / Sub Regional Strategy :	Consistent with Strategy :
MDP Number :	Date of Release :
Area of Release (Ha) :	Type of Release (eg Residential / Employment land) :
No. of Lots : 0	No. of Dwellings (where relevant) : 625
Gross Floor Area : 0	No of Jobs Created : 0

The NSW Government Yes
Lobbyists Code of
Conduct has been
complied with :

If No, comment :

Have there been **No**
meetings or
communications with
registered lobbyists? :

If Yes, comment :

Supporting notes

Internal Supporting
Notes : **The planning proposal seeks to rezone 75-79 Lithgow Street and 84-90 Christie Street, St Leonards (known as Site A) from B3 Commercial Core to B4 Mixed Use in the St Leonards Strategic Centre and to increase the height and floor space ratio controls under Lane Cove LEP 2009. An additional option is to include, for amalgamation, the eight properties fronting the Pacific Highway at 546-564 Pacific Highway, opposite St Leonards station, for commercial redevelopment (known as Site B).**

The planning proposal seeks to facilitate the proposed scheme as follows:
- rezone the site from B3 Commercial Core to B4 Mixed Use;
- rezone the part of Lithgow Street which lies adjacent to the site from B3 Commercial Core

to B4 Mixed Use;

- increase the maximum building height from 65 metres to 144 Metres (RL 224); and
- provide incentive clauses to increase the maximum floor space ratio where specific public benefits are provided to a total potential floor space ratio of 17.6:1. The permissible FSR under the current controls is 14:1.

The proponent, Winten, intends to enter into a voluntary planning agreement with Lane Cove Council to contribute to the delivery of the future St Leonards Plaza. The proposal states the Plaza will incorporate a new bus interchange and pedestrian link to St Leonards Station.

The planning proposal describes a 'base scheme' reflecting the scale of the nearby recently notified Leighton / Charter Hall planning proposal (at 472-520 Pacific Highway and 95 Nicholson Street, St Leonards), as well as a 'public benefit incentive scheme' which describes the maximum development potential if the development achieves all of the public benefit incentives.

The additional public benefits which could be provided in exchange for additional floor space ratio have been identified in the planning proposal as:

- Pacific Highway Sites (Site B) Amalgamation (FSR bonus of 1.6:1)
- International Architectural Standard (which was later omitted by a Council resolution); and
- Public Car Park (FSR bonus of 2:1)

It is difficult to ascertain the proposed heights of the towers, as they have been variously described in the planning proposal ('ranging in height from 20-44 storeys'), Council report ('20-27 storeys' and '44-47 storeys'), and Council letter ('up to around 29 storeys' and '224 metres').

Lane Cove Council has requested a Gateway determination to allow public exhibition of the planning proposal subject to:

- a draft voluntary planning agreement and a site-specific development control plan being entered into with Council and drafted for exhibition with the planning proposal;
- the draft LEP wording being strengthened to require the provision of a supermarket with a minimum of 3,000sqm and a 300 space public car park dedicated to Council; and
- residential flat buildings being prohibited as a stand alone use in the B4 Mixed Use zone.

BACKGROUND:

On 19 July 2011 the Planning Assessment Commission approved the 'St Leonards Commerce Centre' Part 3A Concept Plan (MP09_0210) for the redevelopment of 88 Christie Street, St Leonards for:

- an 18 storey (plus plant room) building envelope to a maximum height of RL 149.05 metres (AHD);
- a four-level basement envelope; and
- commercial use of the building with ancillary retail (café) uses and through-site link from Lithgow Street to Christie Street at ground floor.

Following approval of the Concept Plan, a development application for the building was submitted, with consent granted in August 2012 by the Joint Regional Planning Panel providing approximately 31,000 m2 of new commercial floor space.

The site owner states they have not been able to secure a tenant, due to the lack of demand for A-Grade commercial floor space within St Leonards, and therefore have not commenced the approved commercial development.

External Supporting
Notes :

In summary, the proposed mixed use development will comprise:

- two residential towers, referred to as the 'plaza building' (at the interface of the future Plaza) and 'the tower' (located further to the east), with heights ranging from 20 to 44 storeys;
- a mixed-use podium at the base of these buildings, with the potential to incorporate a full line supermarket, centred around an internal courtyard and through-site link; and
- associated basement car parking, including the potential for a public car park for 200

vehicles.

It is not considered appropriate to issue Council with delegations to progress this planning proposal.

Adequacy Assessment

Statement of the objectives - s55(2)(a)

Is a statement of the objectives provided? Yes

Comment :

The objectives and intended outcomes of the proposal are stated as follows:

- provide a non-residential component: The future development will incorporate a mixed use component including a potential basement supermarket and ground level retail surrounding an outdoor courtyard/Plaza. The proposed mix of uses will create maximum activation of the future Plaza and street frontages.
- provide a residential component: The future development will incorporate two residential elements (known as 'the tower' and the 'plaza building') above the mixed-use component, with heights of up to 144 metres (44 storeys above ground level) and 95 metres (20 storeys above ground level) respectively. The buildings have been orientated north-south to maximise residential amenity, and are described in the planning proposal as being of a height which appropriately defines the future heart of the St Leonards town centre and railway station. The slender tower forms are intended to minimise view loss from the neighbouring Forum, as well as reducing overshadowing impacts. [It should be noted that the Council report views this planning proposal as completing the set of three sites clustered around Council's plazas (being the Leighton/Charter Hall proposal; the Marshall Avenue proposal; and this current proposal) targeted by Council for mixed use with height and/or floor space ratio incentives to produce an integrated and revitalised precinct on the southern side of St Leonards].
- contribute to the delivery of the Plaza: provide a monetary contribution as part of a voluntary planning agreement to facilitate the delivery of Council's future Plaza and associated works;
- provide a strong relationship with the Plaza: the development will integrate with the Plaza at ground level and provide a 4 metre wide façade articulation zone over the site's western (Lithgow Street) boundary. This articulation zone will only be utilised if the public benefit incentive relating to the provision of a façade of international architectural quality is adopted. If included, the zone will enable the provision of an active, dynamic façade at the interface with the Plaza.
- provide incentives for the delivery of public benefits: the development will be eligible to achieve a floor space ratio bonus of up to 4.6:1, subject to the delivery of a range of additional public benefits, namely:
 - amalgamation of sites along the Pacific Highway to accommodate a commercial building (noting that the additional floor space ratio is to be applied proportionally based on the area of Pacific Highway sites that forms part of the development); and/or
 - provision of a 200 space public car park; and/or
 - provision of a development that achieves an international standard of architecture at the eastern interface with the future Plaza.

Explanation of provisions provided - s55(2)(b)

Is an explanation of provisions provided? Yes

Comment :

- The planning proposal seeks to amend Lane Cove Local Environmental Plan 2009 to facilitate the proposed mixed use development, as well as to enable increased heights and the potential for additional floor space ratio subject to the delivery of significant public benefits on the site. It is proposed to:
- amend the zoning map to rezone the site (and the part of Lithgow Street which lies adjacent to the site) from B3 Commercial Core to B4 Mixed Use;
 - amend the Height of Buildings map to increase the maximum building height from 65 metres to 144 metres (RL 224);
 - retain the current maximum floor space ratio control, and include a new site specific incentive clause under Part 6 of the Lane Cove LEP 2009, to enable up to an additional

floor space ratio of 4.6:1 on the site, subject to realising a number of public benefits. (This clause would include a provision to enable basement parking that is ancillary to residential development to be provided beneath Christie Lane and/or the Pacific Highway sites, which will retain their B3 Commercial Core zoning).

Justification - s55 (2)(c)

a) Has Council's strategy been agreed to by the Director General? **No**

b) S.117 directions identified by RPA :

* May need the Director General's agreement

1.1 Business and Industrial Zones

3.1 Residential Zones

3.4 Integrating Land Use and Transport

4.1 Acid Sulfate Soils

6.1 Approval and Referral Requirements

6.2 Reserving Land for Public Purposes

6.3 Site Specific Provisions

7.1 Implementation of A Plan for Growing Sydney

Is the Director General's agreement required? **Yes**

c) Consistent with Standard Instrument (LEPs) Order 2006 : **Yes**

d) Which SEPPs have the RPA identified?

SEPP No 4—Development Without Consent and Miscellaneous Exempt and Complying Development

SEPP No 32—Urban Consolidation (Redevelopment of Urban Land)

SEPP No 65—Design Quality of Residential Flat Development

SEPP (Building Sustainability Index: BASIX) 2004

SEPP (Exempt and Complying Development Codes) 2008

SEPP (Infrastructure) 2007

SREP (Sydney Harbour Catchment) 2005

e) List any other matters that need to be considered :

Direction 1.1 Business and Industrial Zones

The objectives of this direction are to:

(a) encourage employment growth in suitable locations,

(b) protect employment land in business and industrial zones, and

(c) support the viability of identified strategic centres.

The proposal is inconsistent with this Direction as it seeks to amend the zoning from B3 Commercial Core to B4 Mixed Use and therefore does not encourage employment growth. The proposal will result in a reduced employment floor space within the Commercial Core of a Strategic Centre for health and business employment within the Global Economic Corridor.

It is noted that an independent Economic Impact Assessment (EIA) has not been undertaken for this proposal, with the planning proposal stating its reliance upon the assessment undertaken as part of the Leighton/Charter Hall planning proposal. (This included an assessment prepared by Urbis for the proponent, and an independent peer review undertaken by Hill PDA for Lane Cove Council). The planning proposal surmises the findings of the previous assessments are applicable to the whole of the St Leonards Centre, and can be transferred to the subject site. This approach is not supported as Council clearly stated in it's report accompanying the Charter Hall/Leighton proposal that the Charter Hall/Leighton planning proposal was a 'pilot scheme'.

It is considered the inconsistency with Direction 1.1 Business and Industrial Zones is not justified.

Direction 3.1 Residential Zones

The proposal is considered consistent with this Direction as it:

- encourages a variety and choice of housing types to provide for existing and future housing needs;

- makes efficient use of existing infrastructure and services; and

- makes efficient use of land in an existing centre that has previously been developed.

Direction 3.4 Integrating Land Use and Transport

The proposal is considered consistent with this Direction as it:

- is located in a centre close to jobs and public transport links;
- will encourage other forms of transport (eg walking and cycling); and
- reduce car travel demand due to its proximity to jobs in St Leonards, North Sydney and the Sydney CBD.

Direction 7.1 Implementation of A Plan for Growing Sydney

The proposal is partially inconsistent with this Direction.

The planning proposal states that the proposal is consistent with A Plan for Growing Sydney as it provides for:

- future growth within a strategic centre;
- increased housing close to centres and stations;
- increased housing variety;
- housing in an existing centre, delivering economic, environmental and social benefits; and
- a range of services within a strategic centre, making it a focal point for the community and increasing prospects for economic growth and job creation.

The planning proposal is inconsistent with a key objective of A Plan for Growing Sydney as it does not support the retention of the St Leonards commercial core area for long term employment growth.

The proposal is consistent with some aspects of A Plan for Growing Sydney as it focuses activity in a centre that is accessible and within a short walking distance of existing public transport and various major bus routes. It offers the opportunity for additional mixed-use development including offices, retail, services and housing. It also offers the opportunity to unlock developable land by consolidating fragmented sites for redevelopment.

The Department considers the inconsistency with Direction 7.1 Implementation of A Plan for Growing Sydney is not justified as the planning proposal:

- further breaks up the commercial core (zoned B3) that is predominantly used as an office precinct;
- limits the opportunity to locate office space adjacent to a train station or major anchor (such as a university, hospital, law courts); and
- does not retain capacity for new office space beyond the needs of the current business cycle.

Have inconsistencies with items a), b) and d) being adequately justified? **No**

If No, explain :

Mapping Provided - s55(2)(d)

Is mapping provided? **Yes**

Comment : **Draft maps have been provided with the planning proposal.**

Some of the proposed planning controls described in the planning proposal document differ to those shown on the Height of Building and Floor Space Ratio maps.

Should a Gateway determination allowing public exhibition of the planning proposal be issued, it should contain a condition that requires the mapping to be updated to meet technical mapping standards.

Community consultation - s55(2)(e)

Has community consultation been proposed? **Yes**

Comment : **Council has proposed a 6 week exhibition period, should the planning proposal**

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received a Gateway determination to proceed to exhibition. The Department recommends an exhibition period of 28 days is sufficient.

A condition requiring exhibition of a site specific development control plan and voluntary planning agreement is recommended to accompany the planning proposal.

Additional Director General's requirements

Are there any additional Director General's requirements? **No**

If Yes, reasons :

Overall adequacy of the proposal

Does the proposal meet the adequacy criteria? **No**

If No, comment :

The planning proposal has not been presented as a consolidated report. Rather it comprises the original proposal plus a number of substantial changes in line with Council's resolution.

The various documents relating to the planning proposal appear to contradict each other in terms of the maximum height (Council's letter differs from JBA planning proposal document, which differs from Council's resolution), and maximum floor space ratio (aside from bonus provisions).

It is recommended that if a Gateway determination allowing public exhibition is issued it include a condition requiring the planning proposal be consolidated prior to public exhibition.

Proposal Assessment

Principal LEP:

Due Date :

Comments in relation to Principal LEP :

Lane Cove LEP 2009 (LCLEP 2009) was notified on 19 February 2010.

Assessment Criteria

Need for planning proposal :

There is a current development approval to construct an 18 storey commercial building at 88 Christie Street. The owners have stated that due to a lack of demand for A-Grade commercial floor space within St Leonards, they have been unable to attract a major tenant to pre-commit to lease the building. This has resulted in the need for the current proposal, and it is understood the owners intend to enter into a voluntary planning agreement with Lane Cove Council to contribute to the delivery of the future St Leonards Plaza and associated works.

The planning proposal document describes a 'base scheme' reflecting the scale of the nearby recent Leighton / Charter Hall planning proposal, as well as 'public benefit incentive scheme' which describes the maximum development potential if the development achieves all of the public benefit floor space ratio incentives.

Consistency with strategic planning framework :

A PLAN FOR GROWING SYDNEY

A Plan for Growing Sydney classifies St Leonards as a 'Strategic Centre' within Sydney's 'Global Economic Corridor'.

Under the s.117 Ministerial Direction 7.1 all planning proposals in the Sydney metropolitan area are required to be assessed for consistency with A Plan for Growing Sydney (the Plan). Where a planning proposal relates to a centre identified as a strategic centre in the Plan the emphasis is to support employment growth.

The planning proposal seeks to rezone the site from B3 Commercial Core to B4 Mixed Use and is inconsistent with A Plan for Growing Sydney in that it does not support employment growth. The specifics under A Plan for Growing Sydney are found in Planning Principle 2, being 'stronger economic development in strategic centres and transport gateways'; Direction 1.7, being 'Grow strategic centres - providing more jobs closer to home'; and the St Leonards priority, being to 'work with council(s) to retain a commercial core in St Leonards for long-term employment growth'.

It is noted that an independent Economic Impact Assessment (EIA) has not been undertaken for this proposal, with the planning proposal stating its reliance upon the assessment undertaken as part of the recently notified nearby Leighton/Charter Hall planning proposal. A Plan for Growing Sydney was released on 14 December 2014, after the Leighton/Charter Hall proposal was submitted and prior to the submission of the current planning proposal to the Department.

THE ST LEONARDS PLAZA

Council's 2006 St Leonards Strategy included a proposed Plaza over the North Shore rail line, to create an attractive destination and improve pedestrian connectivity within the centre. The Plaza is also envisaged to incorporate a bus interchange and pedestrian link to St Leonards station. It is understood Lane Cove Council has been looking to advance its plans for the Plaza as part of its vision to create an identifiable 'sense of place' in St Leonards. (Note: the approved development application for the St Leonards Commerce Centre was designed to respond to the existing levels of Lithgow Street, which would not align with the levels of the proposed Plaza).

DRAFT VOLUNTARY PLANNING AGREEMENT

Council has requested a draft voluntary planning agreement to be entered into with Council to provide a monetary contribution towards St Leonards Plaza and associated works and a site-specific development control plan be drafted for exhibition with the planning proposal. The Department does not support a requirement, explicit or implicit, for a developer to enter into a voluntary planning agreement for a material public benefit with Council in exchange for bonus.

JBA PROPOSED CLAUSE

JBA proposed a site specific clause on page 23 of the planning proposal. Council has requested Department assistance to strengthen the clause in order that a minimum non-residential floor space ratio may apply to the site. Should the planning proposal proceed, the proposed draft clause would require amendment with an acceptable level of commercial floor space being protected. Ideally, all of the existing non-residential floor space (i.e 14:1) would be retained in a mixed use development.

Council has also requested the use of RLs rather than metres. It is likely the Department would support this request, given the use of RLs for neighbouring site controls.

Environmental social economic impacts :

URBAN DESIGN AND BUILT FORM

Plaza Building

The planning proposal details two scenarios, reflecting building mass under the 'base scheme' and the 'public benefit incentive scheme'. Under the base scheme, the Plaza Building would have a massing height of 20 storeys, consisting of 17 residential floors above a 3 storey mixed use podium. This height is consistent with the current 65 metre height limit applying to the site.

Under the public benefit incentive scheme, the height could be raised to 27 storeys (approximately 95 metres). The planning proposal cites the scale of the recently submitted planning proposal for 1-13A Marshall Avenue as a height reference - which proposes a height increase to 94 metres. The Marshall Avenue planning proposal is currently under consideration by the Department, to determine whether a Gateway determination should be issued.

In addition, there is potential to include a 4 metre wide 'façade articulation zone', to enable the building to provide visual interest and activation on the façade facing the new St Leonards Plaza. This would be included if the public benefit incentive for the international architectural standard is taken up.

It is understood Council resolved not to proceed with the 'design excellence' bonus scheme, which would result in an additional 1:1 floor space ratio, thus the maximum floor space ratio sought is 17.6:1 (a reduction from that described in Council's report of 18.6:1). It is also understood that Council resolved that the height of the proposed higher tower should be reduced proportionally to the proposed floor space ratio loss of 1:1, however the letter from Council requests the maximum height remain as mapped at RL 224 (this follows a letter from the architect Bates Smart indicating the reduction would result in 'only one level').

Tower Building

The tower building would be set back over 37 metres from the Plaza interface, to the east of the proposed plaza building. Locating the taller tower building further from the Plaza allows the smaller plaza building to maintain a more human scale to the Plaza, and groups the tower building closer to the tower forms nearby at 472-520 Pacific Highway, St Leonards.

The base scheme results in a height of 37 storeys. The public benefit incentive scheme results in a height of 44 storeys above street level and a rooftop RL of 224m AHD. In addition, the tower massing is proposed to be articulated through the introduction of a 3.75 metre vertical slot, to create two slender volumes, rounded corners, and a 3 storey articulation zone at the top of the tower. There is also a 4 metre setback to the site's eastern boundary, to further emphasise the slender tower form.

Department response - considering the form and heights from an urban design perspective, the public benefit incentive scheme appears to better respond to the existing and approved building heights of the surrounding area, whilst providing a more human scale to interact with the future Plaza. The 4 metre wide 'façade articulation zone' could further enhance the relationship of the façade to the public Plaza, however this is a matter for Council to decide. Overall, the proposed planning controls should reflect the maximum potential for development on the site. Any parallel mechanisms (such as a voluntary planning agreement) to enable public benefit are a separate matter between Council and the proponent.

View Sharing

The form of taller, slender towers allows for increased opportunity of view sharing, when compared to alternative forms of development (such as the form and scale of the approved commercial building).

Overshadowing

The planning proposal states that between 9am and 11am, the proposed development casts additional shadow on the existing low density residential precinct to the south-west of the site, however the slender tower form results in this effect being fast moving, and passes by 11am. Between 11am and 12:30pm, the majority of shadows cast fall on the railway line. In the afternoon period, the shadows predominantly fall on the commercial buildings in the precinct.

The Council report identifies the lack of analysis of overshadowing on the residential flat

buildings "Northmark" and "Shoremark", and comments on the poor legibility of the shadow diagrams. It recommends clearer diagrams be required prior to exhibition, with an accompanying analysis of the shadow impacts on these properties. The Department supports this view.

TRAFFIC, ACCESS AND CAR PARKING

The proposed development is located approximately 200 metres south of St Leonards Railway Station, which is located on the North Shore Line. The site is in close proximity to a number of bus services which travel to the Sydney CBD, greater North Shore, Northern Beaches and Western Suburbs.

Within the existing development on the site, basement car parking is located below each building, resulting in 124 car parking spaces and 7 separate vehicle access points across the five sites.

The planning proposal states that vehicular access will be via the new laneway for vehicular traffic through the sites at 71-73 Lithgow Street and 85 Christie Street.

A Transport Report has been prepared by Colston Budd Hunt & Kafes Pty Ltd to assess the traffic impacts of the indicative base scheme. The assessment is focused on the base scheme as the extent of additional floor space ratio (if any) is not yet known. The planning proposal states that further analysis will be undertaken if the bonus provisions are adopted as part of a future development application.

It is understood Council is currently undertaking a traffic micro-simulation model for the area, as part of the St Leonards South Strategy which covers the precinct to the west of the site.

Council had previously stated their willingness to work in collaboration with Transport for NSW, Roads and Maritime Services and planning proposal proponents to ensure any transport and traffic studies are thorough and meaningful. A transport and traffic study should be undertaken to determine the future cumulative traffic impacts on known development proposals and approved developments on the surrounding road network.

SOCIAL IMPACTS

The planning proposal states significant public benefit will be delivered through the provision of a voluntary planning agreement for the delivery of the St Leonards Plaza, which will result in a new public space that substantially improves the amenity and identity of St Leonards.

The future development has the potential (through public benefit incentives) to provide public domain improvements to enhance pedestrian connectivity and activation; a full-line supermarket; a public carpark (dedicated to Council) with the capacity for 200 vehicles; activation and revitalisation of the Pacific Highway sites (known as Site B), should some or all of the sites be consolidated and redeveloped for commercial purposes; and high density residential immediately adjacent to heavy rail infrastructure.

ECONOMIC IMPACTS

The planning proposal will deliver a minimum 8045 m² of non-residential floor space (2.52:1). This is significantly less than the existing allowable FSR in the commercial zone of 14:1.

It is noted that an independent Economic Impact Assessment (EIA) has not been undertaken for this proposal, with the planning proposal stating its reliance upon the assessment undertaken as part of the Leighton/Charter Hall planning proposal. (This included an assessment prepared by Urbis and an independent peer review engaged by Lane Cove Council which was undertaken by Hill PDA). The planning proposal surmises the findings of the previous assessments are applicable to the whole of the St Leonards Centre, and can be transferred to the subject site.

It should be noted the Hill PDA report (prepared for Lane Cove Council) did not support the findings of the Urbis report (prepared for the proponent of the Leighton/Charter Hall proposal). Hill PDA noted that despite recent fluctuations, office vacancy rates for St Leonards were forecast to fall. Hill PDA stated "... should the planning proposal proceed, it could set a strong precedent for other commercial sites in the core to be redeveloped as predominately residential mixed use..".

The planning proposal discusses the limited demand for commercial office space in the St Leonards precinct, with low absorption rates and high vacancy rates. It cites competing commercial centres as providing more affordable rents (such as Macquarie Park and North Ryde), or better located office stock (such as North Sydney and Sydney CBD).

It is acknowledged that the St Leonards/Crows Nest office market may have experienced relatively high vacancy rates and weak demand for commercial office floor space over the past decade compared to other commercial centres. This is a result of strong competition from locations such as Macquarie Park and Norwest Business Parks which offer larger campus style floor plates, lower build costs and greater car parking provision. This competition is not forecast to abate in the short to medium term as there is still sufficient capacity in Macquarie Park/Ryde to accommodate commercial demand.

Whilst there is an argument to consider a mixed use development rather than solely commercial at this location (to activate this area adjacent to the future Plaza), it is considered commercial floorspace capacity should be retained on site. The proposal includes the provision of a quantity of high quality commercial floor space as part of a mixed-use development. It is noted that should the Pacific Highway sites (Site B) be amalgamated and developed for commercial purposes in accordance with the public benefit incentive scheme, there is the potential to provide an additional 17,000 m2 of commercial floor space in the centre that would not otherwise be likely to be delivered due to Pacific Highway sites' fragmented ownership.

There are very few sites with a similar level of development potential (to the subject sites) that are as close to St Leonards railway station. The Hill PDA report (prepared for Lane Cove Council) suggests demand for office space in St Leonards is increasing. The subject sites are amongst those with the best development potential (given location and combined size) for new office space in St Leonards.

Sydney has a spill-over office market – that is, businesses which can't locate in the Sydney CBD look for office space in other centres. There is a limited supply of commercial space in Sydney CBD and limited opportunities to create new supply. For strategic centres, supply of commercial office space will become more important as supply in the CBD tightens. This means that the sites in strategic centres best suited to commercial office space should still be available in 10-15 years, when current projections suggest supply in Sydney CBD will be limited.

CONTAMINATION

The planning proposal indicates a Phase 1 Environmental Site Assessment (ESA) was undertaken as part of the earlier development application and concept plan for the site, to determine the potential risk for land contamination from past and current activities.

The ESA conclude that there is a potential contamination risk on the site due to the dry cleaners, hazardous building material, and potential groundwater contamination issues associated with adjacent land uses, specifically the Royal North Shore Hospital, the Gore Hill Cemetery and the potential for imported fill.

The ESA recommends a Phase 2 ESA be undertaken as part of the DA stage, in order to confirm levels of site contamination.

A copy of the Phase 1 Environmental Site Assessment was not included in the package, however as this related to the development application for commercial development, it appears this would not have addressed the proposed residential use. It is recommended

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that a condition requires a contamination report be undertaken to demonstrate that the proposed use is able to be developed on the site, in accordance with SEPP55. This report should be placed on exhibition with the planning proposal.

Assessment Process

Proposal type : **Routine** Community Consultation Period : **28 Days**

Timeframe to make LEP : **12 months** Delegation : **DDG**

Public Authority Consultation - 56(2) (d) :

Is Public Hearing by the PAC required? **No**

(2)(a) Should the matter proceed ? **No**

If no, provide reasons :

Resubmission - s56(2)(b) : **No**

If Yes, reasons :

Identify any additional studies, if required. :

If Other, provide reasons :

Identify any internal consultations, if required :

No internal consultation required

Is the provision and funding of state infrastructure relevant to this plan? **No**

If Yes, reasons :

Documents

Document File Name	DocumentType Name	Is Public
Appendix A _Concept Design Report _Bates Smart (updated 23 2 15).pdf	Study	No
Appendix B_Proposed Amendments to LEP Maps _Bates Smart _December 2014.pdf	Map	No
Appendix C _Transport Report _Colston Budd Hunt & Kafes.pdf	Study	No
Bates Smart letter_re height_7 May 2015.pdf	Proposal	No
Council Report for Meeting 20 April 2015.pdf	Proposal	No
Minutes _Council Meeting of 20 April 2015.pdf	Proposal	No
Planning Proposal _JBA _Winten - Christie Lithgow Sts, St Leonards.pdf	Proposal	No
Request to Gateway for Planning Proposal 20 sent 11 May 2015.pdf	Proposal Covering Letter	No

Planning Team Recommendation

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Preparation of the planning proposal supported at this stage : **Not Recommended**

S.117 directions: **1.1 Business and Industrial Zones**
 3.1 Residential Zones
 3.4 Integrating Land Use and Transport
 4.1 Acid Sulfate Soils
 6.1 Approval and Referral Requirements
 6.2 Reserving Land for Public Purposes
 6.3 Site Specific Provisions
 7.1 Implementation of A Plan for Growing Sydney

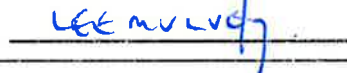
Additional Information : **It is recommended that the planning proposal not proceed for the following reasons:**
 - the planning proposal is inconsistent with section 117 Direction 7.1 A Plan for Growing Sydney and does not adequately justify the inconsistency;
 - this is a key site for commercial redevelopment and the loss of approximately 18,000 m2 of approved commercial floor space is not supported without broader strategic planning being undertaken;
 - the planning proposal rezones the site from B3 Commercial Core to B4 Mixed Use zone and is therefore inconsistent with S117 Direction 1.1 Business and Industrial zones. This inconsistency has not been adequately justified;
 - employment precincts should be retained to meet the needs of the future residential population. For example, the draft St Leonards South Masterplan envisages an increase in residential density, which will need employment lands to meet future needs; and
 - the planning proposal does not ensure an acceptable minimum amount of commercial floor space is retained on the site.

Supporting Reasons : **In addition, the Department has identified the following issues with the planning proposal:**
 - the requirement, explicit or implicit, for a developer to enter into a voluntary planning agreement for a material public benefit with Council in exchange for bonus is not supported;
 - it is recommended that Council be requested to undertake a strategic traffic modelling exercise for this and other proposals in St Leonards, including the St Leonards South Draft Master Plan, to address the cumulative impact of development on the locality and suggest possible mitigation measures;
 - the proposed incentive scheme is unclear and creates uncertainty in the planning controls for the broader community;
 - there is an over-reliance on previous planning proposals which highlights the need for a strategic approach to future proposed development in St Leonards.

Signature:



Printed Name:



Date:



