

Planning Proposal

524-542 Pacific Highway, St Leonards
Amendment to Lane Cove LEP 2009

Submitted to Lane Cove Council
On behalf of Grocon

24 September 2019 | 15254



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C	Economic Impact Assessment <i>Urbis</i>
D	Preliminary Site Investigation <i>El Australia</i>
E	Transport Assessment <i>GTA Consultants</i>
F	Draft St Leonards and Crows Nest 2036 Plan <i>Department of Planning & Environment</i>
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1.0 Introduction

This report has been prepared by Ethos Urban in support of a planning proposal to amend Lane Cove Local Environmental Plan 2009 (LCLEP 2009). This report has been prepared on behalf of Grocon in relation to the Telstra Exchange site at 524-542 Pacific Highway, St Leonards.

The objective of this planning proposal is to amend LCLEP 2009 to:

- rezone the site from B3 Commercial Core to B4 Mixed Use;
- increase the total FSR from 17.1:1 to 23.2:1 (including a minimum of 4:1 non-residential floor space); and
- increase the maximum building height from 72m to 195m (RL 277 AHD).

The site has been identified as a 'significant site' in the draft St Leonards and Crows Nest 2036 Plan (draft 2036 Plan), acknowledging its importance in the precinct and its potential for increased height. Consistent with the Plan, the vision for the site is to create an aspirational mixed-use building that compliments the future character of St Leonards as a Strategic Centre and a hub for Transit Oriented Development. Importantly, the draft 2036 Plan identifies the site for a B4 Mixed Use zone.

The scheme is described in detail in **Section 4.0** and is illustrated in the Concept Design Report prepared by PTW Architects, which is provided at **Appendix A**. The intended outcomes and explanation of the proposed provisions are outlined in **Section 5.0**.

Section 6.0 of this report sets out the strategic justification for the planning proposal and provides an assessment of the relevant strategic plans, state environmental planning policies, ministerial directions and the environmental, social and economic impacts of the proposed amendment. This report should be read in conjunction with the relevant expert consultant reports appended (see Table of Contents).

This planning proposal has been prepared in accordance with Section 3.33 of the *Environmental Planning & Assessment Act 1979* (EP&A Act), and '*A Guide to Preparing Planning Proposals*' prepared by the NSW Department of Planning and Environment.



Figure 1 Render of the site and St Leonards in future context

Source: Binyan

2.0 Background

2.1 The Telstra Exchange: A unique site

The amalgamated site containing the Telstra Telephone Exchange building ('the Exchange') is a significant opportunity for renewal, due to its size and position at a prominent corner location within an identified rapidly rejuvenating mixed-use Strategic Centre: St Leonards.

The perceived redevelopment opportunities are severely hampered by the significant technical constraints associated with redeveloping the Telstra Exchange. This is perhaps the main reason as to why the site has remained undeveloped and is now the missing component in a renewal corridor along the Pacific Highway in St Leonards. A site plan is provided in **Figure 2**.



Figure 2 The Telstra Exchange site

Source: Nearmap

The key to unlocking the site's potential lies in Grocon's unique working relationship with Telstra. Over the last four years, Grocon has been given the mandate to assess the development potential of all of Telstra's Telephone Exchange sites across NSW.

Telstra Exchange buildings are considered to be critical infrastructure in NSW and form a key part of Telstra's network across the state. As such, Exchange buildings are often unable to be removed or relocated without causing significant disruption to the network, presenting a significant constraint to their potential for redevelopment (see **Section 3.5** for a more detailed discussion of the constraints associated with the Telstra Exchange).

Grocon's track record in unlocking value and providing world-class engineering solutions at complex sites across Australia is unmatched. Grocon has significant specialised construction experience in dealing with technical issues at the highest levels of complexity. The key challenge for Grocon here is to ensure that Telstra can maintain uninterrupted service operation whilst overcoming all other site and construction constraints.

Grocon's core values of Safety, Sustainability, Innovation and Community have been aligned with Telstra's own corporate mandate, making them ideal partners for taking on projects of such significance and complexity.

2.2 The changing nature of St Leonards

This planning proposal has been prepared in the context of significant strategic planning change and an evolving development landscape, both within and around the St Leonards Centre. Over the past few years, a number of planning proposals have been progressed in St Leonards. At the same time, the Department of Planning & Environment (DP&E) has been progressing strategic investigations into the rezoning of the St Leonards and Crows Nest precincts.

With the release of the Draft St Leonards and Crows Nest 2036 Plan in October 2018, Gateway approval for multiple planning proposals, and the commencement of construction of several major developments, St Leonards has clearly reached a turning point, and is well on its way to becoming a vibrant, high-density mixed-use precinct. **Figure 5** shows nine current projects in the St Leonards precinct that have either already gained planning approved from DP&E, or are in the process of gaining approval.

2.2.1 St Leonards and Crows Nest 2036 Plan

The increased densities in the St Leonards precinct are consistent with the strategic planning framework of the Strategic Centre and the enhanced accessibility provided by the Sydney Metro heavy rail project. This \$11bn State Government investment will see a new rapid transit station built in Crows Nest, located within 350 m of the site, providing automated, fast and frequent transport to the CBD (via a second Harbour crossing) as well as key employment destinations at North Sydney CBD and Macquarie Park.

The significance of St Leonards has been recognised by the NSW Department of Planning & Environment, who have been undertaking investigations into the future land use of the St Leonards precinct for the several years. This process has culminated in the release of the Draft St Leonards and Crows Nest 2036 Plan (2036 Plan), which sets out both a vision and a strategic framework to guide a future council-led rezoning of the area.

The 2036 Plan presents a vision for the high-rise future of St Leonards and Crows Nest. Leveraging government investment in the new metro station at Crows Nest, the Plan envisages towers along the Pacific Highway between St Leonards Station and Crows Nest Station, with heights tapering down to surrounding areas. Coupled with this density strategy is a placemaking and landscape vision, which seeks to retain the most important components of the existing character, while creating new and expanded open spaces to support population growth.

An extract from the 2036 Plan that shows the future vision for St Leonards and Crows Nest is shown in **Figure 3**.

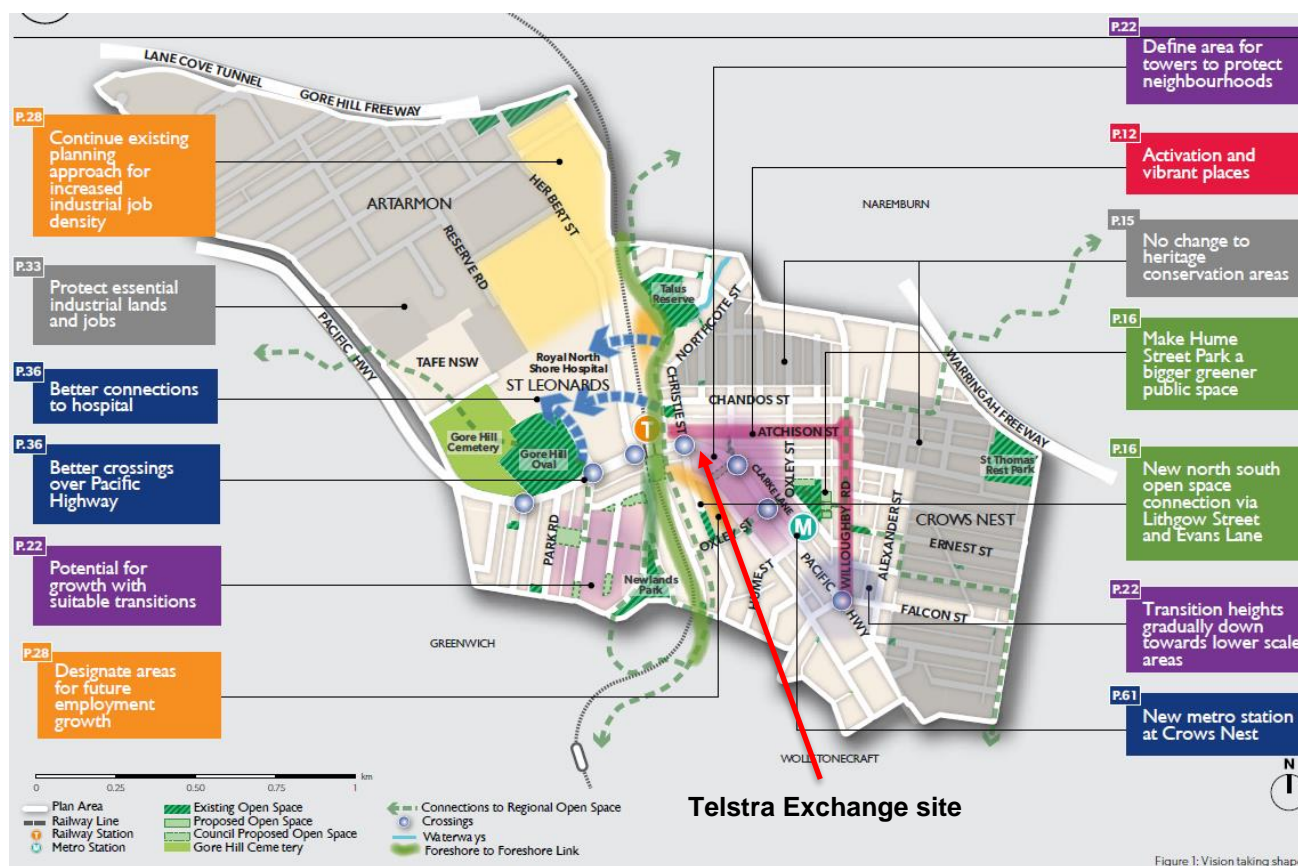


Figure 3 Vision for St Leonards and Crows Nest

Source: Department of Planning & Environment

The 2036 Plan acknowledges that specific sites may be appropriate for taller buildings, subject to a rigorous design excellence process. These sites are designated in the Plan as 'significant sites'. The site the subject of this planning proposal is one such 'significant site'. Significant sites are shown in **Figure 4**.

In addition, the Plan identifies the subject site for a B4 Mixed Use zone, as is proposed in this Planning Proposal.

The Draft Plan recognises that any revised development controls for these sites would be established through a Council-led planning proposal and further community consultation. This Planning Proposal is the first stage of this process.



Figure 4 Significant sites in the St Leonards precinct

Source: Department of Planning & Environment

The 2036 Plan is expected to be finalised in 2019 by DP&E.

The Proponent has met several times with the Urban Renewal Team at the NSW Department of Planning and Environment ('DP&E') to discuss the proposed scheme. There was broad support from DP&E relating to the urban renewal process generally and acknowledgement of the need for innovative technical and planning solutions to facilitate redevelopment of the site.

2.2.2 Planning proposals

Over the past few years, a number of planning proposals have been put forward by various landowners in St Leonards. Several of these planning proposals have since been supported and are in the process of being finalised. The Precinct is clearly one under change, in line with the Strategic Directions set by the NSW Department of Planning, Infrastructure and Environment and the Greater Sydney Commission.

Key planning proposals in the vicinity of the subject site are shown in **Figure 5**, and are discussed further in the following section.

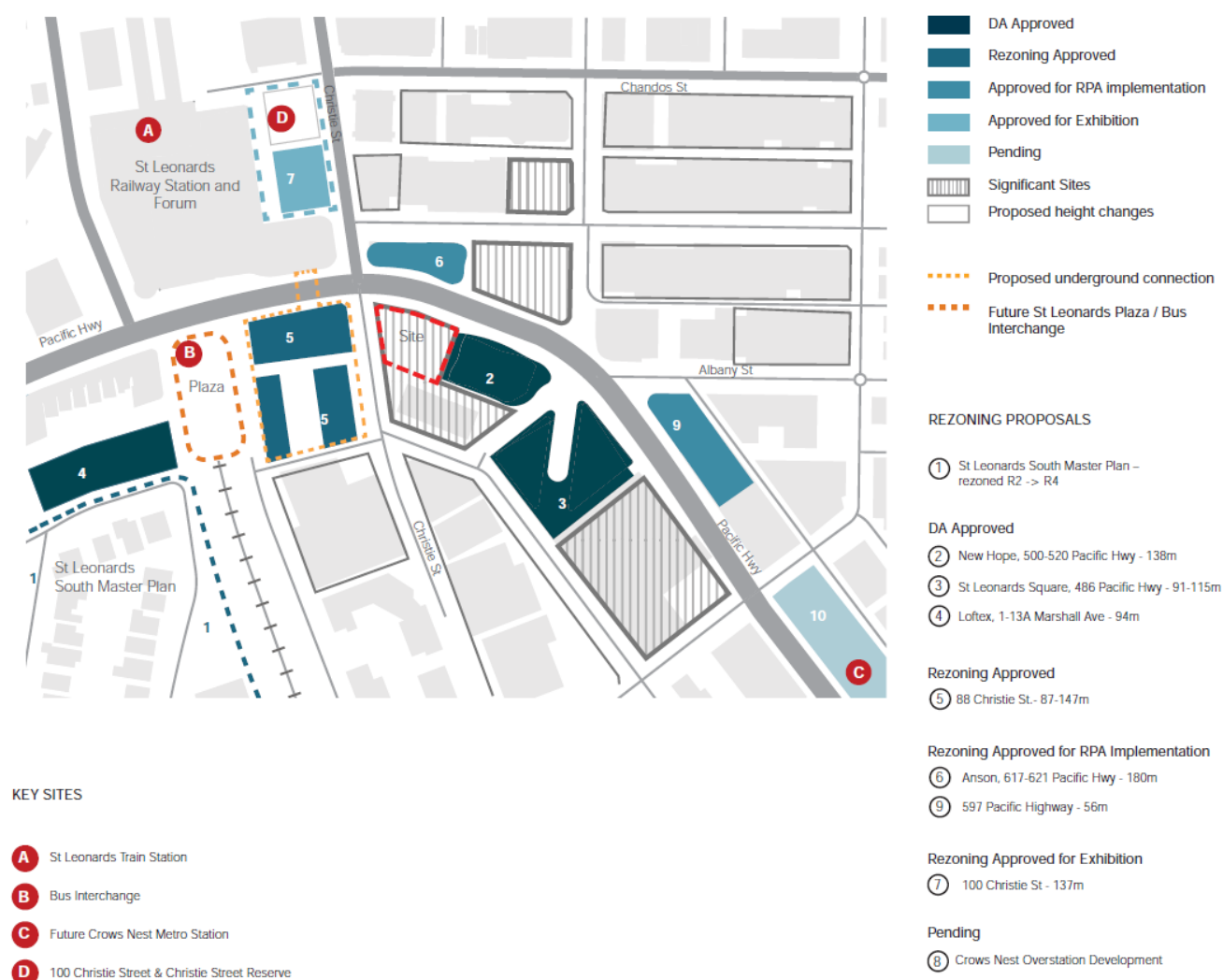


Figure 5 Recent and pending proposals in St Leonards

Source: PTW

As **Figure 5** shows, there are nine proposals in the precinct that are subject to rezoning. This highlights the rapidity and scale of change in the precinct, and the appropriateness of revisiting the scale and form of the Telstra Exchange.

2.2.3 The Lane Cove Council Pilot Rezoning Program

A number of recent rezonings in the Lane Cove controlled part of St Leonards have been referred to by Council as 'Pilot' Planning Proposals, as outlined in the Council Report for the Planning Proposal at 472-520 Pacific Highway, St Leonards which recommended that "Council submit the current planning proposal to the Gateway as a pilot scheme for mixed use zoning on the southern side of the centre". The report identified that the pilot scheme was conditional on "the proponents being required to provide very significant public benefit in terms of contributions towards:

- The St Leonards Rail Plaza;
- Commercial start-up space;
- Affordable housing; and/or
- Reduced building bulk.

Public benefits in line with these are being provided as part of this Planning Proposal.

The Council report accepts that "the amenity that would be created through the St Leonards Rail Plaza and Bus Interchange, to be partially funded through a VPA from this proposal, would make a significant contribution to the attractiveness of the remaining commercial precinct".

In the transcript of Council's meeting with the Independent Planning Commission on Thursday 23 May 2019, Council claimed that the Pilot Program was to "rejuvenate the public domain to then both encourage redevelopment, particularly of the commercial land, and also to deliver amenities". This Planning Proposal, as shown in Figure 5 above, will enable the renewal of a critical site within the Pilot Program precinct that will clearly meet the stated aims that Council outlined to the IPC.

Council then went on to say that a key driver was the renewal of Christie Lane which will again be met only with the redevelopment of the Telstra Interchange site, as shown in Figure 7.



Figure 6 the Lane Cove LGA Pilot Program in context of the Subject Site.

Source: PTW Architects

Council clearly acknowledge the importance of renewal of this part of St Leonards as well as the transformative role that rezoning will play in achieving this. To not support the rezoning of the subject site will result in a disconnected public domain, incongruous built form and a failed 'pilot program'. This is best illustrated in Figure 7.

A pilot program is an experimental trial that is designed to be rolled out at a larger scale. We ask that Council continue to its program in line with the Department of Planning's LUIP for the Centre.

2.3 Employment generation

The role of St Leonards as a Strategic Centre in the Eastern Economic Corridor is clearly recognised in the Greater Sydney Region Plan. Employment is a strong focus of the Region Plan, which aims to boost and co-locate employment-generating uses with transport and services.

In line with the Region Plan, and in order for the site to reach its designated aim of generating meaningful employment, any new zoning will need to encourage an otherwise undevelopable site to sustain a broader range of uses, including the provision of residential uses, necessary to underpin and sustain such employment. The commercial offering under a new B4 Mixed Use zone may ultimately be best suited to complementary health (and allied) uses, in line with both strategic planning objectives and commercial demand in the area.

It is important to note the technical and physical constraints at the Telstra Exchange site, including the need for the Telstra Exchange to operate uninterrupted as critical infrastructure. Any redevelopment of the site that provides additional commercial floor area over existing employment uses results in a net benefit in terms of employment land generation.

In terms of the employment generation proposed, this planning proposal proposes a significantly greater amount of employment-generating floor space than other proposals submitted to Lane Cove Council in the precinct. This planning proposal offers 18% of the total GFA (see **Table 1**) as employment generating floor space, equating to a commercial FSR of more than 4:1. This was noted as a benefit by DP&E, in a meeting with the proponent.

Table 1 provides a summary of the proposed development on the site compared with other major developments in St Leonards.

Table 1 Non-residential floor space in recent development

	Leighton	Charter Hall	Winten	Loftex	655 Pac Hwy	Telstra Site
Residential	46,110	30,195	62,822	24,944	25,590	31,759
Commercial	3,750	2,350	8,305	327	10,340	6,997
Total	49,860	32,545	71,127	25,271	35,930	38,756
Commercial Storeys	2-4	3	3	3	12	11
Commercial GFA %	7.52%	7.22%	11.68%	1.29%	28.78%	18.05%
LGA	Lane Cove	Lane Cove	Lane Cove	Lane Cove	North Sydney	Lane Cove

As currently configured, the site is unable to be developed for any additional gain in employment generation. This planning proposal will therefore facilitate a mix of residential and commercial uses that would not otherwise be able to be provided and will result in a net gain in the provision of commercial floor space at St Leonards.

2.4 The Telstra Exchange site – potential re-use

Despite Telstra identifying the St Leonards Exchange as ‘critical infrastructure’, the project team have analysed how the Telstra Exchange could be adapted to accommodate a range of uses that would contribute to the activity and character of the surrounding areas without major intervention to the building fabric. In the unlikely event Telstra no longer require the exchange, the redevelopment of the site would not prohibit the Telstra Exchange from being re-used and adapted in the future.

Any re-use of the Telstra Exchange could allow for the building facades to be opened up to allow access points and in turn improved amenity and connectivity between the Pacific Highway and Christie Lane frontages. As a significant increase to the ground level frontages to both Christie Lane and the Pacific Highway, it would be a welcome addition to the public domain of the immediate area and would contribute to the emerging activated laneway system already contained within the 88 Christie Street and adjacent New Hope development. The future activation of the Telstra Exchange would further accentuate the benefits that renewal of this site can provide to the new public domain and connections within this emerging precinct of the wider Strategic Centre. This is demonstrated in **Figure 7** below.

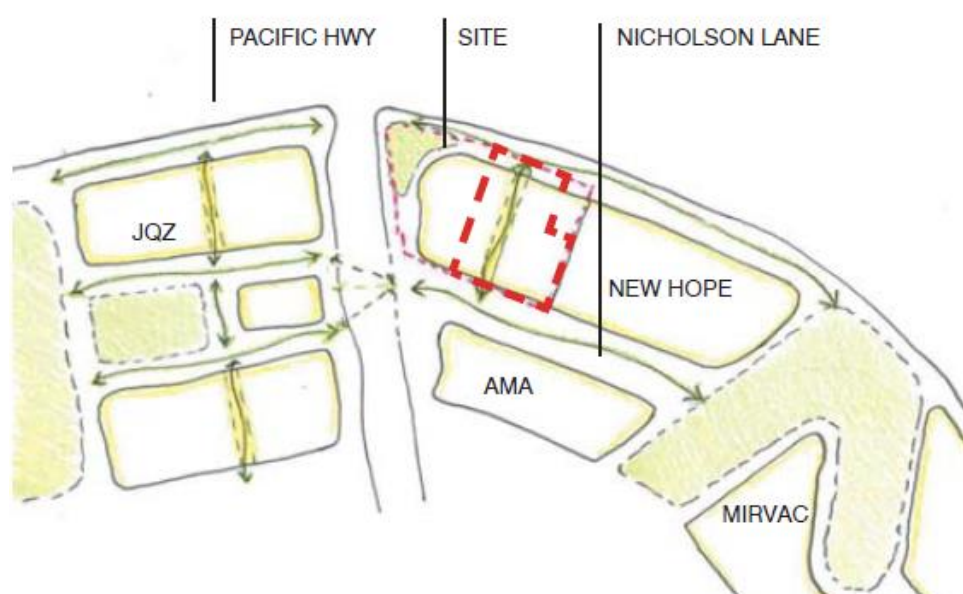


Figure 7 The Telstra Exchange site in context

Source: PTW Architects

The Telstra Exchange has great potential to accommodate a range of alternative uses that will benefit from the locality and activity of the surroundings. The building could remain self-contained using existing vertical servicing and with some modifications of the existing facade could allow spaces with daylight access. If split into individual tenancies, a possible refit could be provided as shown in **Figure 8**.

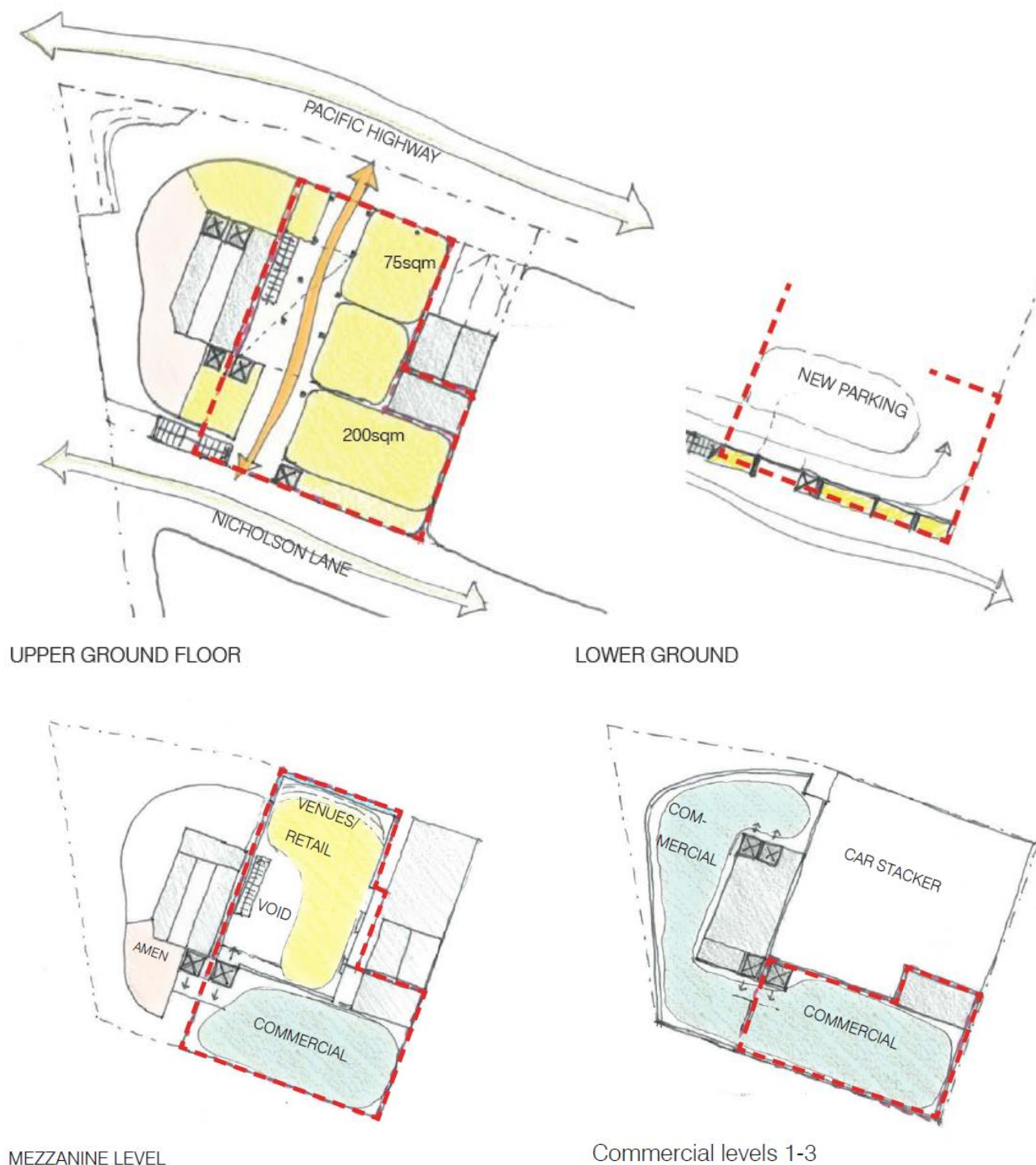


Figure 8 Telstra Exchange – possible tenancy split

Source: PTW Architects

The Telstra Exchange in its existing form obstructs the pedestrian flow and activation along Pacific Highway and Nicholson Lane. The reuse of the Telstra Exchange would open up fantastic opportunities to create a more permeable site inviting pedestrian movement through the building and enabling more retail engagement and activation.

A public link at street level through the former Telstra Exchange with retail, cafes and lobbies on either side would contribute to the complex public domain network of St Leonards centre. It also connects retail activity along Pacific Highway and Nicholson Lane. The change in level between the two streets can be addressed by stairs and a lift which can be incorporated in the south façade of the Telstra Exchange building. This is shown in **Figure 9** below.

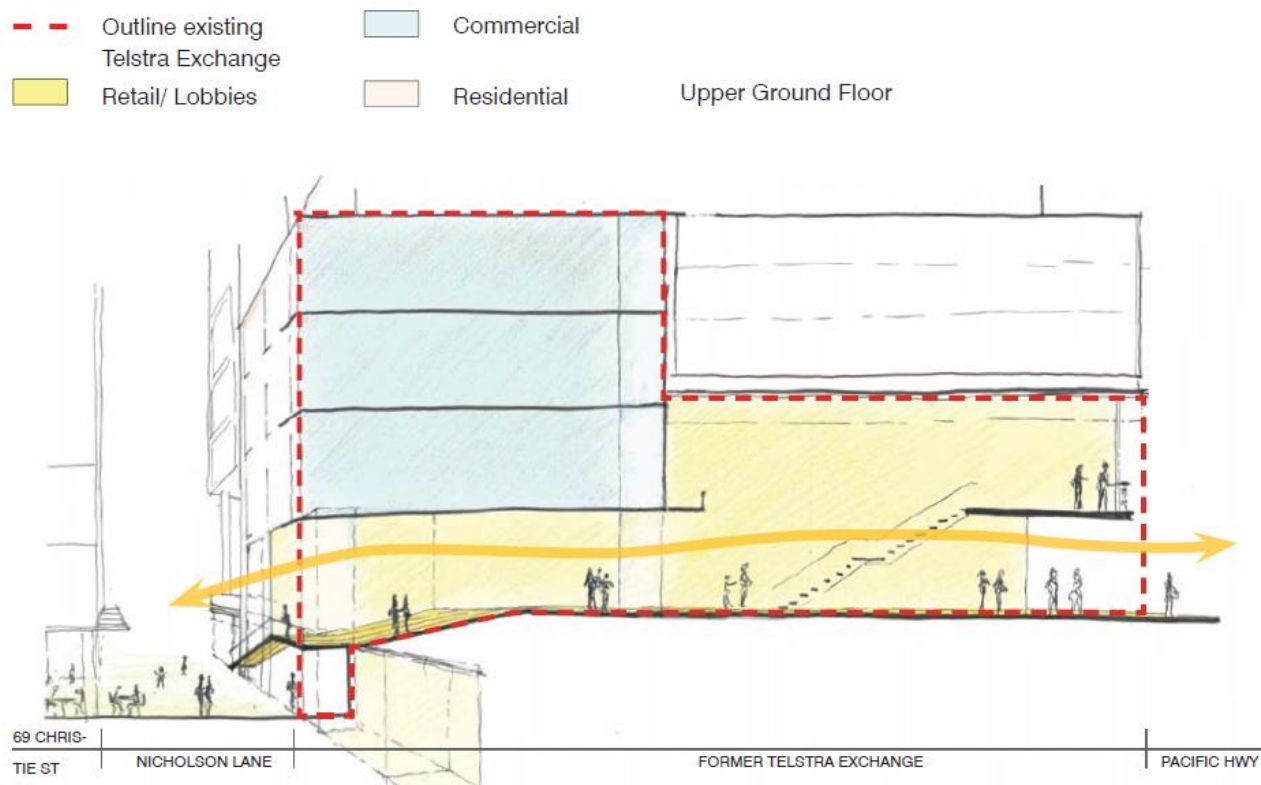


Figure 9 Section through Telstra Exchange Site

Source: PTW Architects

Original features such as shape, brick and roof structures could be maintained. This original urban fabric within an area dominated by new developments can significantly contribute to the street scape.

The pitched roof section of the Telstra Exchange building on the 1st floor could be used for retail uses or as an event space. A void to the public link on ground floor enables visual connections and a celebrated double height space. The glazed façade to Pacific Highway promotes openness, transparency and animation.

The space within the Telstra Exchange building with its potential access to daylight and link to the surrounding public domain would be well suited to a variety of commercial use. Uses such as:

- Small footprint retail uses
- Traditional/ flexible commercial floorplate
- Possible food/ beverage or cafe venues

All this would benefit from the character of the existing building and its surrounding activities.

2.5 Build-to-rent

This planning proposal seeks to provide a 'build-to-rent' product at the site, which under current legislation is defined simply as a residential flat building.

The build-to-rent model is a new addition to the Australian residential asset market. The build-to-rent model refers to residential buildings that are entirely available for rent but held (owned) in a single entity. This allows the building to be specifically designed to cater to long-term renters.

The build-to-rent market has historically faced numerous barriers in Australia; however, build-to-rent offers a number of advantages to residents when compared to a traditional strata-subdivided building. These include:

1. **The building can be purpose-built for renters:** Build-to-rent buildings offer significant residential facilities that would not normally be provided in a regular strata-subdivided building. These facilities provide amenity to residents and allow residents to see their dwelling as a long-term residential option, as opposed to the usual view that renting is simply a stepping stone to purchase of a dwelling.
2. **Holistic management of an entire building can create a better rental environment for tenants:** Build-to-rent allows rental management to be more in line with the needs of renters, facilitating long-term tenure and easing some of the restrictions usually associated with rental dwellings. For example, some UK build-to-rent operators offer longer leases, more lenient lease break rights, the freedom to redecorate their apartments, and free upgraded amenities.
3. **Build-to-rent encourages higher-quality residential product:** Given build-to-rent buildings are an investment asset class for institutional investors, there is an incentive to build a higher-quality product to begin with, and maintain and manage the product well in order to maintain a good income stream in the long term. This provides a better and more stable environment for renters.

Ultimately, the build-to-rent model facilitates a much better rental experience, consistency and length of tenure, and a higher-quality residential product. The model caters to a growing rental market, with many residents no longer choosing to purchase a property, and instead rent in the long-term or for their entire life.

The proposed building is intended to be a build-to-rent development, that will offer a high-quality residential environment to future tenants, as well as security of tenure and superior residential facilities. The build-to-rent model offers significant advantages to tenants and the community and is considered to be a significant public benefit in its own right.

2.6 Amended Planning Proposal

A Planning Proposal for the Telstra Exchange site was submitted to Lane Cove Council on 5 December 2019 to amend the site's planning controls under the LCLEP 2009. The proposal sought to rezone the site from B3 Commercial Core to B4 Mixed Use, increase the FSR 17:1 to 23.2:1 and increase the maximum building height from 72m to 195m.

While no formal feedback has been received to date, Lane Cove Council in their submission to the Department of Planning and Environment on the 2036 Plan raised several matters for further consideration in the Planning Proposal.

A detailed response to the matters raised by Council was prepared by the applicant and submitted to Council and the Department of Planning and Environment. A copy of this submission is also provided at **Appendix G** of this report.

3.0 The Site

3.1 Site location and context

The Telstra Exchange site is situated within the Lane Cove Local Government Area (LGA), close to the boundary of both North Sydney and Willoughby LGAs (see **Figure 10**). Located just 6 km north of the Sydney CBD, within Sydney's Lower North Shore, St Leonards has a key role to play in the provision of housing and employment, given its close proximity to the commercial centres of the Sydney CBD, North Sydney, Chatswood and Macquarie Park.

The St Leonards Centre has recently been undergoing a transition from smaller, aging commercial buildings to new multi-storey, mixed-use development. The area immediately surrounding the site is undergoing wholesale renewal. To the north, 'The Forum', the foundation of the urban renewal at St Leonards, now acts as its commercial, retail and transport hub.



Figure 10 Locational context

Source: Nearmap

St Leonards is growing rapidly in stature as a hub for healthcare, medical research, and educational establishments. Specifically, these include services at or allied to the expanded, multi-billion dollar Royal North Shore Hospital, the North Sydney Medical College and North Sydney TAFE (St Leonards Campus). This proposal supports the

Strategic Centre status through the provision of a mixed-use development providing employment and housing diversity.

3.2 Site description

The Telstra Exchange site comprises eight separate allotments and is located on the corner of the Pacific Highway and Christie Street. The site adjoins an existing commercial building to the south and a future residential development to the east (New Hope development, shown as Site 2 in **Figure 5**).

The various allotments conglomerated as part of this proposal have fragmented ownership but are all currently controlled by Grocon Developments. Their legal description is detailed in **Table 2** below. Overall, the lots have a combined area of 1,671 sqm, forming an irregular, consolidated development parcel (refer **Figure 2**).

Table 2 Legal property description

Address	Legal Description	Owner
524-530 Pacific Highway	Lot 7 Section 17 DP 3175	Telstra Corporation
	Lot 8 Section 17 DP 3175	Telstra Corporation
	Lot 9 Section 17 DP 3175	Telstra Corporation
	Lot 1 DP 433297	Telstra Corporation
536 Pacific Highway	Lot D DP 377423	Lea Baron ATF the Estate of Joseph Gollan
538 Pacific Highway	Lot C DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2
540 Pacific Highway	Lot B DP 377423	H M Pty Ltd
542-542A Pacific Highway	Lot A DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2.

3.3 Existing context of Telstra Exchange Site

The eastern portion of the site is currently occupied by the St Leonards Telstra Telephone Exchange. This critical piece of telecommunications infrastructure is the nodal point for Sydney's North Shore, ranking as the second-highest order of significance within the Telstra network. The Exchange also serves a key role in the Federal Government's NBN rollout, housing NBN networking equipment and employees. The Telephone Exchange therefore cannot be demolished, relocated or used for support in the construction of any new structure.

The Telephone Exchange Building is configured as a three-storey red brick building fronting the Pacific Highway with six storeys to the south of the site (refer to **Figure 11**).



Telstra Exchange building, viewed from the Pacific Highway



Retail tenancies, viewed from the Pacific Highway



Rear of the Telstra Exchange building



Retail tenancies – rear of shop fronts fronting Pacific Highway



Retail tenancies fronting Pacific Highway



Retail tenancies – shop fronts fronting Pacific Highway

Figure 11 Site photos: Telstra Exchange and retail shops

The amalgamated site is built to the site boundaries and includes at-grade vehicle parking, accessed from the Pacific Highway. It is noted that the critical infrastructure associated with the Telephone Exchange is housed within the three-storey component of the structure, with an underground cabling network of up to two storeys below, both of which must remain untouched during construction.

The western portion of the site is currently occupied by four attached two-storey buildings, which contain small-scale retail and commercial tenancies. These buildings are reflective of the ageing character of St Leonards, which is now evolving and growing to support renewal through increased density and diversity of land-uses. Redevelopment at the site provides an opportunity for revitalisation in what is currently a substantial 'gap' in the contemporary built form along the Pacific Highway in this evolving precinct.

Importantly, none of the buildings on the site are listed as heritage items and the site is not located within a heritage conservation area.

As discussed in **Section 2.4**, options for the re-use of the Telstra site have been provided at Council's request in the unlikely event that Telstra deem the interchange no longer as 'critical infrastructure'. It shows that this re-use can provide additional employment generating floorspace whilst further activating the public domain.

3.4 Site access and transport infrastructure

3.4.1 Surrounding road network

The Pacific Highway is an arterial road that runs from the Warringah Freeway, through Sydney's northern suburbs. At the site, the Pacific Highway carriageway accommodates three lanes in both directions.

Christie Street is a two-lane road with a cul-de-sac at its southern end. The road provides a one-way carriageway from the Pacific Highway and widens to a two-way road on the southern side of Christie Lane. Christie Lane is a one-way lane that runs east-west from Lithgow Street to Christie Street. The lane provides no on-street parking, but carries a large quantity of pedestrian activity, generated by people moving between St Leonards Station and The Forum (via the underground tunnel) and the commercial and residential developments along both Christie Street and Nicholson Street.

It should also be noted that the site's access to both Christie Street and Pacific Highway allows it the flexibility to discharge traffic onto Pacific Highway through a left-turn-only arrangement.

3.4.2 Rail

The site is located 100 m to the south-east of St Leonards Railway Station. St Leonards Station is located on the T1 North Shore Line which provides comprehensive local rail services and onward connections to regional services. The site's rail connectivity is exceptional, being within 350 m of two major railway stations.

The new Sydney Metro line will further increase public transport accessibility to the site. The new Crows Nest Metro Station will be located within 350 m from the site, at the corner of Oxley Street and Pacific Highway in Crows Nest, providing easy walking access to another public transport rail line.

St Leonards Station is a major interchange, having one of the highest levels of rail and bus accessibility in the Sydney Metro Area. The Sydney Metro Rail project, which is currently under construction, will only add to connectivity for future commuters.

The site's proximity to significant public transport will facilitate the realisation of Transit Oriented Development (TOD) on the site. Transit Orientated Development ('TOD') is a planning concept that promotes high-quality, medium- to high-density mixed-use development, thereby locating residents and workers within a comfortable walk of public transport infrastructure (typically measured at a radius of 800 metres).

3.4.3 Bus

The site is also close to a number of high-frequency bus services that travel to the Sydney CBD, greater North Shore, Northern Beaches and Western Suburbs. The bus services with stops located close to the site are illustrated in **Figure 12**.

Service	Route #	Route Description
Hillsbus	602X	North Sydney to Rouse Hill
	612X	North Sydney to Riley T-way
	622	Milsons Point to Dural
	653	Milsons Pt to West Pennant Hills
Sydney Buses	140	Manly to Epping
	143	Manly to Chatswood Station
	144	Manly to Chatswood Station via Royal North Shore Hospital
	200	Bondi Junction Interchange to Chatswood station
	252	Queen Victoria Building to Lane Cove West
	254	Queen Victoria Building to Riverview
	265	McMahons Point wharf to Lane Cove
	286	Queen Victoria Building to Denistone East
	287	Milsons Point to Ryde
	290	Queen Victoria Building to Epping
	M20	Botany Bay to Gore Hill
Sydney Trains		Central Coast & Newcastle Line, North Shore, Northern & Western Line

Figure 12 Bus services – Pacific Highway, St Leonards

The proposed upgrade to the St Leonards Bus Interchange as part of the new St Leonards Plaza will further increase accessibility to the precinct via bus and provide commuters with a more complete service, including easy modal shifts between various modes of transportation.

3.4.4 Pedestrian connectivity

A pedestrian tunnel under the Pacific Highway currently provides pedestrian access to the site from St Leonards Station and The Forum. Access to St Leonards Station is also achieved at-grade, via signalised pedestrian crossings over the Pacific Highway. It is anticipated that new development at the Telstra Exchange site will improve pedestrian access north-south across Pacific Highway.

As part of the Metro Station redevelopment at Hume Street and Pacific Highway, it is anticipated that pedestrian connections south of the Telstra Exchange site to the Metro Station will also be greatly improved.

Future development at neighbouring sites will substantially increase pedestrian connectivity in the area. Mirvac's St Leonards Square development (borne out of the Charter Hall/Leighton Planning Proposal) and the 88 Christie Street (JQZ Site) will provide substantial public domain and include pedestrian linkages in the immediate vicinity of the site. As illustrated in **Figure 13** below, the proposal aims to enhance these attributes and improve connectivity from the southern side of Pacific Highway to both stations, as well as facilitate local pedestrian access to the high-amenity community and retail offerings of the neighbouring developments.



Figure 13 Pedestrian links around the site

Source: PTW

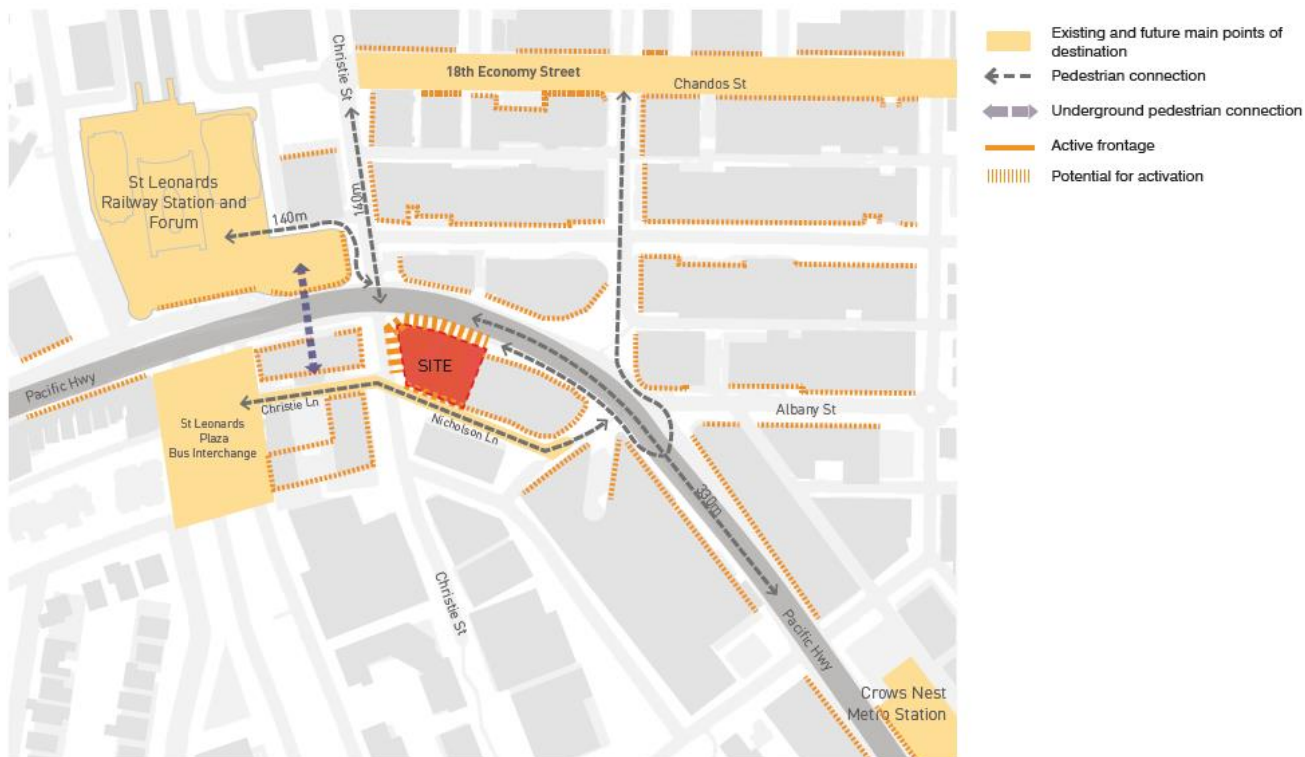


Figure 14 Future Pedestrian Links

Source: PTW Architects

3.4.5 Bicycle

There are currently no existing cycle paths connecting to the St Leonards Centre. There are, however, several cycle paths proposed for the St Leonards area, including an off-road cycle lane along the Pacific Highway in a northerly direction and an on-road marked cycleway on Herbert Street.

3.5 Site-specific constraints

The unique nature of the site presents considerable physical and technical constraints to its development in accordance with the site's current LEP controls, which allow only for commercial land uses. **Figure 15** below shows the low-quality, ageing building stock currently on the site.



Figure 15 Current built form at the Telstra Exchange site

DEVELOPED TELSTRA SITE



Figure 16 Future Pacific Highway elevation – including an undeveloped Telstra Exchange site

Source: PTW Architects

Due to its regional significance, the Exchange building cannot be demolished or relocated. The continuing operational presence of the Telstra Exchange necessitates significant structural repositioning and redesign to enable the construction of floors above it. The associated network of cabling means that no basement excavation is possible in any form underneath the Exchange, further complicating the technical requirements at the site. As such, redevelopment here must be undertaken in consideration of the following site-specific constraints:

1. Provision of an alternate car parking solution, as basement car parking cannot be accommodated on the site;
2. Consideration of the level of complexity and increased cost associated with the structural requirements necessary to facilitate a commercially viable development; and
3. The incorporation of the Exchange structure itself into the design of the building façade, in order to achieve a high-quality architectural outcome.

The redevelopment of the retail tenancies for commercial uses, with a total combined site area of only 663 m², is not commercially viable as a stand-alone proposition. A site of this size is simply too small to be feasible for construction of a commercial office building. The logistics of construction, commerciality of narrow 400 sqm floorplates and therefore overall viability of the project, all dictate that such a building is unlikely to ever be built.

We therefore submit that the 'loss of employment generating land' argument does not apply to this site as its maximum employment potential could never be achieved under its existing B3 zone controls. Instead, only its existing employment generation capacity should be considered; the site currently generates 14 jobs.

Amalgamation of the Retail Shops and the Telstra Exchange (to form the subject site) therefore creates an opportunity for a new economically viable development, through more efficient floorplates and site configuration, representing the optimal development potential for the individual parcels. It is indeed the only way to provide any opportunity through the current consolidation to renew this prominent location.

In the context of the St Leonards Strategic Centre, the chance to rejuvenate what is otherwise an un-developable site presents a significant opportunity. In isolation, none of these sites are in fact developable.

3.6 Surrounding Development

The Telstra Exchange site is located in the heart of St Leonards. The St Leonards Centre is in the process of undergoing a transition from an ageing, second-tier commercial precinct, to an active mixed-use area incorporating a mix of commercial and residential land uses. This transition is being supported by current development activity, recent approvals and future planned development. The immediate surrounds include a range of building forms which are transforming to high-rise commercial and multi-storey, mixed-use residential buildings.

The locational context diagram shown in **Figure 17** illustrates how the subject site relates to other significant structures in the area. One such site, The Forum, located diagonally opposite the site, is currently the Precinct's tallest tower and a recognised landmark in the St Leonard skyline. The Forum is constructed over the railway station and incorporates residential, retail and commercial uses, as well as essential facilities and services for residents in the area. However, the Forum will soon be eclipsed by a multitude of taller buildings in the precinct.

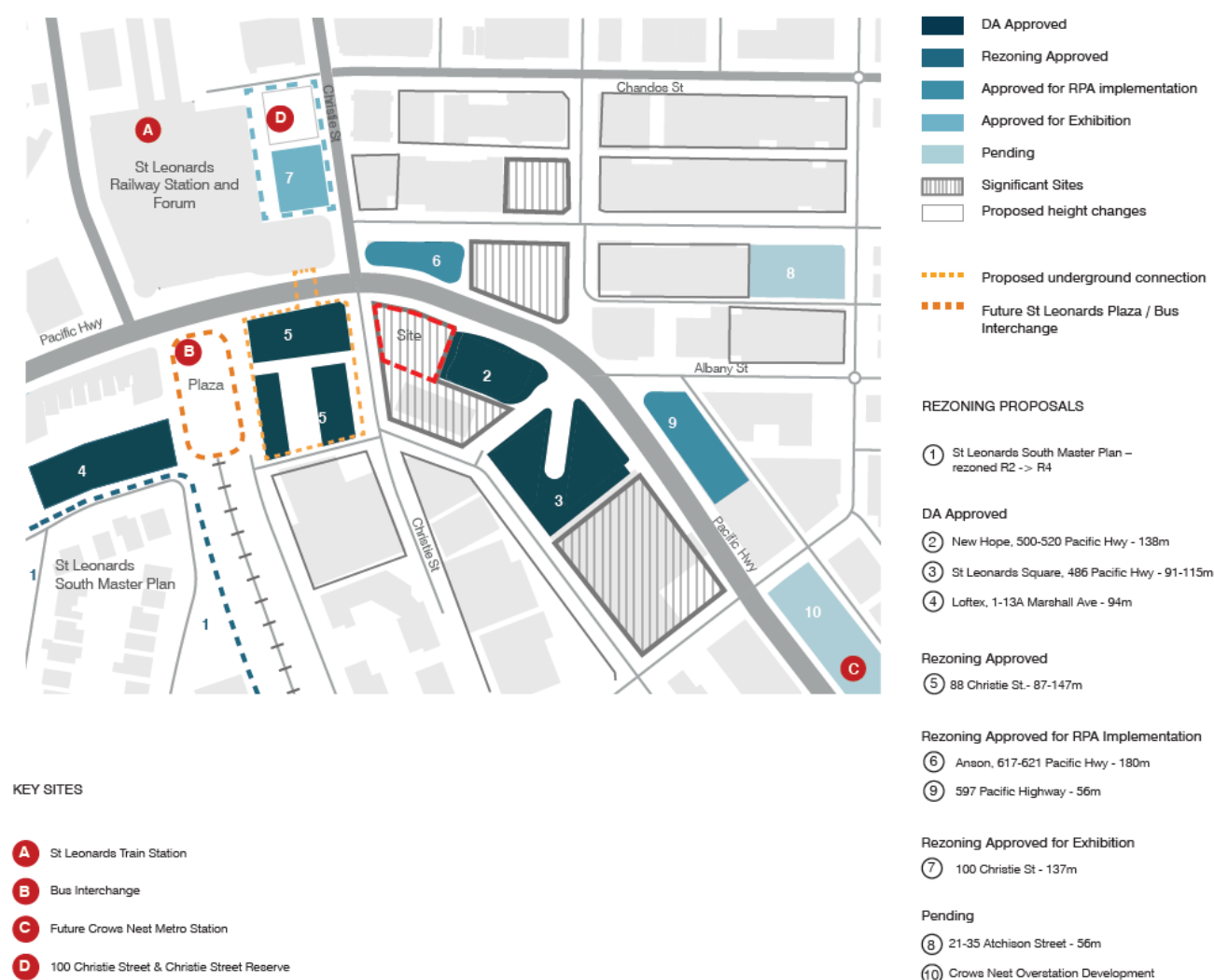


Figure 17 Map of St Leonards current and future developments

Source: PTW

The Telstra Exchange site is also less than 500m south-east of the Royal North Shore Hospital, a \$2 billion health facility that services Sydney's North District (and beyond) and is currently undergoing significant expansion. The redevelopment of the medical and clinical uses of the hospital will be complemented by the development of a 10,000 sqm "support zone" which will include staff accommodation, childcare facilities, administration buildings, car parking and commercial/retail uses. This is a very significant factor in the viability and redevelopment of mixed-use facilities in St Leonards. The Hospital facilities will generate both employment and the need for residential accommodation in its immediate surrounds.

The site is bound to the north by the Pacific Highway. On the northern side of the Pacific Highway is the IBM Centre, a commercial tower of approximately 17 storeys, and two smaller aging commercial buildings ranging in height from 7-12 storeys. The IBM Centre site supports a through-site link between the Pacific Highway and Atchison Street, including pedestrian forecourt areas at the base of the round tower. Importantly, the site has been identified as potential 'tall tower' development site.

To the east is the construction site of the future New Hope development at 496-498 and 504-520 Pacific Highway, St Leonards (Site 2 in **Figure 5**). New Hope is an approved mixed-use development, comprising 458 apartments across 44 storeys. The site is already rezoned and approved, and is under construction.

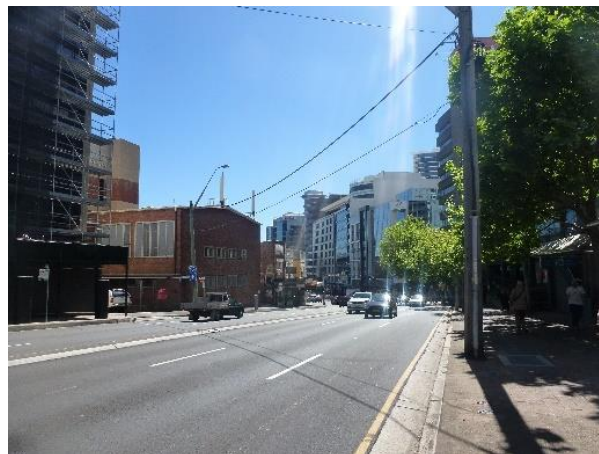
To the south of the site is the seven storey 'Ava House' (also known as the AMA Building), a strata titled commercial building and Nicholson Street which contains more than 40 commercial tenancies. This site is also identified as a significant site in the draft 2036 Plan.

The subject site is bound to the west by Christie Street. Further west, the two-storey commercial /retail buildings present as consistent low-density built form to the southern side of the Pacific Highway. This site has been redesigned as a mixed-use development up to 144 m. It has been rezoned and approved, and is currently under construction.

Photographs of the surrounding development are provided at **Figure 18**.



The St Leonards forum building and view to 655 Pacific Highway



The Telstra Exchange building, viewed along Pacific Highway



View along Pacific Highway to the IBM building



Retail tenancies adjacent to the site fronting Pacific Highway



Pharmacy House at 82 Christie Street (adjacent to the site)



Existing commercial building at 621 Pacific Highway

Figure 18 Surrounding development

In light of its existing and proposed context, this Proposal is considered to be complimentary to and befitting of the Strategic Centre that is growing and evolving at St Leonards. In terms of built form and massing, **Section 5.0** details the controls put forward by this planning proposal and **Section 6.0** discusses the strategic justification for the proposal.

A more detailed evaluation of built form and scale is provided in **Section 6.3.1** of this report.

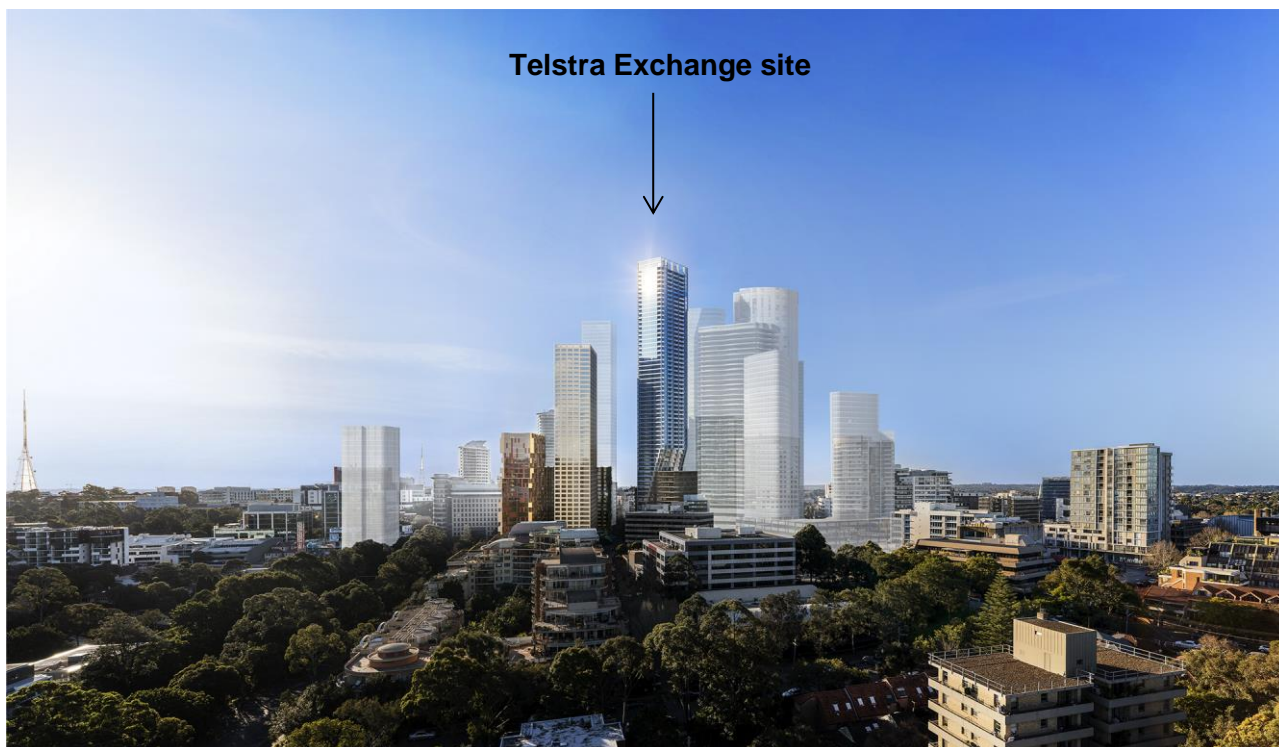


Figure 19 Render of the Telstra Exchange site in its future context

Source: Binyan

3.6.1 Adjoining development

New Hope Development

The approved New Hope residential development at 500-520 Pacific Highway, immediately to the east (the 'New Hope' development), imposes constraints upon the redevelopment of the Telstra Exchange site. The property was rezoned as part of the Leighton/Charter Hall Planning Proposal in 2015. Since then, a DA for a 43-storey residential building was approved by the JRPP in December 2017.

The design of the New Hope development assumes the Telstra Exchange site would remain as a non-residential use (as it was zoned at the time). The New Hope proposal locates balconies (habitable rooms) at a setback of only 7 m from the site's western boundary, for the entire height of the building. The development also appears to rely on solar access across the Telstra Exchange to fulfil its requirements under the Apartment Design Guide (ADG). These matters will need to be resolved as both sites develop with high-density tower forms.

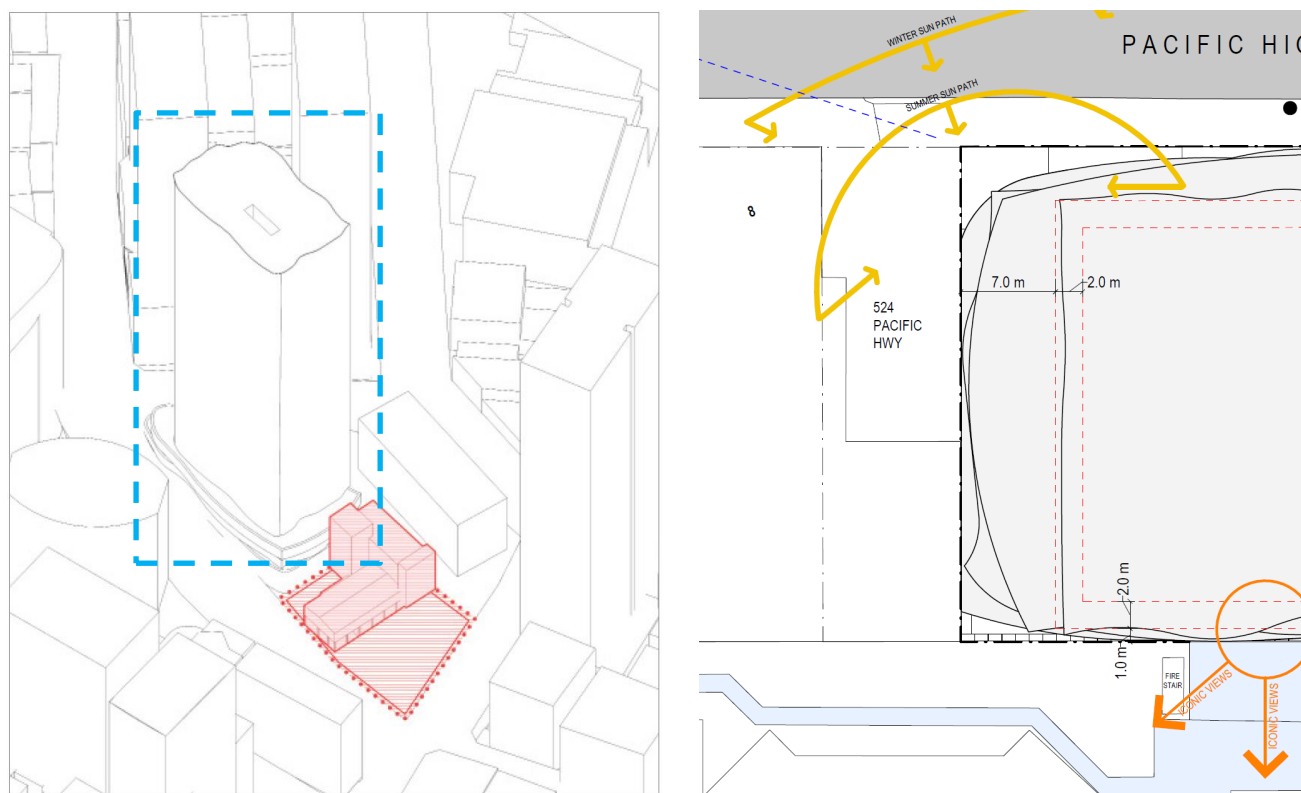


Figure 20 Left: New Hope development (highlighted in blue); Right: New Hope setback

Source: A Plus

The Apartment Design Guide requires residential flat buildings to set back by half of the required setback under Objective 3F (Visual privacy). For a building of the height of New Hope, a setback of 24 m is required, meaning that a 12 m setback should ideally have been provided to the Telstra Exchange site. The fact that only a 7m setback has been provided creates a significant constraint on the eastern boundary of the Telstra Exchange site.

In addition, the New Hope proposal intends a zero setback to 69 Christie Street (of non-residential uses), and residential uses above the current maximum height of 69 Christie Street.

The setbacks of the New Hope proposal are further discussed and analysed in **Section 6.3.3**.

3.7 Current planning controls

Zoning

Under the LCLEP 2009, the Telstra Exchange site is zoned B3 Commercial Core with commercial premises and other employment-generating uses permitted (refer to **Figure 21** below). Residential uses are currently prohibited on the site under the B3 zone.

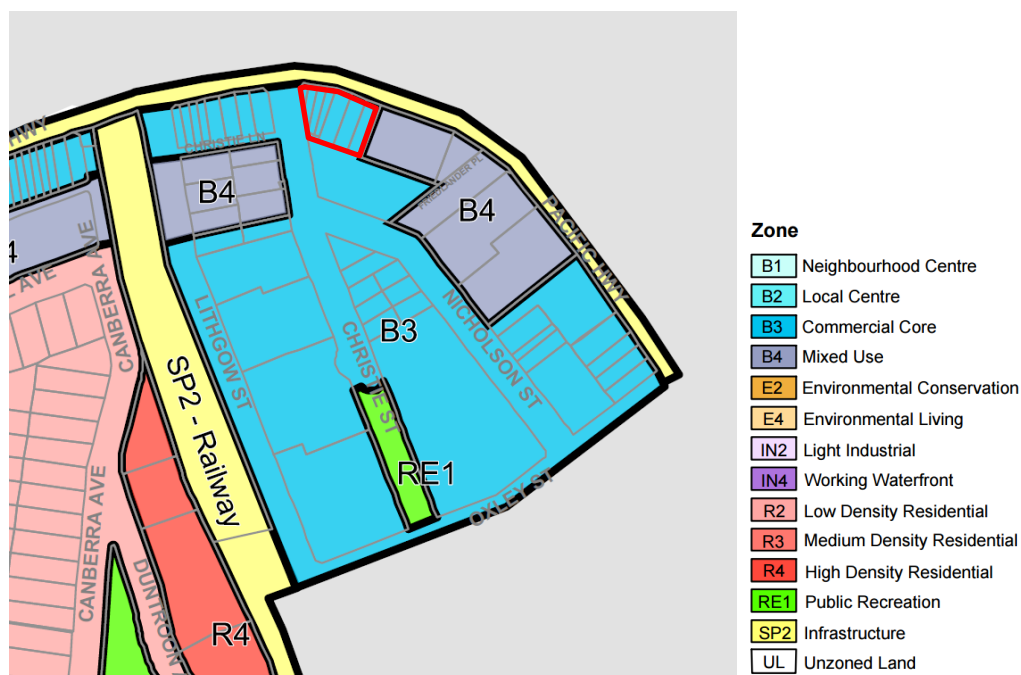


Figure 21 Current zoning

Source: LCLEP 2009

Building height and floor space ratio controls

The site has a maximum building height of 72m under the Lane Cove LEP (refer to **Figure 22** below). The maximum Floor Space Ratio (FSR) for the site is 17.1:1 (refer to **Figure 23** below).

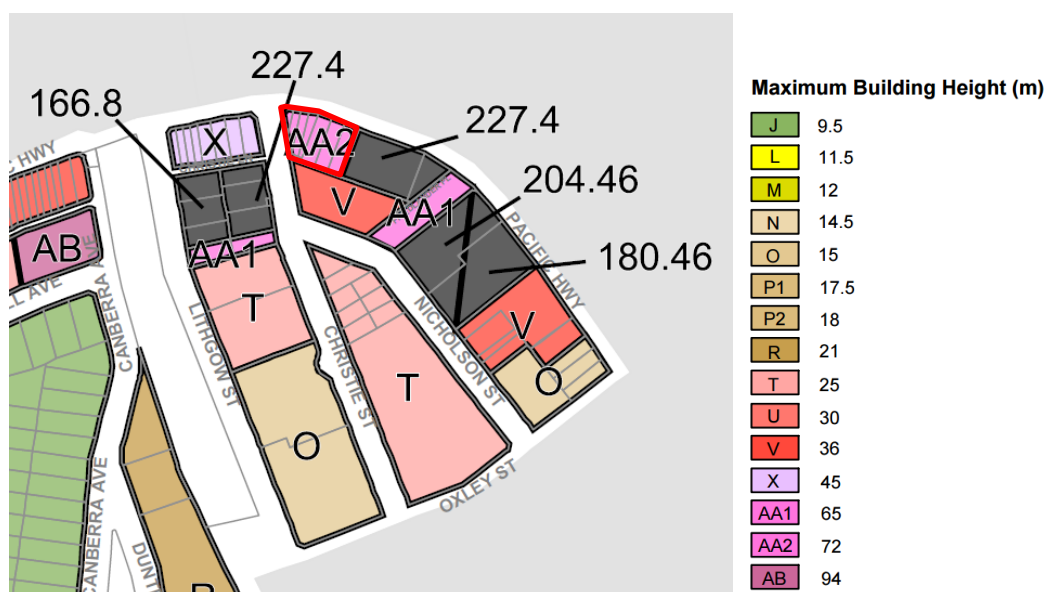


Figure 22 Current maximum building height

Source: LCLEP 2009

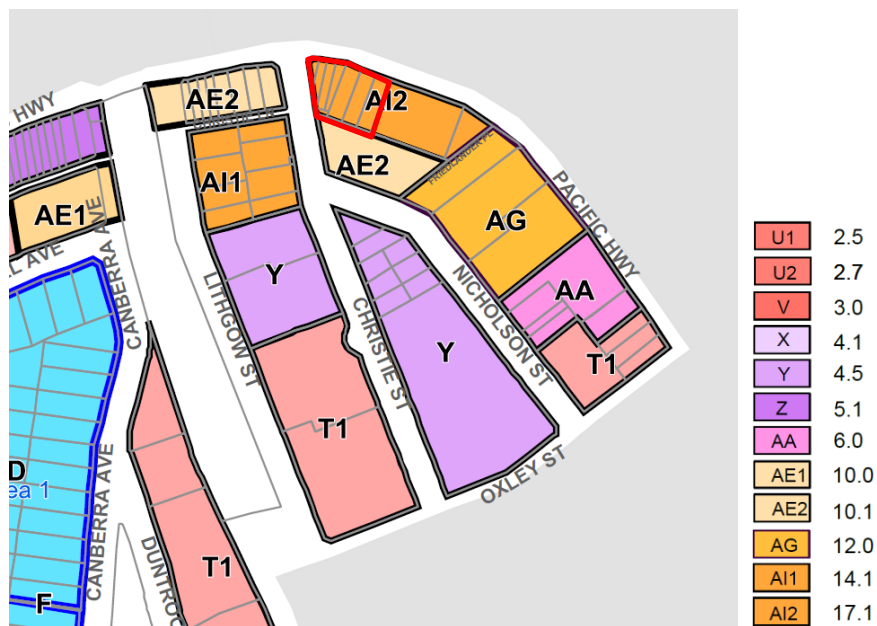


Figure 23 Current floor space ratio

Source: LCLEP 2009

3.8 Strategic planning context

Greater Sydney Region Plan

In March 2018, the Department of Planning and Environment released the *Greater Sydney Region Plan: A Metropolis of Three Cities* (the Plan). The Plan presents a strategy for accommodating Sydney's future population growth for the next 20 years. The Plan sets out objectives that will guide Sydney's growth; these include the following:

- Objective 10: Greater housing supply.
- Objective 14: Integrated land use and transport creates walkable and 30-minute cities.
- Objective 18: Harbour CBD is stronger and more competitive.

The Plan designates St Leonards as a Strategic Centre. The Plan emphasises that:

'Strategic centres are expected to accommodate high levels of private sector investment, enabling them to grow and evolve. They will become increasingly important parts of the region's structure'.

Consistent with this intent, the Plan further identifies St Leonards for urban renewal to grow jobs, housing and infrastructure as a result of the construction of major enabling infrastructure in the form of the Sydney Metro City & Southwest.

This proposal supports the achievement of these strategic directions through the provision of mixed-use development that supports ongoing jobs targets for the St Leonards centre, as well as providing housing opportunities near a strategic job location.

North District Plan

The North District Plan (the 'District Plan') is a matter for consideration in this planning proposal, applying to the St Leonards Centre and the subject site. The District Plan sets a target of 25,950 dwellings (minimum) for the North District in the 5 years between 2016 and 2021, and a strategic housing target of 92,000 in the 20 years between 2016–2036.

Reflecting the directions of the Greater Sydney Region Plan, the District Plan seeks to align new housing in the form of urban renewal or infill with infrastructure.

Under the Plan, St Leonards is identified as a Collaboration Area where future planning objectives will, subject to resources, be delivered through a partnership of State agencies and local governments to coordinate growth in the area.

The main action of the District Plan relevant to St Leonards is Action 34: *Strengthen St Leonards through approaches that* (amongst others) *a. leverage the new Sydney Metro Station at Crows Nest to deliver additional employment capacity and b. grow jobs in the centre.* Of course allied to these objects is the need to provide housing diversity proximate these jobs in order to support a liveable, workable precinct.

This planning proposal closely aligns with the directions of the District Plan (particularly Action 34) as it seeks to facilitate an increase in density close to transport infrastructure, including the Metro Station, deliver additional employment floor space that synergises with the RNSH and provides and will facilitate a contribution towards important social initiatives such as key worker housing.

Draft St Leonards and Crows Nest 2036 Plan

In October 2018, DP&E released a draft planning package to support the future rezoning of the St Leonards and Crows Nest area, of which the site is a prominent part. The package included the draft St Leonards and Crows Nest 2036 Plan, a State-endorsed strategic document that sets out a vision for the precinct and provides a framework for Council-led planning proposals to amend zoning and density controls.

Generally, the plan envisages the following:

1. New development clustered along the Pacific Highway between the new Crows Nest Station and existing St Leonards core.
2. Support for St Leonards and Crows Nest as an employment hub, providing 16,500 additional jobs over the next 20 years.
3. A high-quality built form outcome that respects and enhances the existing local character of the area.
4. A greater diversity of dwellings to cater to future residents of the area.
5. Protection of existing heritage and heritage conservation areas.
6. Improvements to the movement network in the area, including better walking and cycling routes.
7. Protection of existing and provision of additional open spaces for local residents to enjoy.

An extract from the 2036 Plan that shows the future vision for St Leonards and Crows Nest is shown in **Figure 24**.

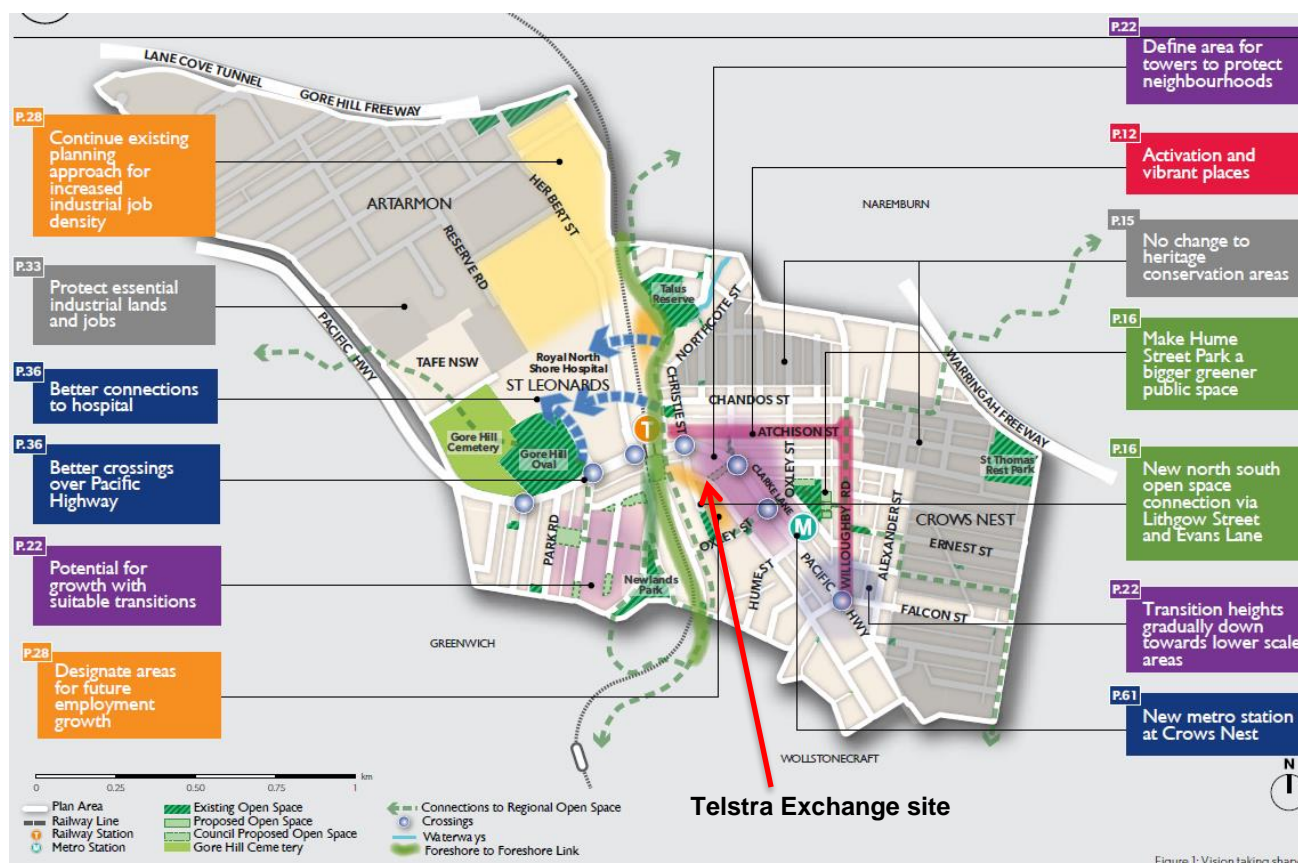


Figure 24 Vision for St Leonards and Crows Nest

Source: Department of Planning & Environment

This proposal aligns with the above vision, as it seeks to facilitate a high-quality mixed-use development in a location identified for future tall buildings. The purple area shown in **Figure 24** has been defined as an area for towers – the site is located within this area.

It also seeks to provide a significant amount of non-residential floor space (6,997 m² of employment-generating GFA), supporting the growth of St Leonards as an employment hub. As also demonstrated in this report, the development also seeks to incorporate design principles that will facilitate a quality built form outcome, which responds closely to existing constraints and the existing and future desired character of the area.

The proposal's consistency with the draft 2036 Plan is discussed further in **Section 6.2.3**.

Sydney Metro Rail Project

The Sydney Metro Rail project will provide a dramatic increase in rail service capacity, with a new station to be located at Crows Nest, in close walking distance to the site (less than 350 m). Scheduled to be opened in 2024, as part of the 'City & Southwest' section of the project, the new Metro rail will provide 15 services per hour during peak times. This will permanently improve access to employment areas in the St Leonards and Crows Nest areas.

The Metro rail project will substantially improve public transport access to the site, providing a second rail station within walking distance and facilitating greater access to the key employment hubs of Sydney, including Macquarie Park, Barangaroo, and Sydney CBD.

As can be seen in **Figure 25**, St Leonards will be serviced by two heavy, high frequency rail networks and numerous bus services. This makes for a unique offering in Metropolitan Sydney. There are only four other such locations in Sydney that will enjoy this level of transport infrastructure saturation.

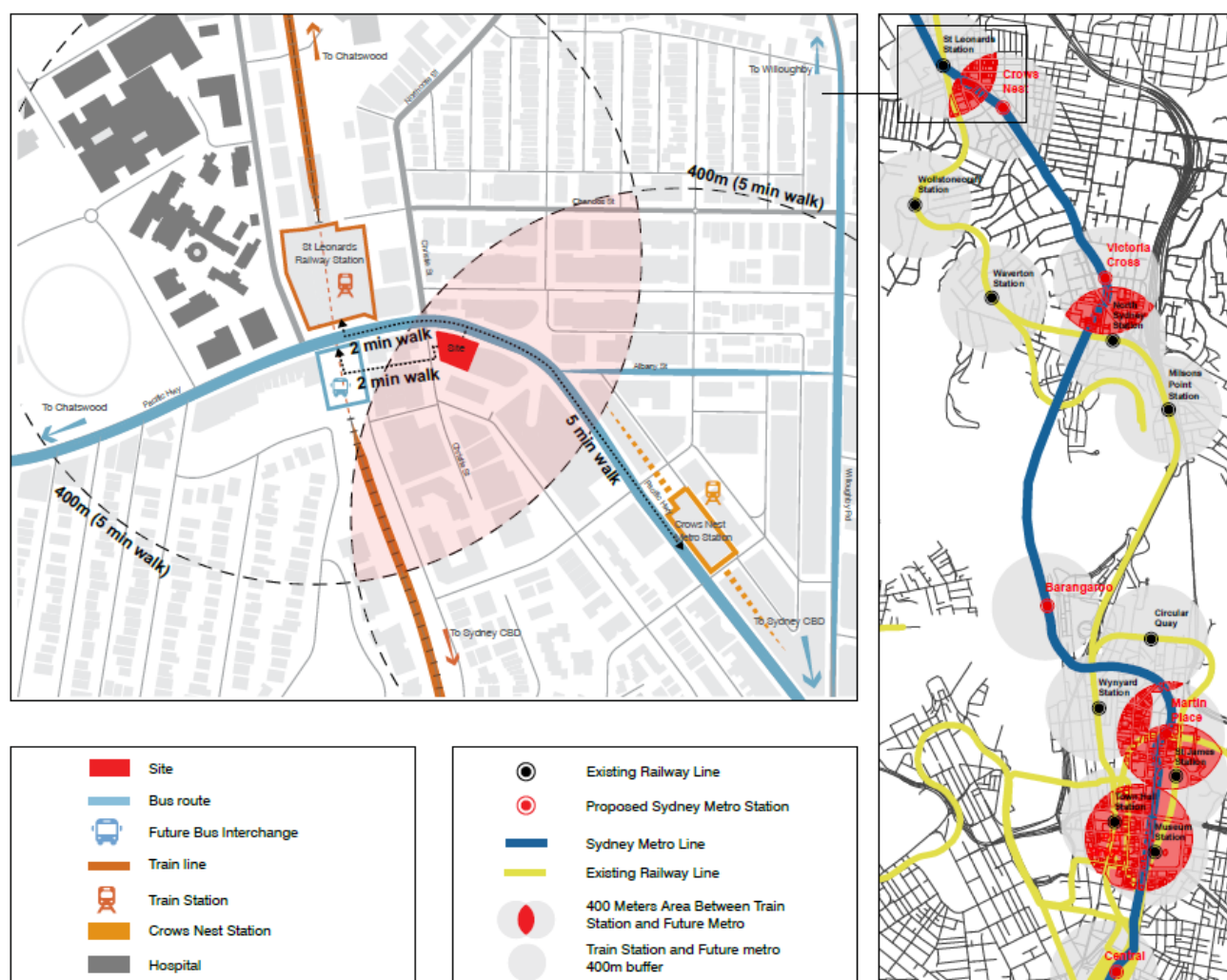


Figure 25 Metro Rail catchments in relation to St Leonards

Source: Ethos Urban

As can be seen in the detail of St Leonards, the subject site is less than 350 m from both rail nodes. With the exception of the Sydney CBD, the site's location within the walking catchment of an existing heavy rail line and the new Metro Rail provides transport infrastructure comparable to only a small number of sites in Sydney. In this regard, the site is ideally located to host increased density for a both employment and residential uses.

4.0 Development Concept

4.1 Overview

This planning proposal has been prepared based on a concept development scheme prepared by PTW. The scheme incorporates:

- the existing Telstra Exchange building;
- retail, commercial and residential uses across 58 storeys (195m or RL 277 AHD);
- a total GFA of 38,756 m² (23.2:1), including 6,997 m² of non-residential GFA (4.18:1);
- a total of 366 residential apartments;
- a child care centre and substantial residential facilities; and
- podium car parking.

A render of the development concept is shown at **Figure 26**. Architectural drawings are included in **Appendix A**.



Figure 26 Render of development concept by PTW

Source: Binyan and PTW

4.2 Project Description

Podium

The podium of the building has been designed to match the condition set by the approved New Hope development to the east. The podium incorporates commercial, residential common facilities and child care uses to level 10.

Tower

The tower is located on the western portion of the site, partially above the podium. The tower is brought to ground level on the corner of Christie Street and the Pacific Highway, and incorporates a reverse setback at ground and mezzanine level, creating additional public domain and a natural splay at the intersection.

A typical residential floor plate includes nine apartments, with a GFA of 634 m² per floor. The development concept includes the following indicative dwelling mix:

- 30% 1 bedroom.
- 65% 2 bedroom.
- 5% 3 bedroom.

Ground level

The development concept includes two retail tenancies along the Pacific Highway, providing activation and safety for the surrounding public domain.

A grand residential and commercial lobby wraps around the corner of the Pacific Highway and Christie Street.

Along Nicholson Lane, the development provides the potential for pocket retail uses.

4.3 Site Access and Parking

Pedestrian access to the site is via the residential lobby on the corner of Christie Street and the Pacific Highway.

Vehicular access is via a driveway on Christie Street, which provides access to a loading dock shared between Telstra and the residential building, and a car lift servicing podium parking levels across the mezzanine level and levels 1-5.

4.4 Setbacks

Setbacks are described below and are discussed further in **Section 6.3.3**. Setbacks have been set in response to surrounding constraints and the solar access, building separation and visual privacy requirements set by the Apartment Design Guide.

Northern setbacks

At ground level, a significant reverse setback has been provided, substantially increasing the amount of public domain available along the Pacific Highway.

Above this, to level 2, a zero setback is proposed to the Pacific Highway to match the street wall set by New Hope to the east. This creates a four-storey street wall along the Pacific Highway.

For level 3 and above, for the eastern half of the site, a four-metre setback is proposed – again, matching the setback provided by the adjoining New Hope development.

The tower is set back by approximately 1.5m from the northern boundary, but provides a significant setback at ground level at the corner of the Pacific Highway and Christie Street.

Figure 27 shows the development's response to the ground plane along the Pacific Highway.

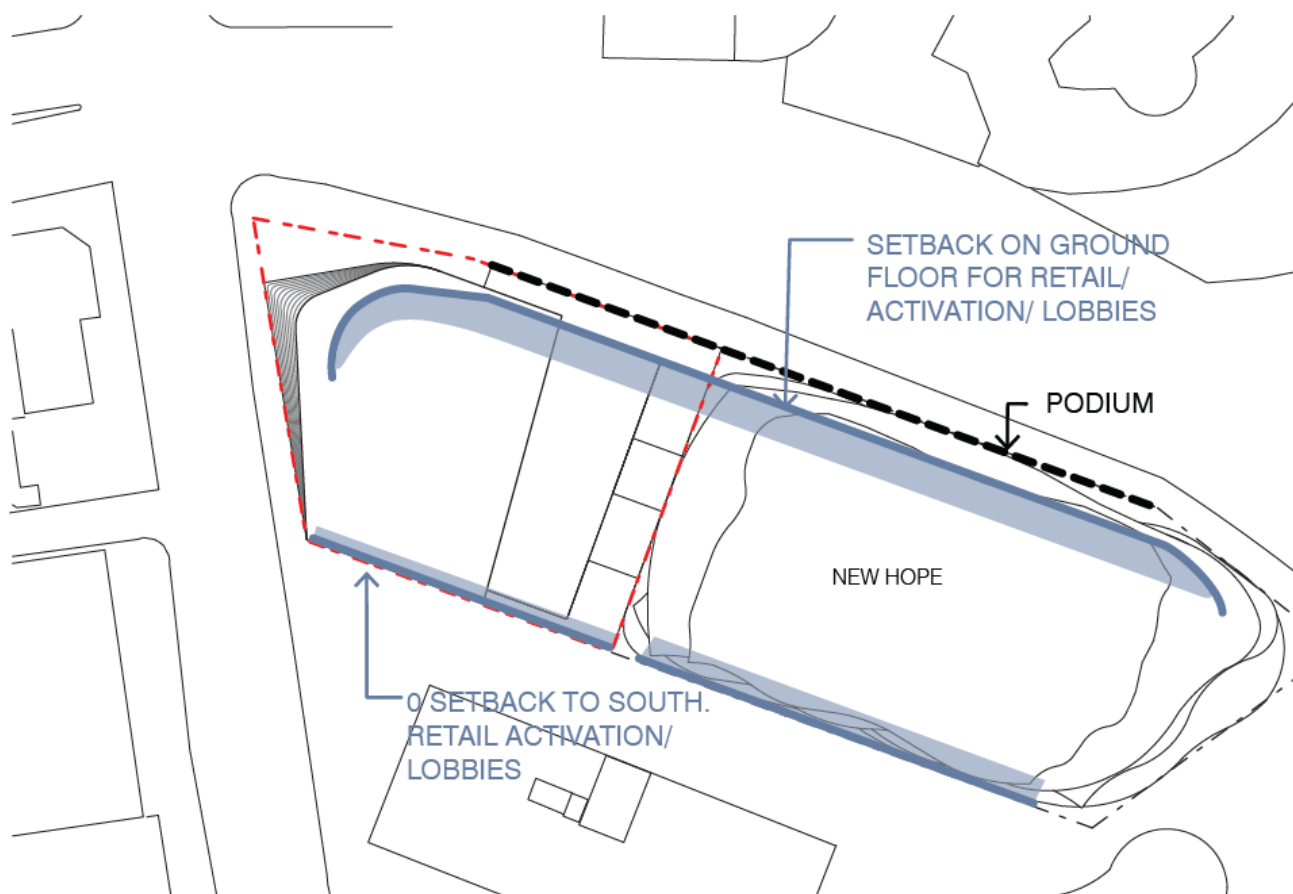


Figure 27 Setbacks at ground and podium level

Source: PTW

Eastern setbacks

Eastern setbacks have been dictated by the 7 m setback provided by the New Hope development. In response, a tower setback of some 17 m is proposed, to create a full 24 m separation from New Hope.

At podium level, the development concept adopts a zero setback for the first four levels, before setting back 6 m up to level 10.

Southern setback

A zero setback to the south is proposed. This setback mirrors the condition created by the adjoining New Hope development.

Western setback

A varying setback is provided to the west, as dictated by the geometry of the tower. A reverse setback is also provided at ground and mezzanine levels.

4.4.1 Council LUIP 2036 Submission

In Council's report to the LUIP 2036 Plan, and in subsequent discussions with Council, the issue of setbacks was raised. The Council submission to the LUIP stated:

"...Significant Site 1 (the Telstra site) cannot conform to the required 40 metre separation distance for buildings greater than 18 storeys due to the presence of tall buildings already approved on either side (i.e.. JQZ to the west and New Hope to the east). Amalgamation with the adjoining AMA site would not resolve this as it would push any potential building closer to the approved tall building (i.e. New Hope)".

The above comments of Council are misleading and incorrect as there is no “requirement” in the current planning system for a 40-metre building separation.

Further, neither the draft 2036 Plan nor any other draft State or local planning controls proposes to introduce a 40-metre building separation requirement. There is a recommendation for a 40-metre separation in the Urban Design Study that was prepared by SJB to support the draft 2036 Plan’s recommendations (page 63). However, this recommendation was not adopted by the draft 2036 Plan. Therefore, it is far from being a requirement nor does it have any statutory basis.

Finally, the only reason it is difficult for the site to comply with the Apartment Design Guide’s building separation standard (24 metres) is that New Hope’s development (to the east) was approved by Council with only a 7 metre setback from its western boundary (to the Subject Site), which is 5 metres less than what is required. Given New Hope was approved with a smaller setback, this creates a visual privacy and building separation issue for the Subject Site and places an unreasonable burden on the subject site to comply with the ADG – resulting in the building form being ‘pushed’ to the west.

It is incorrect for Council to say that the site “would not be able to comply” with the ADG’s 24 metre requirement. It is proposed to provide the full 24m separation to New Hope to provide adequate visual privacy to both buildings (with 17 of the 24m to be accommodated on the Subject Site). Up to level 5, it is proposed to provide a zero setback to New Hope, mirroring the New Hope setback and the setbacks nominated in the draft 2036 Plan. From levels 6-13, it is proposed to provide a six-metre setback. This setback is considered to be sufficient, given non-residential uses are proposed to be provided within the building’s podium.

5.0 Planning Proposal

This planning proposal has been prepared in accordance with Section 3.33 of the EP&A Act and *'A Guide to Preparing Planning Proposals'* prepared by the NSW Department of Planning and Environment, which requires the following matters to be addressed:

- objectives and intended outcomes of the amendment to the LEP;
- explanation of provisions;
- justification;
- relationship to strategic planning frameworks;
- environmental, social and economic impact;
- State and Commonwealth interests; and
- community consultation.

The following Section outlines the objectives and intended outcomes and provides an explanation of provisions in order to achieve those outcomes, including relevant mapping. The justification and evaluation of impacts is set out in **Section 6.0** of this report.

5.1 Objectives and Intended Outcomes

The objective of this planning proposal is to provide a high-density building containing both commercial and residential uses at 524-542 Pacific Highway, St Leonards.

The proposal seeks to deliver on the State Government's preferred outcome for St Leonards as a Strategic Centre with increased employment opportunities and mixed-use activities.

The proposal intends to facilitate the delivery of a high-quality, mixed-use redevelopment for an isolated and technically difficult site, that will more aptly compliment the evolution of the St Leonards Strategic Centre towards a high-density mixed-use character.

More specifically, the proposal will:

- facilitate the renewal of a constrained and otherwise undevelopable parcel of land at a critical location in St Leonards. Importantly, the redevelopment of the Telstra exchange site will not cumber or hinder the development potential of adjoining lots, particularly the Australian Medical Association (AMA) site. In this case, the planning proposal scheme achieves a superior built form, design and environmental amenity outcome without consolidating with the adjoining AMA site. The merits of redeveloping the Telstra exchange site as a standalone site is discussed further in **Section 6.3.8** of this report;
- integrate the urban landscape of the Pacific Highway frontage, with two contemporary developments soon to be constructed immediately east and west of the site;
- provide an integrated mixed-use building in an evolving mixed-use precinct;
- create a viable commercial presence on the site, at a scale that will meet the future needs of permanent new jobs to support the medical and service-based future role of St Leonards; and
- deliver new residential apartments to take advantage of this accessible location, proximity to services and existing and planned rail networks with direct connections to major employment destinations.

5.2 Explanation of provisions

LCLEP 2009 sets out the local planning controls across the Lane Cove LGA. This planning proposal seeks to amend the Lane Cove LEP 2009 to facilitate the proposed mixed-use development outlined in this report.

The existing and proposed LEP controls, as well as the recommended amendments are outlined below.

Existing and proposed LEP controls

The existing and proposed LEP controls are outlined in **Table 3** below.

Table 3 Existing and proposed LEP controls

Provision	Existing LEP Control	Proposed LEP Control
Zoning	B3 Commercial Core	B4 Mixed-Use
Building Height	72 m	195m
Floor Space Ratio	17.1:1	23.2:1

Zoning

To facilitate the development at this site, it is proposed to rezone the site from B3 Commercial Core to B4 Mixed Use (see proposed zoning map at Section 8 of this document). A rezoning is required, as residential accommodation is prohibited in the B3 Commercial Core Zone.

The B4 Mixed Use Zone is the most appropriate zone given the mix of uses proposed and the need to provide both employment and accommodation in the precinct and is the zone anticipated in the draft 2036 Plan.

Building height

It is proposed to increase the maximum building height from 72 m to 195 m (RL 277) by amending the Height of Buildings Map (see proposed Height of Buildings Map in **Appendix B**).

Floor space ratio

It is proposed to change the maximum floor space ratio (FSR) control to 23.2:1 by amending the Floor Space Ratio Map (see proposed Floor Space Ratio Map in **Appendix B**).

It is also proposed introduce a site-specific minimum non-residential FSR control of 4:1.

5.3 Voluntary Planning Agreement

In recognition of the changes sought to the LEP by the Planning Proposal, in accordance with Section 7.4 of the *Environmental Planning and Assessment Act 1979*, Grocon intends to enter into a Voluntary Planning Agreement (VPA) with Council. The general nature and extent of the public benefit offer is set out as follows:

- Five percent of the gross floor area (GFA) of the residential component of the development will be maintained by the proponent as affordable / key worker housing. All affordable dwellings will be leased to affordable / key workers for a minimum period of ten (10) years. The proponent will manage these properties in accordance with the relevant guidelines and register them on title.
- A monetary contribution based on an uplift of 10,193 sqm GFA. In line with recent VPAs made by Council, this planning agreement proposes to offer \$1,300 per sqm of uplift. Based on the current proposal, this equates to \$13,251,030 in contributions towards Council's public plaza, laneway connections (Christie Lane) as well as the underground connection to St Leonards station and other public domain works.

It is intended that this offer will be formalised into a VPA with Council for exhibition with the Planning Proposal following Gateway with execution upon amendments to the LEP being made in accordance with the Planning Proposal. A letter of offer is provided as **Appendix I**.

5.4 Mapping

This planning proposal seeks to amend the following maps of LCLEP 2009:

- Land Zoning Map 004
- Height of Buildings Map 004
- Floor Space Ratio Map 004

The proposed maps are included at **Appendix B**.

6.0 Strategic Justification

6.1 The Need for a Planning Proposal

Q1 – Is the planning proposal a result of any strategic study or report?

The planning proposal responds to a number of strategic studies and reports prepared for the St Leonards Centre that reflect the changing nature of the centre. Discussion of the relevant sections contained in these studies are set out in Section 7.2 below.

Specifically, this planning proposal is the result of the draft St Leonards and Crows Nest 2036 Plan, a strategic document released by DP&E in 2018, that is intended to guide the future rezoning and redevelopment of the area. The draft St Leonards and Crows Nest 2036 Plan is included at **Appendix F**.

The 2036 Plan specifically identifies the subject site as a ‘significant site’ (see page 62 of **Appendix F**). Significant sites are sites that “may be appropriate for additional height, subject to further assessment and community consultation”.

The site’s designation as a significant site, as well as its location on the Pacific Highway between St Leonards and Crows Nest Station, clearly show that the site has an important role to play in realising the role of St Leonards as a future high-density mixed-use commercial and residential precinct.

Additionally, this planning proposal has been prepared as a direct response to the Economic Impact Assessment (EIA) prepared by Urbis, commissioned specifically to assess the proposed development at the Telstra Exchange site (**Appendix C**). As outlined in the EIA, the demand for commercial floor space in St Leonards remains comparatively low, with an average take-up rate of only 625 sqm per annum over the last 15 years (**Appendix C – Section 4**). This is significantly less than those of neighbouring suburban Office Markets in Sydney (e.g. North Sydney, Macquarie Park, and Chatswood) – this is discussed in further detail in Section 6.3.11.

The EIA (**Appendix C – Section 6**) also concludes that a stand-alone commercial development on the site is not economically viable. This is due primarily to the increased costs and practical impediments to redevelopment associated with the site-specific constraints specific to the site as well as the inability of the St Leonards Office Market to absorb a large commercial development.

Q2 – Is the planning proposal the best means of achieving the intended outcome?

This planning proposal is the best means of achieving the objectives and intended outcomes. Ultimately, the site’s capacity to enhance its employment generation is contingent on being part a larger mixed-use redevelopment, where site-specific development costs can be offset by the inclusion of residential land uses.

The unique constraints of the site preclude the opportunity for a pure commercial office development. Without the inclusion of additional, higher-value land uses and additional development potential in the form of height and FSR increases, the site would remain unviable as a development proposition.

Given that residential accommodation is currently prohibited in the B3 Commercial Core zone, and the proposed height and FSR cannot be delivered under the existing planning controls, a rezoning to B4 Mixed Use is required.

6.2 Relationship with the Strategic Planning Framework

Q3 – Is the planning proposal consistent with the objectives and actions of the applicable regional, sub-regional or district plan or strategy (including any exhibited draft plans or strategies)?

This Proposal is consistent with both the Greater Sydney Region Plan and the North District Plan. The Proposal's compliance with the stated objectives and actions of both plans is discussed in greater detail below.

6.2.1 Greater Sydney Region Plan: A Metropolis of Three Cities

The Greater Sydney Region Plan outlines 40 objectives to guide future growth in Sydney. Of these objectives, four are directly relevant to the proposal. The proposal's consistency with these objectives is outlined below.

Objective 10: Greater housing supply

The NSW Government forecasts that an additional 725,000 homes will be needed by 2036 to meet demand based on current population projections. This strong need is forecast to continue, and by 2056 it is anticipated that significant further housing supply will be required to meet Greater Sydney's continued strong population growth.

To facilitate greater housing supply, the Plan sets housing targets for each District. The North District, which includes St Leonards, is required to deliver a minimum of 25,950 homes in the five years between 2016 and 2021. Beyond this, the Plan sets a 20-year strategic housing target of 92,000 homes for the North District.

While dwelling completions are at their highest levels in 16 years for Greater Sydney, the North District has experienced fluctuations in the amount of dwelling approvals over the past decade from a high in 1999–2000. Over the past five years, almost 55 per cent of dwelling completions were in western and northern local government areas such as Ryde and Hornsby. Other councils such as Lane Cove, which are arguably better located relative to infrastructure and employment, are delivering a lesser percentage of housing (refer to Urbis report at **Appendix C**).

While detail in terms of delivery will be determined by councils preparing housing strategies under the principles established by the Plan, given Sydney's sustained population growth, the primary intent is to pursue opportunities for additional housing over the next 20 years. The Plan states that developers play an important role in supporting housing outcomes:

'The development industry needs to continually provide new housing and translate the development capacity created by the planning system into approvals and supply'.

As it will facilitate delivery of additional dwellings on a site that under current planning controls cannot feasibly deliver additional homes, the planning proposal promotes this objective.

Objective 11: Housing is more diverse and affordable

Greater Sydney has been measured as being one of the least affordable housing markets globally and is the least affordable Australian city. Factors that contribute to rental and purchasing affordability challenges include the limited availability of smaller dwellings to meet both the growing proportion of small households, as well as the growing distance between areas where housing is affordable and the location of employment and educational opportunities.

This planning proposal will deliver smaller homes in the form of apartments, in a Strategic Centre (St Leonards) that provides job opportunities and access via public transport to other major employment nodes, such as North Sydney and the Sydney CBD.

Objective 12: Great places that bring people together

Under the Plan, one of the key attributes of a great place is walkability. By enabling a critical mass of new residents within walking distance of a rail station, the proposal promotes walkability and greater patronage of public transport and the surrounding street network and public domain. This in turn helps to create a more vibrant and active St Leonards.

In addition to this, the site's relatively constrained size preserves the current fine-grain fabric of the St Leonards Centre.

The architectural reference scheme developed by PTW proposed a high-quality public domain and built form response to its context, including the ability to:

- allow the reconnection of the urban fabric of the area, filling a significant gap in the current linkage of current and future development in the centre; and
- provide a sculptural and slender built form that is intended to be accessible, rich and compelling when experienced as a pedestrian.

Objective 14: A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities

Under the Plan accommodating homes needs to be linked to local infrastructure – both to optimise existing infrastructure and to maximise investment in new infrastructure.

In established parts of Greater Sydney such as St Leonards, urban renewal opportunities exist around regional transport and strategic centres, where links for walking and cycling promote a healthy lifestyle and contribute to liveability.

Being located in a Strategic Centre that is also identified as a Planned Precinct within walking distance of two rail stations benefiting major government investment, the proposal is consistent with this objective.

6.2.2 North District Plan

Consistent with the Regional Plan, overall the District Plan promotes three major housing themes:

- Greater housing supply;
- More diverse and affordable housing; and
- Better located and designed housing.

This is reflected in Planning Priority N5:

'Providing housing supply, choice and affordability, with access to jobs, services and public transport'.

Under the North District Plan, the Lane Cove LGA is required to deliver a minimum 1,900 homes in the five years between 2016 and 2021. Unlike other North District LGA's, scope for additional housing supply in Lane Cove is heavily constrained by factors such as topography. The key opportunity to provide for additional homes through transit-focused renewal in accordance with the Region Plan is in St Leonards. This is reflected in the District Plan (page 39) that identifies St Leonards as a location for additional capacity for housing supply

In terms of housing diversity and affordability, planning for housing needs to consider the type of dwellings required to respond to expected changes in both household size and age. The District Plan states that this requires more smaller homes, group homes, adaptable homes of universal design and aged care facilities.

New housing should also be provided in the right locations and of the right design. The District plan states that:

'New housing must be in the right places to meet demand for different housing types, tenure, price points, preferred locations and design. Housing supply must be coordinated with local infrastructure to create liveable, walkable neighbourhoods with direct, safe and universally designed pedestrian and cycling connections to shops, services and public transport'.

Consistent with these three major housing themes, the action under this planning priority is the preparation of housing strategies, which include:

- creating capacity for more housing in the right locations;

- supporting planning and delivery of growth areas and planned precincts as relevant to each local government area;
- supporting investigation of opportunities for alignment with investment in regional and district infrastructure; and
- supporting the role of centres.

The proposal:

- provides additional housing on a site that under current planning controls is not feasible for new homes;
- provides a greater diversity of housing in the form of apartments;
- is located in a Strategic Centres that is also identified as a Planned Precinct within walking distance of a rail station benefiting major government investment; and
- is accompanied by a reference scheme that is well designed and will contribute to the vitality and activity of the St Leonards centre.

On this basis, this proposal is consistent with the relevant planning priorities and actions of the District Plan.

The District Plan also contains specific actions for the St Leonards under the District Plan. Relevant actions are:

- leverage off the new Sydney Metro station at Crows Nest to deliver additional employment and residential capacity;
- grow jobs in the centre;
- reduce the impact of vehicle movements on pedestrian and cyclist accessibility;
- deliver new high-quality open space, upgrade public areas, and establish collaborative place-making initiatives; and
- promote synergies between the Royal North Shore Hospital and other health and education-related activities, in partnership with NSW Health.

In establishing how this Proposal responds to Action P4 of the District Plan, consistency with each of the above considerations is discussed in detail below.

Leverage off the new Sydney Metro station at Crows Nest to deliver additional residential and employment capacity

This planning proposal will facilitate the delivery of approximately 366 dwellings in the immediate vicinity of both St Leonards and the future Crows Nest Station. It will also provide almost 6,700 m² of commercial NSA over 11 storeys, which is estimated to deliver, based on a conservative rate of 1 employee for every 15 sqm of commercial NSA, approximately 450 permanent new jobs to the area. The construction phase of the project will create an additional 628 jobs. Please find further discussion of the potential provision of employment associated with this Proposal set out in Section 7 of the Urbis EIA at **Appendix C**.

Identify actions to grow jobs in the centre and promote synergies between the Royal North Shore Hospital and other health and education-related activities, in partnership with NSW Health

It is anticipated that the commercial offering at the Telstra Exchange site, as designed, is likely to be attractive to medical tenants and businesses benefiting from synergies with the Royal North Shore Hospital (**Appendix C**).

Deliver new high-quality open space, upgrade public areas, and establish collaborative place-making initiatives

The proposal will facilitate future delivery of pedestrian linkages in the area in order to leverage off the upgraded community / cultural spaces and retail amenity provided as part of the rezoning approvals of the Winten, Loftex and Charter Hall/Leighton Planning Proposals. These include: St Leonards Plaza, Friedlander Place and the upgrade to Nicholson and Christie Lanes, all of which are in the immediate vicinity of the site.

Reduce the impact of vehicle movements on pedestrian and cyclist accessibility

The site is uniquely positioned to aid in the reduction of the impact of future vehicle movements in the area. The site's proximity to both St Leonards and the future Crows Nest Metro Station provides an excellent opportunity to create genuine Transit Orientated Development.

The proponent has supported this concept with the provision of only 160 total car spaces. The parking breakdown (refer to **Section 6.3.7** and **Appendix E**) of 112 spaces for residential and 48 spaces for commercial, means that 75% of residential apartments in the development will be without on-site car parking. These residents will use either public transport or ride-sharing services as their primary means of transportation, lessening the impact of potential future vehicle movements in the area.

To this end, the Traffic Assessment undertaken by GTA Consultants provides a comparative assessment of the traffic impact associated with stand-alone commercial development under the site's current planning controls under the B3 Commercial Core zone (**Appendix E – Section 7.7**). The analysis is based on a scheme by PTW Architects, providing 10,836 sqm of commercial floor space, at an FSR of only 6.5:1 and 160 car spaces. This was designed to assess the full impact of the controls, should they have been able to facilitate commercial development at this location (refer to **Section 7.3.1**).

GTA's analysis suggests that while the proposed mixed-use scheme would result in 62-65 vehicle movements during AM and PM peak times, a pure commercial scheme under the site's current planning controls (at an FSR of only 6.5:1) would generate 128 movements, double that of the proposed scheme.

Clearly the scheme set out in this Proposal is better able to achieve the District Plan's objective of reducing vehicle impacts in the Centre in order to facilitate pedestrian cycling accessibility than potential development under the site's current planning controls.

6.2.3 Draft St Leonards and Crows Nest 2036 Plan

The 2036 Plan is a draft precinct plan that has been released for public comment, and is therefore a relevant consideration in terms of demonstrating the site's strategic merit. While the 2036 Plan outlines the strategic vision and direction for St Leonards and Crows Nest, the document remains a draft plan at the time of writing this planning proposal. The plan is yet to be adopted by the Department and in its draft state is not a Section 9.1 Ministerial Direction. Further, the community and stakeholder feedback received by the Department during the exhibition of the draft 2036 Plan is expected to inform the final 2036 Plan.

Notwithstanding this, an assessment of the planning proposal against the draft 2036 Plan is undertaken below.

The 2036 Plan requires that, in order to justify an increase in height and density, any proposal be consistent with the vision, area wide design principles, design criteria and significant site design criteria identified in the Plan.

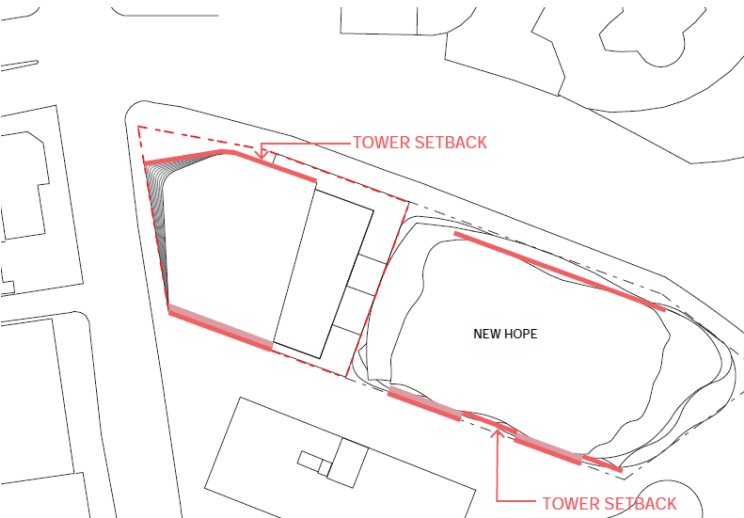
The proposal's consistency with the vision, design principles and design criteria outlined in the Plan is detailed in **Table 4**.

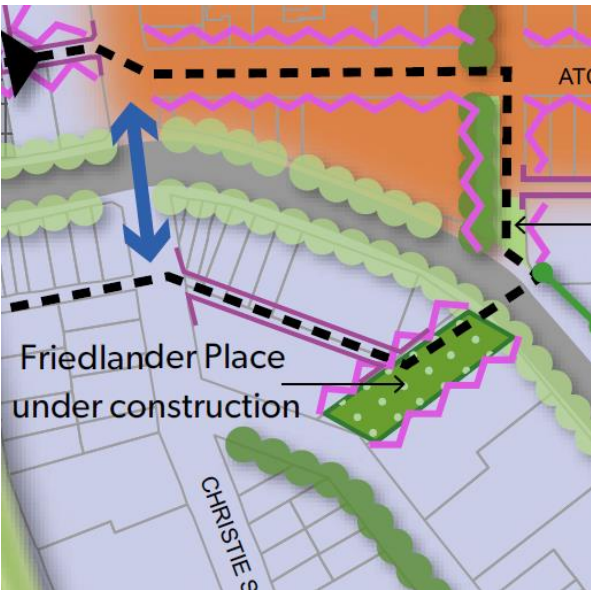
Table 4 Consistency with 2036 Plan

Objective or criteria	Consistency of planning proposal
Vision	
A vibrant community New development around the Crows Nest Sydney Metro station will provide energy and life along the Pacific Highway and St Leonards. The existing vibrancy and liveliness of the Crows Nest Village and Willoughby Road will provide a foundation for the revitalisation of the St Leonards Core.	Consistent As discussed in Section 3.5, existing development on the site is characterised by ageing, poor quality retail space that contributes very little to the vibrancy of the Pacific Highway. Future development of the site will provide high-quality active frontages to the Pacific Highway, Christie Street, and will also activate Nicholson Lane to the rear and facilitate the completion of east-west public domain connections to the civic plaza to the west and Friedlander Place to the east.


Objective or criteria	Consistency of planning proposal
A place that protects its past Heritage Conservation Areas and buildings are to be retained and celebrated as an important connection to the past.	Consistent The proposal will not impact the heritage significance of any nearby heritage items or heritage conservation areas.
An accessible place An attractive and easy place to walk, cycle and move through, with improved local and regional connections.	Consistent The proposal will contribute to the pedestrian movement through St Leonards by facilitating east-west connections from Friedlander Place to the civic square at 88 Christie Street.
A well-designed place New buildings that model the highest quality design, respecting and enhancing the existing local character of the area.	Consistent This planning proposal has been conceived with careful consideration of the built form constraints that apply to the site, including setbacks from all sites, the street wall datum set by New Hope, and the ability to achieve a viable commercial podium within the limitations set by the existing Telstra exchange building. The indicative scheme is discussed further in Section 4.0.
An employment hub Providing 16,500 additional jobs over the next 20 years to support a growing and evolving economy, with opportunities for employment in the industrial, professional, creative, retail, health and education sectors.	Consistent It is proposed to provide a minimum non-residential FSR of 4:1. As discussed in Section 6.3.11, the amount of non-residential FSR provided is in excess of almost every other mixed-use development in the precinct, and is considered to be more than sufficient, particularly given the spatial constraints imposed by the Telstra exchange, in terms of achieving a viable commercial development within the building's podium.
A home for people of all ages A greater mix of homes will be available to the diverse range of people that live in the area.	Consistent The proposal will facilitate a mixed-use development that will provide approximately 366 residential units. The units will have a variety of sizes, configurations and bedroom numbers and will be suitable for a range of residents, including singles, couples and families. Further, as discussed in Section 2.5, the apartments will not be sold – rather, they will be rented out via a build-to-rent (BTR) model. The BTR model will support the growing rental market by providing a building that will be specifically designed for renters.
A greener place Parks and public green spaces will provide areas for locals to be active, creative, and enjoy green leafy spaces throughout the area, away from built up areas in St Leonards.	Consistent The proposal will not preclude the provision of additional parks and open space throughout the St Leonards and Crows Nest area. Further, the proposal will add to the growing network of public domain in the area by activating Nicholson Lane and providing additional spaces for the public to move through and enjoy.
Area Wide Design Principles	
Place - Ensure new development retains and enhances important heritage elements by using sympathetic building materials and preserving key views and vistas.	Consistent The proposed development will not affect any existing heritage items or heritage conservation areas.
Place - Retain and enhance the village atmosphere in and around Crows Nest, particularly along Willoughby Road.	Not relevant The proposal is not in Crows Nest.
Place - Ensure no additional overshadowing of public open spaces and important places in accordance with solar access controls identified on page 49 of the Plan.	Discussed further in Section 6.3.3 The proposal will add a small amount of overshadowing to Newlands Park between 10:00-10:45 am on June 21. This overshadowing is considered minimal and acceptable, given the use and quality of the open space and the period and amount of overshadowing.
Place - Apply casual surveillance and universal access principles to new development to create a safe, inclusive and comfortable environment.	Capable of achieving consistency The future development of the site will incorporate active frontages along the Pacific Highway, Christie Street and Nicholson Lane that will provide casual surveillance and activation of the public domain, and will contribute to the creation of a safe environment in St Leonards and in the vicinity of the site.
Place - New development should have consideration to wind impacts demonstrated through a wind assessment.	Capable of achieving consistency Wind impacts will be assessed at DA stage, with wind mitigation to be incorporated in the DA design if necessary.

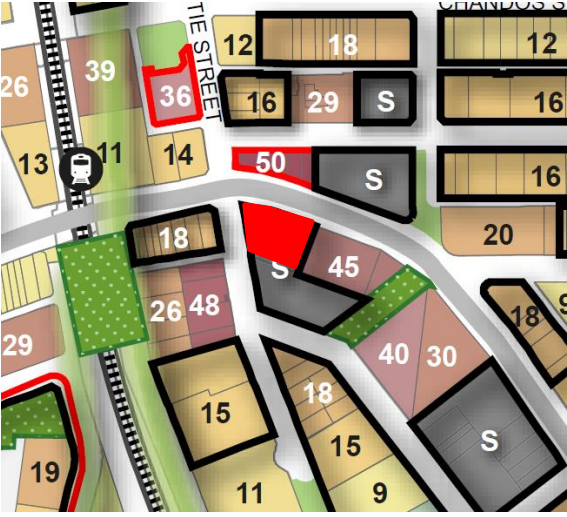
Objective or criteria	Consistency of planning proposal
Landscape - New buildings adjoining Hume Street Park should contribute to the village green atmosphere. They should also provide an active frontage to the park and encourage connections between Willoughby Road, Hume Street Park and Crows Nest Sydney Metro Station.	Not relevant The proposal does not adjoin Hume Street.
Landscape - New development along Chandos, Oxley and Mitchell Streets should provide wider setbacks to enable the creation of greener streets.	Not relevant The proposal is not located on these streets.
Landscape - New development adjoining the new green link should contribute to its landscape character. For example, planter boxes, lighting, green walls, deep planting, landscaped setbacks and forecourts.	Not relevant The proposal does not adjoin the green link.
Landscape - New development in nominated areas along Pacific Highway should be setback 3 metres and incorporate elements such as avenue planting, below ground setbacks for deep soil planting.	Not relevant The proposal is not located in a 3m setback zone.
Landscape - Incorporate new street trees to improve the overall tree coverage in the area.	Capable of achieving consistency It is proposed to provide street tree planting along the Pacific Highway in front of the site at DA stage.
Built form - Consider cumulative impacts of new developments on existing areas, including overshadowing, wind impacts and view loss.	Consistent The proposal has been developed with careful consideration of the cumulative overshadowing and view impacts on the surrounding area. Being on the southern side of the majority of the density in St Leonards, the proposal will cast minimal additional shadow over the areas to the south. Overshadowing is discussed further in Section 6.3.3. Views are discussed further in Section 6.3.6. Wind impacts are proposed to be addressed at DA stage.
Built form - Contain taller buildings between St Leonards Station and Crows Nest Station and on nominated significant sites along the Pacific Highway.	Consistent The site is nominated as a significant site and is located in the band between St Leonards Station and Crows Nest Station annotated 'Focus greatest heights along Pacific Highway between the two stations' (see image below – site marked in red). <div data-bbox="676 1373 1262 1785" data-label="Image"> </div>
Built form - In transition areas between low and high-rise developments, new development should consider the prevailing scale and existing character in the design of their interfaces.	Not relevant Being within 400m of both stations and within the area nominated for tall towers, the site is not located in a transition area.

Objective or criteria	Consistency of planning proposal
<p>Built form - New building design should provide high on-site amenity and consider street width and character by providing ground and upper level setbacks and awnings to achieve a human scale at street level.</p>	<p>Consistent</p> <p>The proposed development is located on the widest corridor in the area – the Pacific Highway. No ground level setback has been provided, consistent with the 'Built form street setback directions' figure in the 2036 Plan (page 53).</p> <p>The tower setback varies between 1.5-6.4m. The setback is generally consistent with the setback established by the adjoining New Hope development. The proposed development sets back further to the Pacific Highway approaching the corner of Christie Street, in order to preserve sightlines and sky view.</p> <p>The approach to setbacks is shown in the below diagram.</p>  <p>Discussion of Council's response to the DPIE LUIKP 2036 Plan is provided in Section 4.4.1.</p>
<p>Land use - Ensure new development contributes to a range of dwelling types in the area to cater for all life cycles.</p>	<p>Consistent</p> <p>The proposed development will provide a range of dwelling types. Indicatively, the future development could accommodate the following dwelling mix:</p> <ul style="list-style-type: none"> • 30% 1 bedroom • 65% 2 bedroom • 5% 3 bedroom <p>The proposed development will also adopt a build-to-rent model that will cater to the growing rental market. Specifically, build-to-rent allows a more bespoke residential product to be offered that provides additional amenities that cater to long-term renters and would not normally be provided in a standard strata-subdivided building.</p>
<p>Land use - Protect key industrial land at Artarmon that services much of the North Shore.</p>	<p>Not relevant</p> <p>The site is not located within the Artarmon industrial area.</p>
<p>Land use - Ensure new employment sites in the area cater to a range of business types and sizes.</p>	<p>Consistent</p> <p>The proposal will include provision for a minimum of 4:1 non-residential FSR that will be capable of accommodating a range of commercial and other non-residential uses.</p>
<p>Land use - Foster development of high technology and health related uses in the light industrial area to support the surrounding hospitals.</p>	<p>Not relevant</p> <p>The site is not located in the light industrial area.</p>
<p>Land use - Investigate locations for a new primary and high school in the area to support the growing community.</p>	<p>Not relevant</p> <p>The site is not capable of accommodating a primary or high school.</p>

Objective or criteria	Consistency of planning proposal
Land use - New development in the mixed use zone should contribute to delivery of active streets by providing a range of uses at ground floor.	<p>Consistent</p> <p>Indicatively, the proposal will activate all three street frontages (Pacific Highway, Christie Street and Nicholson Lane) by providing retail tenancies, a residential and commercial lobby, and shallow retail kiosks.</p>
Land use - Protect large commercial core zoned sites to ensure employment uses are protected into the future.	<p>Consistent</p> <p>This planning proposal includes a minimum of 4:1 non-residential FSR. The 2036 Plan identifies the site as being suitable for a non-residential FSR of 6:1. However, it is noted that the site is heavily constrained by the Telstra exchange, which limits the amount of non-residential GFA that can be provided within the podium.</p> <p>This is primarily a function of the fact that the majority of the floor space within the Telstra exchange does not technically count as GFA. As discussed further in Section 6.3.11, if the floor space in the Telstra exchange were counted within the FSR of the site, a non-residential FSR of 6:1 would be achieved and exceeded.</p>
Movement - New development should contribute to the improvement of the walking and cycling network in the area as well as help to connect to wider regional areas.	<p>Consistent</p> <p>The proposal will facilitate movement through St Leonards by contributing to and activating a future connection between Friedlander Place and Christie Lane via Nicholson Street.</p> <p>The potential future provision of a pedestrian connection along Nicholson Lane is consistent with the place actions and recommendations diagram in the 2036 Plan (page 45). An extract from the diagram is shown below.</p>  <p>← - - - - -> Station to Station Link with Active frontage — — — — — Shared Active Laneways</p>
Movement - Identify opportunities to improve safety along existing pedestrian and cycling routes.	<p>Consistent</p> <p>The proposal will increase safety around the site by providing active frontages to the Pacific Highway, Christie Street and Nicholson Lane.</p>
Movement - New development should encourage use of public transport and reduce the need to use a private car. Innovative solutions such as car sharing are encouraged.	<p>Capable of achieving consistency</p> <p>The proposal will explore opportunities to maximise the use of public transport and other alternative transport options at DA stage.</p>
Movement - New commercial developments should incorporate end of trip facilities to encourage more people to walk and cycle to work.	<p>Capable of achieving consistency</p> <p>The proposal will be capable of incorporating end of trip facilities as part of the non-residential component of the development.</p>

Objective or criteria	Consistency of planning proposal
Design Criteria	
Meet solar height planes in this Plan (identified in figure 11 on page 26).	<p>Discussed further in Section 6.3.3</p> <p>The proposal will add a small amount of overshadowing to Newlands Park between 10:00-10:45 am on June 21. This overshadowing is considered minimal and acceptable, given the use and quality of the open space and the period and amount of overshadowing.</p>
Consideration of quality streetscape aspects such as setbacks, street wall height and heritage buildings.	<p>Consistent</p> <p>The proposed development is located on the widest corridor in the area – the Pacific Highway. A zero setback up to street wall height and a major ground floor reverse setback has been provided, consistent with the 'Built form street setback directions' figure in the 2036 Plan (page 53).</p> <p>A typical tower setback of between 1.5-6.4m has been provided to the Pacific Highway, consistent with the setback established by the adjoining New Hope development. The proposed development sets back further to the Pacific Highway approaching the corner of Christie Street, in order to preserve sightlines and sky view.</p>
Acknowledge key views and vistas such as key long distance vistas which offer sky views, and vistas where a building may terminate the view.	<p>Consistent</p> <p>The proposal is not located at the terminus of a key view. However, the proposal will be a key part of the St Leonards skyline and will be highly visible from surrounding areas.</p> <p>The proposal is located a logical height peak – consistent with the dual height peaks shown on page 24 of the 2036 Plan – and will be an iconic addition to the St Leonards skyline.</p> 
Avoid a monolithic street wall effect through the distribution of higher buildings.	<p>Consistent</p> <p>The proposal has sufficient separation from other potential tall tower sites in the area, such that a monolithic street wall affect will not be created. This separation includes:</p> <ul style="list-style-type: none"> • 24m separation from New Hope to the east • Approximately 26m separation from the Anson site to the north • Approximately 24m from 88 Christie Street to the south west
Transition heights from high rise areas down towards existing lower scale areas, including areas not proposed for height changes, and Willoughby Road.	<p>Not relevant</p> <p>Being within 400m of both stations and within the area nominated for tall towers, the site is not located in a transition area.</p>

Objective or criteria	Consistency of planning proposal
Significant Site Design Criteria	
Undertake a design excellence process.	<p>Capable of achieving consistency The proposal has now undergone several design iterations over the last two years, in response to the changing strategic planning and development context in St Leonards. This has resulted in the development of a highly-refined scheme that is capable of achieving design excellence.</p> <p>It is anticipated that, as part of the planning proposal process, this scheme will be thoroughly reviewed by the Lane Cove Planning Panel, and if necessary, a design review panel, such as the NSW State Design Review Panel.</p>
Sustainable, walkable and liveable city.	<p>Consistent Sustainability – The proposal is capable of incorporating suitable ESD measures. This will be explored further at DA stage.</p> <p>Walkability – The proposal will facilitate a future east-west connection between Christie Lane and Friedlander Place, and will also contribute to the activation of the surrounding public domain, increasing safety and walkability for pedestrians.</p> <p>Livability – The proposal will provide a range of dwelling types that will be provided via a build-to-rent model, catering to wide demographic of future residents and providing high-amenity living within a vibrant mixed-use centre.</p>
Meet solar height planes in this Plan (identified in figure 11 on page 26).	<p>Discussed further in Section 6.3.3 The proposal will add a small amount of overshadowing to Newlands Park between 10:00-10:45 am on June 21. This overshadowing is considered minimal and acceptable, given the use and quality of the open space and the period and amount of overshadowing.</p>
Manage cumulative overshadowing impacts of significant sites in the area. Consider actions and recommendations identified in the draft Plan.	<p>Consistent Being on the southern side of the majority of the density in St Leonards, the proposal will cast minimal additional shadow over the areas to the south. Overshadowing is discussed further in Section 6.3.3.</p>
Respond to street character and surrounding heritage items and/ or areas when determining street wall height, awnings and ground and upper level setbacks.	<p>Consistent The proposal responds directly to the four-storey street wall height and upper level setbacks set by the approved New Hope development to the east. Setbacks are discussed further in Section 6.3.3.</p>
Exemplary street level activation and contribution to the public domain with ground level setbacks, plazas or similar.	<p>Consistent The proposal will provide retail activation along the Pacific Highway, residential lobby activation on Christie Street, and shallow retail activation of Nicholson Lane.</p>
	<p>A render showing the future activation of Nicholson Lane is shown below.</p>
	

Objective or criteria	Consistency of planning proposal
<p>Have a positive impact on the area's key view lines and vistas, with consideration of a visual marker of an important place.</p>	<p>Consistent</p> <p>The proposal will be an important visual marker in the St Leonards skyline, denoting the centre of St Leonards, being the intersection between Christie Street and the Pacific Highway.</p> <p>The site's position at the highest point of St Leonards is reinforced by the surrounding heights shown in the 2036 Plan, being:</p> <ul style="list-style-type: none"> • 50 storeys at 621 Pacific Highway to the north (Anson site) • 48 storeys at 88 Christie Street to the south west (JQZ site) • 36 storeys at 100 Christie Street to the north west • 45 storeys at the New Hope development to east <p>These heights make the Telstra exchange site a logical location for the highest point of St Leonards, reinforcing the twin height peaks on page 24 of the 2036 Plan, and fulfilling a role as a visual marker of the St Leonards core.</p> <p>The surrounding heights as nominated in the 2036 Plan are shown below (site highlighted in red).</p> 
<p>Slender towers (smaller floor plate) to avoid bulk.</p>	<p>Consistent</p> <p>Slenderness is not simply a measure of the tower floor plate size – it is typically a function of the ratio of building height to width.</p> <p>The indicative scheme has a typical tower floor plate size of 743 sqm GFA, but has a maximum height of 195m. By comparison, City of Sydney mandates a maximum floor plate control of 1,000 sqm GFA for tower heights of 235m.</p> <p>Based on this ratio, the proposed development would be more slender than a typical building in Sydney CBD, and by any measure could be considered to be an extremely slender building.</p>
<p>Make significant improvements to the public domain and local infrastructure.</p>	<p>Consistent</p> <p>The proposed development will contribute significantly to the improvement of the surrounding public domain by:</p> <ul style="list-style-type: none"> • activating all three street frontages, thereby improving foot traffic and safety • providing significant street tree planting at DA stage along the Pacific Highway • facilitating a future pedestrian connection between Friedlander Place and Christie Lane

Objective or criteria	Consistency of planning proposal
Provide gradual transitions, sensitive interfaces and an appropriate response to the scale of the street (using a combination of street wall heights, ground and upper level setbacks).	<p>Consistent</p> <p>The proposed development is located on the widest corridor in the area – the Pacific Highway. No ground level setback has been provided, consistent with the 'Built form street setback directions' figure in the 2036 Plan (page 53).</p> <p>A typical tower setback of between 1.5-6.4m has been provided to the Pacific Highway, consistent with the setback established by the adjoining New Hope development. The proposed development sets back further to the Pacific Highway approaching the corner of Christie Street, in order to preserve sightlines and sky view.</p> <p>Setbacks are discussed further in Section 6.3.3.</p>
Avoid unreasonably constraining development potential of neighbouring sites.	<p>Consistent</p> <p>The New Hope development to the east is approved and currently under construction, and is therefore not a consideration in terms of constraining future development.</p> <p>69 Christie Street, the commercial building to the immediate south, is already constrained by the approach taken by New Hope in terms of setbacks, land uses and building separation to the south. The proposed development adopts this same approach and therefore does not further constrain the redevelopment of 69 Christie Street.</p> <p>Constraint of 69 Christie Street is discussed further in Section 6.3.4.</p>
Tree canopy planting or other landscaping in public spaces on site.	<p>Capable of achieving consistency</p> <p>The proposed development will provide street tree planting along the Pacific Highway at DA stage.</p>

Based on the above assessment, this planning proposal is consistent with the vision and design criteria identified in the 2036 Plan. Specifically:

- the site is identified as a significant site; as such, there is an acknowledgement that the site is suitable for additional height;
- the site is located in the 'tall building band' between St Leonards Station and Crows Nest Station, and is surrounded by other sites identified for tall buildings;
- the site is a logical location for a height peak and will act as a visual marker of the St Leonards core;
- the site will activate the surrounding public domain and facilitate east-west pedestrian connections, linking public domain at Christie Lane and Friedlander Place;
- future development of the site is capable of achieving a slender, high-quality architectural form that will be capable of achieving design excellence;
- the proposal adopts built form parameters that respond to existing site constraints and the approach taken by surrounding development, including the New Hope development; and
- the proposal provides for a mix of dwellings via a build-to-rent model that will support the growing rental market in Sydney.

The planning proposal's consistency with the solar access objectives of the draft 2036 Plan are further discussed in **Section 6.3.5 (Overshadowing)**.

6.2.4 Strategic Merit Test

A Guide to Preparing Planning Proposals sets out that in order to answer this question, a planning proposal needs to justify that it meets the Strategic Merit Test. The consistency of this planning proposal with the mandated assessment criteria is set out below.

a) Does the proposal have strategic merit?

Part 3 of *A Guide to Preparing Planning Proposals* establishes assessment criteria for determining if planning proposals have strategic merit:

a) Does the proposal have strategic merit? Is it:

- *Consistent with the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment; or*
- *Consistent with a relevant local council strategy that has been endorsed by the Department; or*
- *Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.*

The Lane Cove LEP was gazetted in 2009 and as such is now 10 years old. Since gazettal of the Lane Cove LEP in 2009, the following major changes to the strategic context of the site have occurred:

- The *Greater Sydney Region Plan* and the *North District Plan* were released which identified a need to increase housing supply in strategic centres close to transport and that the Greater Sydney Region required an additional 725,000 homes will be needed by 2036 to meet demand based on current population projections;
- The draft *St Leonards and Crows Nest 2036 Plan* was released in 2018, which clearly identifies the site as being suitable for uplift and future high-density redevelopment;
- The announcement of the Sydney Metro, providing a second train station (Crows Nest Station) within walking distance (350 m) of the site;
- The evolution of character and scale of development at St Leonards with a number of planning proposals introducing a mix of uses in the St Leonards precinct, further demonstrating the changing context of the area;
- Population forecasts released by DP&E in October 2016 (and included in the District Plan) identify that the Lane Cove LGA will need to accommodate an additional 1,900 dwellings over the next 5 years; and
- The declining demand for office space in St Leonards over the past 16 years is a significant factor in the viability of stand-alone commercial development on this site and others in the area. This is discussed in more detail in the EIA (Section 3) at **Appendix C**.

For the reasons outlined above, the planning proposal has clear strategic merit and responds to a number of significant changes in the strategic planning context of the site that the LEP controls from 2009 do not respond to.

b) Does the proposal have site-specific merit?

The Telstra Telephone Exchange is a key piece of regionally-significant infrastructure. It is rated by Telstra as a 'strategic node', the company's second highest level of strategic significance, owing primarily to the number of customers serviced by it and the importance of the equipment housed within. Similarly, the Exchange is also a key node for NBN.

As such, the Exchange cannot be decommissioned or relocated and must remain operational for the duration of any future construction at the site, presenting a significant constraint to development. This is a considerable structural challenge, which comes at a substantial economic cost. Any development on the site must cantilever across the structure in order to build above the existing building. The presence of the Exchange also prevents the excavation of a basement on the site, requiring parking to be accommodated above the ground in the form of a car stacker.

The combination of a relatively small site area (for commercial development), restrictive setbacks associated with the adjacent New Hope development and the property's limited site area for expansion, all mean that large

commercial (A -Grade) floor plates are not achievable. This is a commercial reality that prevents the site from being able to secure the necessary pre-commitment to facilitate stand-alone commercial development at this location.

The proposed mixed-use rezoning of the site is commensurate with the changing development landscape of the St Leonards precinct. The proposal will also encourage residents and workers to make use of the significant transport infrastructure, upgraded community spaces and enhanced retail amenity that will service this location in the near future.

Summary

This planning proposal achieves the assessment criteria, as it demonstrates both strategic merit and site-specific merit. Therefore, it is considered that this planning proposal meets the Strategic Merit Test.

Q4 – Is the planning proposal consistent with a Council’s local strategy or other local strategic plan?

The St Leonards Strategy was prepared in 2006 and is the only relevant local strategy. It included four primary aims:

- to inform the content of each of the councils’ new comprehensive LEPs, as part of the NSW Planning Reform Program;
- to identify how the economic role of the centre can be strengthened;
- to identify how sustainability, amenity and a sense of place in the centre can be strengthened; and
- to establish a co-ordinated planning approach from the three Councils.

The St Leonards Strategy recommended a ‘strategic growth’ scenario to achieve the increase in workspace required to accommodate the 8,000 additional jobs in St Leonards targeted by the Draft Inner North Subregional Strategy. It identifies the site as forming part of the St Leonards Centre and presenting an opportunity for commercial development. The Strategy recommends that the FSR for the site is increased to encourage commercial development, as such the control was increased under the Lane Cove LEP 2009. This increase was a clear response by Council to the changing needs of the St Leonards Precinct, even then, and its excellent credentials to accommodate a larger working population.

Whilst Council has worked to retain the commercial core within the St Leonards Centre over the last 10 years, in accordance with the Strategy, development under the current B3 Commercial Core zone has not occurred. This is despite the uplift in both height and FSR provided in LEP 2009. Development in the area has been facilitated, however, through rezoning to B4 Mixed Use, notably, in the case of both the Leighton / Charter Hall and Winten Planning Proposals, after a demonstrated inability to produce new economically viable commercial development in this location.

As such, the strategic vision for the St Leonards Centre is currently under review by both State and Local government planning authorities. Council investigation includes the St Leonards South Master Plan, which intends to rezone land to the west of the rail line on the southern side of Pacific Highway, from Low Density Residential to Medium and High Density (discussed in more detail in **Section 2.2.2** of this report).

The St Leonards Strategy also recognised the need for additional housing within the centre. Whilst the site is not identified for residential uses, it supports the Strategy by providing for housing close to transport, with a range of dwelling sizes and types to support the needs of the population.

Lane Cove Council’s Pilot Rezoning Program

Commencing in 2013, Lane Cove Council nominated a total of four sites located within the Lane Cove LGA of St Leonards for uplift, rezoning and redevelopment. While the site is not one of the four sites under Council’s Pilot Rezoning Program (pilot program), the site is still broadly consistent with the intent of the program.

The overall success of the pilot program is noted. All four nominated sites have been rezoned and respective Development Applications approved. The four sites are currently under construction or have recently been

completed. While the four 'pilot program' sites will deliver additional housing and jobs within the area, enabling Council to meet the short term (2016-2021) targets for the LGA, given the timeframes generally associated with a rezoning approval, this planning proposal will contribute towards the LGA's long term (2021 onwards) housing and jobs targets. As such, the proposal is not inconsistent with Council's pilot program as it does not intend to compete with the short-term housing or job targets. Instead, the proposal responds to the evolving long-term strategic vision and context of St Leonards.

It is important to note that the context of St Leonards and Crows Nest has significantly changed and evolved since the first Council led pilot program in 2013. In addition to being nominated as a Priority Precinct:

- the State Government announced the delivery of Crows Nest Metro Station, which is 350m from the Telstra Exchange site, and will substantially increase the public transport accessibility of the site;
- the draft 2036 Plan has been released, which envisages St Leonards as a major centre for workers, residents, students and visitors, including a revitalised core with a balance of commercial and residential development.

As such, reappraisal of Council's first pilot program in context with the evolving vision and direction of St Leonards, as outlined by the 2036 Plan, is warranted. This proposal presents an opportunity for Council to consider a similar Council led rezoning program for the Telstra exchange site and other strategically significant sites to ensure Council continues to remain on the path towards meeting its the long-term housing and job targets for the LGA.

This proposal will also positively contribute to the overall amenity of the 'pilot program' sites. As illustrated at **Figure 28**, the Telstra exchange site is centrally located between New Hope, JQZ and the Mirvac sites. The renewal of the Telstra exchange site will significantly improve the amenity of the wider block, in addition to improving connectivity and permeability between the St Leonards Plaza, Christie Lane and Friedlander Place.



Figure 28 Public domain opportunities

Q5 – Is the planning proposal consistent with applicable State Environmental Planning Policies?

Yes.

An assessment of the planning proposal against relevant State Environmental Planning Policies (SEPPs) is set out in **Table 5** below.

Table 5 Consistency with State Environmental Planning Policies

SEPP	Consistency			Comment
	Yes	No	N/A	
SEPP No. 1 Development Standards			✓	SEPP 1 does not apply to Lane Cove LEP.
SEPP (State and Regional Development) 2011	✓			The future development of the site is likely to be deemed as 'regional development' (meeting the relevant thresholds under Schedule 4A of the EP&A Act), with the Sydney Planning Panel acting as the determining authority
SEPP (Affordable Rental Housing)			✓	Not relevant to proposed amendment.
SEPP (Exempt and Complying Development Codes)	✓			Not relevant to proposed LEP amendment. May apply to future development on the sites.
SEPP No. 55 Remediation of Land	✓			A Phase 1 Preliminary Site Investigation (PSI) was undertaken by EI Australia (Appendix E) to determine the potential risk for land contamination from past and current activities. Based on the findings of the assessment and with consideration of the Statement of Limitations, EI conclude that site contamination is unlikely to prevent the site from being redeveloped in future, including to more sensitive uses than the existing land use.
SEPP No.70 Affordable Housing (Revised Schemes)			✓	Not relevant to proposed amendment.
SEPP No. 64 Advertising and Signage			✓	Not relevant to proposed amendment.
SEPP No. 65 Design Quality of Residential Apartment Development	✓			The development on the site facilitated by the planning proposal is capable of achieving compliance with the relevant design principles contained within SEPP 65 and the ADG.
SEPP (BASIX) 2004	✓			Detailed compliance with SEPP (BASIX) will be demonstrated at the time of making a development application for the site facilitated by this planning proposal.
SEPP (Infrastructure) 2007	✓			Initial discussions have been held with the RMS in regard to the potential for access to the site from Christie Street and discharging vehicles in a contra-flow direction onto Pacific Highway, to which there was no objection. The RMS also expressed no objection to reduced parking numbers at the site to the use of a car stacker as a parking solution. Consultation with RMS and Transport for NSW will occur during public exhibition.
Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005	✓			The proposed development is not located directly on the Sydney Harbour Catchment foreshore. Consistency with the REP will be considered and addressed appropriately at DA stage.

Q6 – Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

Yes.

An assessment of the planning proposal against applicable section 9.1 Directions is set out in **Table 6**.

Table 6 Consistency with section 9.1 directions

Direction	Consistency			Comment
	Yes	No	N/A	
1. Employment and Resources				
1.1 Business and Industrial Zones	✓			While the planning proposal seeks a rezoning to facilitate a mixed-use development, it is nevertheless consistent with this direction in that it retains a zoning that permits all types of commercial premises with consent. Refer to further discussion below.
1.2 Rural Zones			✓	Not applicable
1.3 Mining, Petroleum Production and Extractive Industries			✓	Not applicable
1.4 Oyster Aquaculture			✓	Not applicable
1.5 Rural Lands			✓	Not applicable
2 Environment and Heritage				
2.1 Environmental Protection Zones			✓	Not applicable
2.2 Coastal Protection			✓	Not applicable
2.3 Heritage Conservation			✓	Not applicable
2.4 Recreational Vehicle Area			✓	Not applicable
3. Housing, Infrastructure and Urban Development				
3.1 Residential Zones	✓			The proposed amendment to the LEP would see the delivery of new dwellings located close to significant public transport, employment opportunities and day to day services. The proposal will therefore make more efficient use of this infrastructure and will reduce the consumption of land for housing and associated urban development on the urban fringe.
3.2 Caravan Parks and Manufactured Home Estates			✓	Not applicable.
3.3 Home Occupations			✓	No change is proposed to the current permissibility of home occupations.
3.4 Integrating Land Use and Transport	✓			The planning proposal will facilitate a mixed-use development that better utilises the significant public transport investment at the Crows Nest Metro station (approximately 350m form the site) and the existing St Leonards station (approximately 100m from the site). The LEP amendment will unlock the development potential of the site, will concentrate critical mass to support public transport, and improve access to housing and jobs and services by walking, cycling and public transport. In light of this the proposal will facilitate better use of public transport, being one of only a few key sites outside of the CBD that is

Direction	Consistency			Comment
				located within 400m of a metro station and an existing rail station.
3.5 Development Near Licensed Aerodromes			✓	Not applicable
3.6 Shooting Ranges			✓	Not applicable
4. Hazard and Risk				
4.1 Acid Sulfate Soil	✓			Lane Cove LEP contains acid sulphate soils provisions and this proposal does not seek to amend them. Acid sulphate soils investigations and analysis will accordingly be undertaken as part of any future development of the land in accordance with the requirements of the Lane Cove LEP.
4.2 Mine Subsidence and Unstable Land			✓	The site is not identified as mine subsidence or unstable land.
4.3 Flood Prone Land			✓	Not applicable
4.4 Planning for Bushfire Protection			✓	Not applicable
5. Regional Planning	✓			
6. Local Plan Making				
6.1 Approval and Referral Requirements	✓			This planning proposal is consistent with this Direction in that it does not introduce any provisions that require any additional concurrence, consultation or referral.
6.2 Reserving Land for Public Purposes	✓			This planning proposal is consistent with this Direction in that it does not create, alter or reduce existing zonings or reservations of land for public purposes.
6.3 Site Specific Provision	✓			This planning proposal seeks to rezone the site to an existing zone already in the Lane Cove LEP (B4 Mixed Use), without imposing any additional requirements for that zone. The proposal seeks to impose a site-specific provision requiring a portion of non-residential GFA. However, this control is common in LEPs and is consistent with existing provisions in the Lane Cove LEP.
7. Metropolitan Planning				
7.1 Implementation of A Plan for Growing Sydney	✓			The planning proposal is consistent with the Metropolitan Plan, as the proposal provides for additional dwellings and employment-generating floor space in proximity to public transport and a strategic centre.
7.2 Implementation of Greater Macarthur Land Release Investigation			✓	Not applicable
7.3 Parramatta Road Corridor Urban Transformation Strategy			✓	Not applicable
7.4 Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan			✓	Not applicable
7.5 Implementation of Greater Parramatta Priority Growth Area Interim Land Use and			✓	Not applicable

Direction	Consistency			Comment
Infrastructure Implementation Plan				
7.6 Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan			✓	Not applicable
7.7 Implementation of Glenfield to Macarthur Urban Renewal Corridor			✓	Not applicable
7.8 Implementation of Western Sydney Aerotropolis Interim Land Use and Infrastructure Implementation Plan			✓	Not applicable
7.9 Implementation of Bayside West Precincts 2036 Plan			✓	Not applicable
7.10 Implementation of Planning Principles for the Cooks Cove Precinct			✓	Not applicable

Consistency with Ministerial Direction 1.1

Direction 1.1 applies when a planning proposal will affect land within an existing or proposed business or industrial zone. The site is currently zoned B3 Commercial Core and is proposed to be rezoned to B4 Mixed Use.

Although the proposed change to a B4 zone will facilitate residential development as a permitted use, the new zone will retain all employment uses permitted on the site. In this regard, the Proposal remains consistent with Direction 1.1 (4)(c) which requires that a planning proposal must *not reduce the total potential floor space area for employment uses and related public services in business zones*.

Despite the increase in residential floor space on the site, the planning proposal will facilitate an increase in the overall amount of employment generated by allowing the site to be redeveloped. This is discussed further in **Section 2.3**.

The significant constraints imposed by the Telstra Exchange Building, preventing a basement and requiring a cantilever over the existing structure, as well as the fragmented ownership of the retail tenancies, are a genuine impediment to any redevelopment at the site for commercial uses. The site's practical constraints mean that it will not ever be able to achieve A-Grade office floor plates, resulting in a suboptimal tenancy offering. Further exacerbating the site's viability as a location for commercial development, demand for office space in the St Leonards Centre has declined significantly relative to other Sydney Office Markets over the past 15 years. Since 2000, the Centre has had an average annual take-up rate of commercial floor space of only 625m² (refer to **Appendix C**).

Market analysis contained in the Urbis EIA suggests that the low take-up is the result of stronger market interest in more desirable locations such as Macquarie Park and Chatswood. These locations offer more affordable rents, greater amenity and proximity to larger retail centres. Additionally, larger floor plate offerings are available, which are more desirable to large organisations, allowing them accommodate more staff on a single level, providing for greater connectivity and efficiency (**Appendix C – Section 2**)

Given the above, the EIA conducted feasibility analysis for stand-alone commercial development on the site (**Appendix C - Section 6**). Ultimately, it was established that a purely-commercial development would not be able to generate a positive cash flow position (-35% ROI), despite generous assumptions for rental yields, timing for occupation and end value. This is discussed in further detail at 6.3.11 of this report.

Notwithstanding, this planning proposal is committed to providing 6,570 sqm of commercial floor space on the site. This offering has the capacity to satisfy the entire commercial office market demand in the Centre (average annual take up of 625 sqm) for the next 11.5 years. As such, the planning proposal is consistent with Direction 1.1 as it will increase the amount of actual commercial floor space available in the Centre. This is floor space that would not

otherwise be able to be provided on this site. If the site remains undeveloped, as is today, increased employment generation is not possible.

The proposal is therefore consistent with the objectives of Direction 1.1, as outlined below:

a) encourage employment growth in suitable locations.

The proposal will facilitate an increase in the amount of commercial floor space on the site, encouraging employment growth in the St Leonards Centre. The Centre is a specialised health services and education precinct, as prescribed by strategic planning objectives. As such, future employment on the site will likely facilitate further growth and expand the future capacity of these industries. This planning proposal will directly facilitate the achievement of this objective as it will provide a significant quantum of high quality commercial floor space on a site that is otherwise unable to generate any meaningful employment density.

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

While the proposal seeks to amend the site's zoning to B4 Mixed Use, the range of permitted employment and business uses remain the same as they would be under the B3 Commercial Core zone. As such, the Proposal will not erode employment land on the site. The unique site-specific constraints require an amendment to the LEP controls to facilitate the delivery of any increase in commercial floor space.

c) support the viability of identified strategic centres.

The proposal will support the viability of the St Leonards Strategic Centre by facilitating the delivery of increased commercial floor space that is in line with demand in the area. The St Leonards Centre is a specialised health services and education precinct that will be strongly supported by this Proposal. The introduction of residential uses on the site will also greatly support the viability of the future mixed-use development. These uses will benefit from the significant investment in transport infrastructure, community spaces and retail offerings in the Centre, all of which will encourage and foster new growth in a highly-functional and well-integrated mixed-use precinct.

Consistency with future section 9.1 direction requiring consistency with St Leonards and Crows Nest 2036 Plan

A section 9.1 direction was implemented alongside the finalisation of the Bayside West 2036 Plan. This direction requires the following:

A planning proposal authority must ensure that a planning proposal is consistent with the Bayside West Precincts 2036 Plan, approved by the Minister for Planning and published on the Department of Planning and Environment website in September 2018.

The direction also states that:

A planning proposal may be inconsistent with the terms of this direction only if the planning proposal authority can satisfy the Secretary of the Department of Planning & Environment (or their nominee), that:

- (a) the provisions of the planning proposal that are inconsistent are of minor significance, and*
- (b) the planning proposal achieves the overall intent of the plan and does not undermine the achievement of its vision, objectives and planning principles for the Bayside West Precincts.*

It is anticipated that a similar section 9.1 direction will be implemented alongside the finalisation of the St Leonards and Crows Nest 2036 Plan.

Section 6.2.3 summarises this planning proposal's consistency with the draft 2036 Plan. As discussed, this planning proposal is broadly consistent with the draft 2036 Plan.

The proposal varies the sun access/overshadowing objectives in the draft 2036 Plan to a small degree. This is discussed further in Section 6.3.5. In summary, given the duration and degree of the overshadowing and the existing overshadowing of the open space, this inconsistency is considered to be minor and does not undermine the achievement of the vision, objectives and planning principles of the draft 2036 Plan.

6.2.5 Local statutory framework

This section assesses the consistency of this planning proposal with the aims and objectives of the Lane Cove LEP 2009 and relevant development standards.

Consistency with Overall Aims

The proposal's consistency with the overall aims of the Lane Cove LEP is demonstrated in Table 7 below.

Table 7 Consistency with aims of LCLEP 2009

Aim	Proposal	Consistency
a) to establish, as the first land use priority, Lane Cove's sustainability in environmental, social and economic terms, based on ecologically sustainable development, inter-generational equity, the application of the precautionary principle and the relationship of each property in Lane Cove with its locality,	The planning proposal will facilitate the achievement of these objectives, by enabling the development of an economically feasible scheme on the site that will deliver economic, social and environmental sustainability. The proposal will facilitate the redevelopment of a key site, hence stimulating the local economy. Preliminary SEPP 65 analysis demonstrates that the orientation of the tower will ensure adequate solar access and cross ventilation can both be achieved, ensuring passive heating and cooling.	✓
(b) to preserve and, where appropriate, improve the existing character, amenity and environmental quality of the land to which this Plan applies in accordance with the indicated expectations of the community,	The planning proposal supports an outcome which will significantly improve the character and amenity of the site. The site forms a key location in the St Leonards centre and currently detracts from the built form amenity of the locality. The existing retail tenancies and Telstra exchange provide little amenity or activation to the streetscape. The proposal will result in an improved character, amenity and environmental quality of the site.	✓
(c) in relation to residential development, to provide a housing mix and density that: (i) accords with urban consolidation principles, and (ii) is compatible with the existing environmental character of the locality, and (iii) has a sympathetic and harmonious relationship with adjoining development,	The planning proposal supports the principles of urban consolidation, providing high quality new housing stock in close proximity to existing and future rail infrastructure. The proposal is consistent with the scale and character of development in the St Leonards centre, including the adjacent developments at 496-520 Pacific Highway and 472-486 Pacific Highway (refer to Section 1.2.2). In order to minimise impacts on surrounding development, this planning proposal is compliant with ADG separation distances and a slender tower that has been designed to minimise view loss and overshadowing impacts (see PTW Shadow Analysis in Section 7.3.1).	✓
(d) in relation to economic activities, to provide a hierarchy of retail, commercial and industrial activities that enables the employment capacity targets of the Metropolitan Strategy to be met, provides employment diversity and is compatible with local amenity, including the protection of the existing village atmosphere of the Lane Cove Town Centre,	The proposed mixed-use zoning does not preclude retail or commercial uses on the site. The planning proposal accommodates a total of 6,997 m ² of non-residential floor space, which is compatible with the scale of development in the local area. A discussion of the ability to facilitate employment growth is provided in Section 6.3.11 .	✓
(e) in relation to the management of open space, public and privately-owned bushland, riparian and foreshore land: (i) to protect and, where possible, restore all bushland areas, including all rare and threatened species and communities, and (ii) to protect and, where possible, restore all riparian land along, and the inter-tidal zones and foreshores of, the Lane Cove River and Sydney Harbour and their tributary creeks, and (iii) to make more foreshore land available for public access, and (iv) to link existing open space areas for public enjoyment,	The planning proposal will not affect bushland, foreshore land or any riparian land. The proposal will substantially improve the quality of the public domain surrounding the site, as illustrated in the perspective images provided in Appendix A .	✓

Aim	Proposal	Consistency
(f) in relation to conservation: (i) to protect, maintain and effectively manage public and privately-owned watercourses and areas of riparian land, foreshores and bushland and, where possible, restore them to as close a state to natural as possible, and (ii) to ensure that development does not adversely affect the water quality or ecological systems of riparian land or other areas of natural environment, and (iii) to control all new buildings to ensure their compatibility with surrounding existing built form and natural environmental character, and (iv) to conserve heritage items,	The site is not located near any watercourse or riparian land, similarly, there are no listed heritage items on or near the site. As detailed above, the planning proposal will facilitate buildings that are consistent with the surrounding existing, approved and proposed built form(s), as well as the natural environmental character of the site and its surrounds.	✓
(g) in relation to community facilities, to provide for the range and types of accessible community facilities that meet the needs of the current and future residents and other users,	The planning proposal does not provide for dedicated community facilities. However, the proposal will facilitate the development of a site that would otherwise not have been realised. This will ensure a significant contribution to Council's S94 community infrastructure.	✓
(h) in relation to the principle of integrating land use and transport, to relate development to sustainable traffic levels,	The planning proposal will facilitate Transport Orientated Development and the integration of residential and employment land uses with existing transport infrastructure.	✓
(i) in relation to accessibility, to increase the number of accessible properties and facilities in Lane Cove,	Details of the accessibility arrangements will be provided as part of future development applications. Future detailed design will provide for equitable access in accordance with the relevant Australian Standards.	✓
(j) in relation to housing, to increase the number of affordable dwellings in Lane Cove and to promote housing choice.	The planning proposal will facilitate the provision of approximately 366 apartments, which will range in size from 1-bedroom to 3-bedroom apartments. The development will result in a significant increase in housing stock in the St Leonards precinct and Lane Cove LGA more broadly, with the diverse mix of housing products proposed promoting housing choice and affordability.	✓

Consistency with height objectives

The proposal's consistency with the objectives for height under the Lane Cove LEP is demonstrated in Table 8 below.

Table 8 Consistency with building height objectives

Objective	Proposal	Consistency
(a) to minimise any overshadowing, loss of privacy and visual impacts of development on neighbouring properties, particularly where zones meet, and	The concept scheme accompanying the proposal has been designed to minimise impacts associated with overshadowing, privacy and view impacts on the surrounding properties. Refer to discussion in Sections 6.3.1, 6.3.3, 6.3.5 and 6.3.6.	✓
(b) to maximise sunlight for the public domain,	The development has been designed to minimise any significant adverse impacts to valuable open space in the area. Overshadowing is discussed in further detail at Section 6.3.5.	✓
(c) to relate development to topography	The planning proposal seeks to enable an increased building height to respond to the site's position in the St Leonards centre. The proposed height is commensurate with the site's position at the crest of a hill, and at the heart of the St Leonards centre.	✓

Consistency with floor space ratio objectives

The proposal's consistency with the objective for FSR under Lane Cove LEP is demonstrated in Table 9 below.

Table 9 Consistency with floor space ratio objectives

Objective	Proposal	Consistency
(a) to ensure that the bulk and scale of development is compatible with the character of the locality	The bulk and scale of future development on the site will be commensurate with the role of St Leonards as a strategic centre, and will be consistent with site's role in the 2036 Plan as a height peak and visual marker for the St Leonards core.	✓

6.3 Environmental, Social and Economic Impacts

Q7 – Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The planning proposal will not result in any impact on critical habitat or threatened species, populations or ecological communities or their habitats, given the site's urban location.

Q8 – Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

As discussed in the sections below, the proposal is not expected to result in any significant adverse environmental effects.

6.3.1 Built form and scale

The need to offset the significant costs associated with the site's technical constraints and meet strategic planning objectives to provide commercial floor space requires additional height, density and a new mix of uses that includes residential. Fortunately, the site is well positioned in terms of both local and regional context to accommodate this.

Alternative commercial scheme

Given the site's practical constraints, utilisation of the full allocation of FSR necessary to achieve the site's maximum GFA of 28,586 m² is not possible under the current planning controls. PTW's initial modelling suggested that a stand-alone commercial scheme, compliant with the site's current planning controls, would yield a development of just under 11,000 m² of GFA, as outlined in **Figure 29** below.

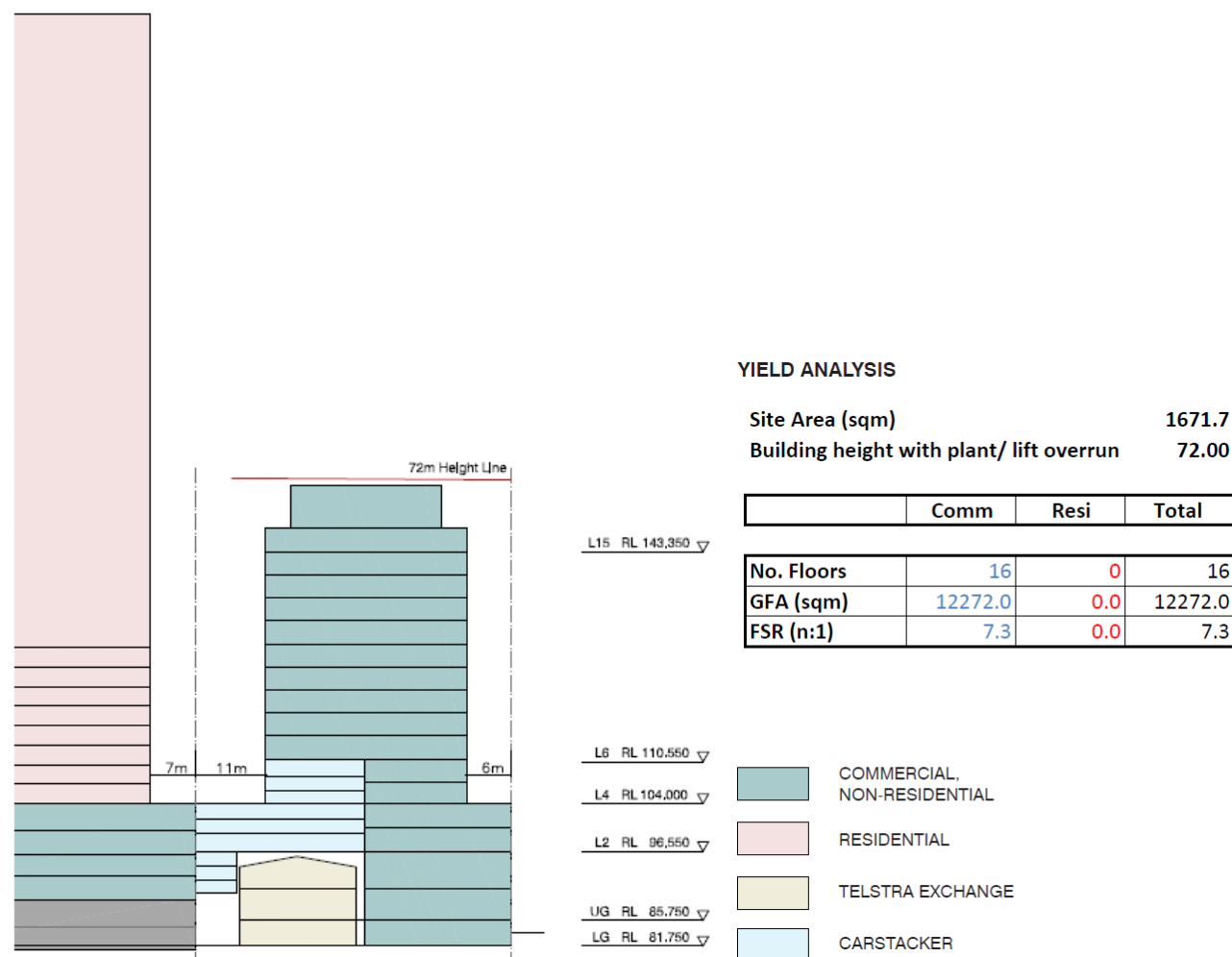


Figure 29 Commercial scheme under current controls

Source: PTW

Without amendment, the current controls only encourage a short ‘squat’ building envelope, which is not in line with the desired future character in the area. It would also likely result in unacceptable environmental impacts. Massing analysis prepared by PTW suggests that a building height commensurate with the site’s current FSR control would be somewhere in the vicinity of 145-155 m.

To this end, a number of planning proposals in the St Leonards Precinct (assessed by Lane Cove Council) have already rezoned nearby sites to facilitate mixed-use development for taller, slimmer tower forms. Similarly, slender, more refined architectural forms were recommended in the discussion of the built form for ‘tall tower’ sites identified in North Sydney Council’s Christie Street Master Plan Guidelines (April 2016, Section 3.4).

This has ultimately led to the draft 2036 Plan, which acknowledges that there is need to realise greater heights and densities in St Leonards and Crows Nest.

In response to this, the proposed scheme provides residential floorplates of less than 700 sqm per floor in an efficient and well-considered configuration that offers excellent amenity to residents and minimises environmental impacts on neighbouring properties.

Preferred option

In establishing an appropriate built form at which economically viable development that incorporates substantial commercial floor space could be achieved, the project team considered the following:

- Strategic planning considerations;
- Overshadowing impacts;

- Proximity to transport;
- Urban design considerations;
- Contribution to the local and regional skyline;
- Environmental and amenity impacts for both residents and neighbouring properties;
- Necessary setbacks and proportion in relation to floorplate;
- Structural capacity; and
- Lift requirements.

These considerations (and others) have been divided into the following categories: Planning, Design Excellence and Technical Considerations, and are discussed in detail below.

1. Planning considerations

The planning considerations that have informed the proposed building height have included a macro assessment of similar centres along the existing North Shore rail line and the logical hierarchy of centres. A micro assessment of the appropriate built form based on a critical examination of the development landscape of the immediate St Leonards Centre has also been conducted.

Macro height assessment

The macro assessment, illustrated in **Figure 30** below and provided in **Appendix A**, demonstrates that the proposed building height is commensurate with the height of existing and proposed buildings and planning controls in centres along the Northern Line. The building height represents an increase in heights from Chatswood, commensurate with the site's proximity to the CBD.

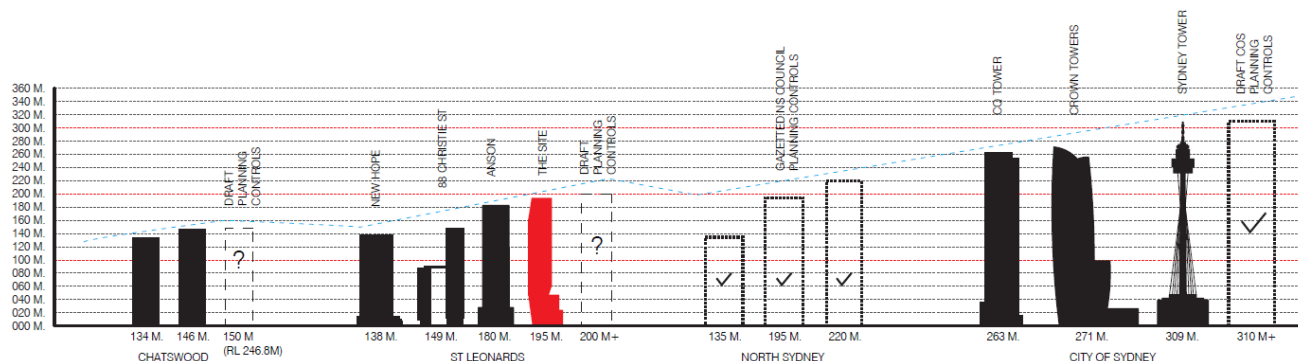


Figure 30 Macro height analysis – North Shore

Source: PTW

North Sydney Council recently gazetted new planning controls for the North Sydney CBD, with a maximum height of 225 m. This amendment, however it is based on modelling that minimises any net overshadowing of areas outside of the CBD between the hours of 9 am and 3 pm. The proximity of the adjoining residential areas (including heritage areas and items) is a significant constraint to the future growth (and commensurate height) of the Centre.

Similarly, The City of Sydney Council in 2016 released its Planning Strategy for the CBD, which nominated multiple sites for increased height limits of up to 300 m.

Willoughby Council is also currently reviewing heights for the Chatswood CBD; however, key shadowing constraints restrict a number of significant opportunities for this centre.

Whilst all of the centres in the North District are seeking to grow, a number are restricted by some significant environmental constraints that do not apply to this site. This proposal should therefore be considered against the backdrop of a city seeking growth where site-specific constraints allow.

Local height assessment

At a more local level, the proposed heights of the surrounding sites – some of which have proceeded through Gateway and are either gazetted or close to gazetted – provide a guide for the potential of the Telstra Exchange site. The heights of surrounding sites as nominated in the draft 2036 Plan also provide a huge as to the height potential of the site.

The draft 2036 Plan adopts a height concept based on the dual peaks of the St Leonards core and the Crows Nest over-station development. This height concept is shown at **Figure 31**.

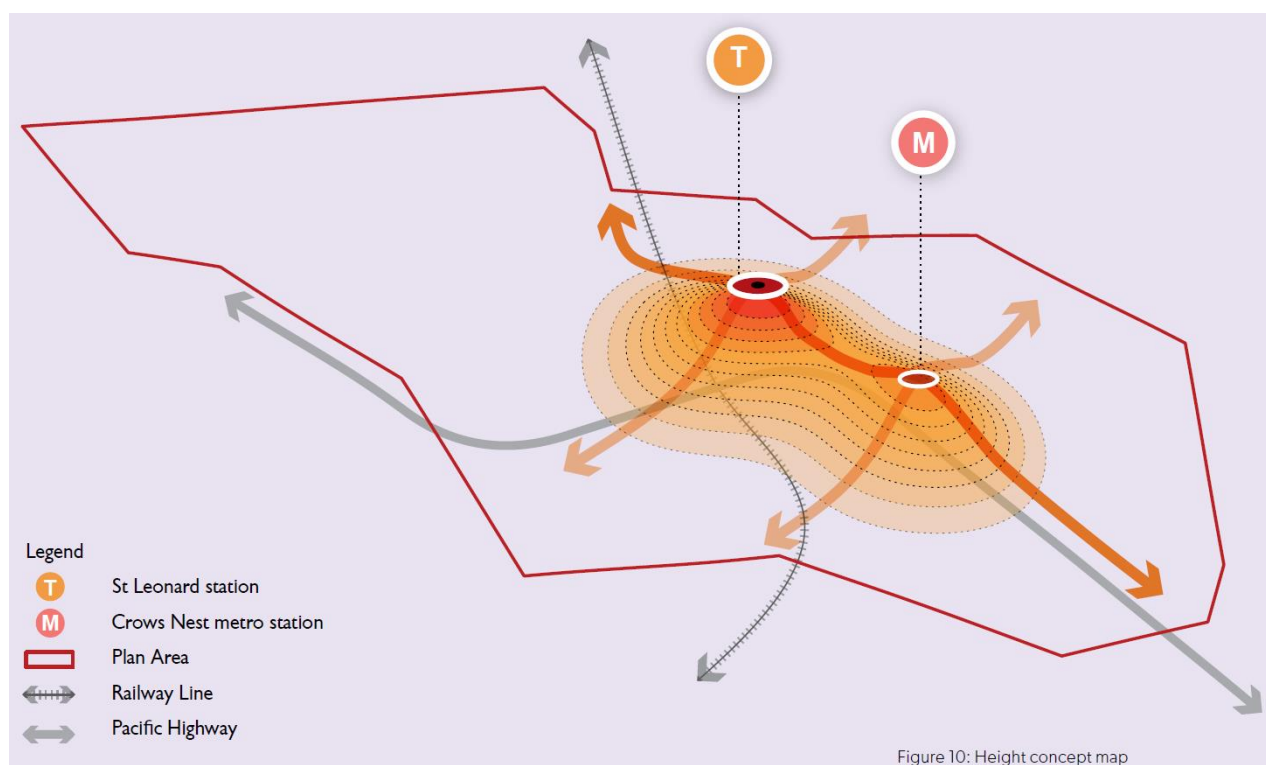


Figure 31 Height concept as shown in the draft 2036 Plan

Source: Department of Planning & Environment

This hierarchy is reinforced by the heights nominated in the draft 2036 Plan for surrounding sites. These are shown in **Figure 32**.

As shown, the Telstra Exchange site is centrally located within a cluster of height. Surrounding developments with significant height nominated in the draft 2036 Plan include:

- 621 Pacific Highway (immediately north): 50 storeys
- New Hope (immediately east): 45 storeys
- 88 Christie Street (immediately south-west): 48 storeys
- St Leonards Square (south-east): 40 storeys
- 100 Christie Street (north-west) 36 storeys

The Telstra Exchange site is located in the centre of a cluster of tall buildings, and has the potential to act as a visual marker for the core of St Leonards and a benchmark for the height peak envisaged by the height concept in the draft 2036 Plan. As such, a height of approximately 55-60 storeys is appropriate and consistent with the draft 2036 Plan and the future desired character for St Leonards.

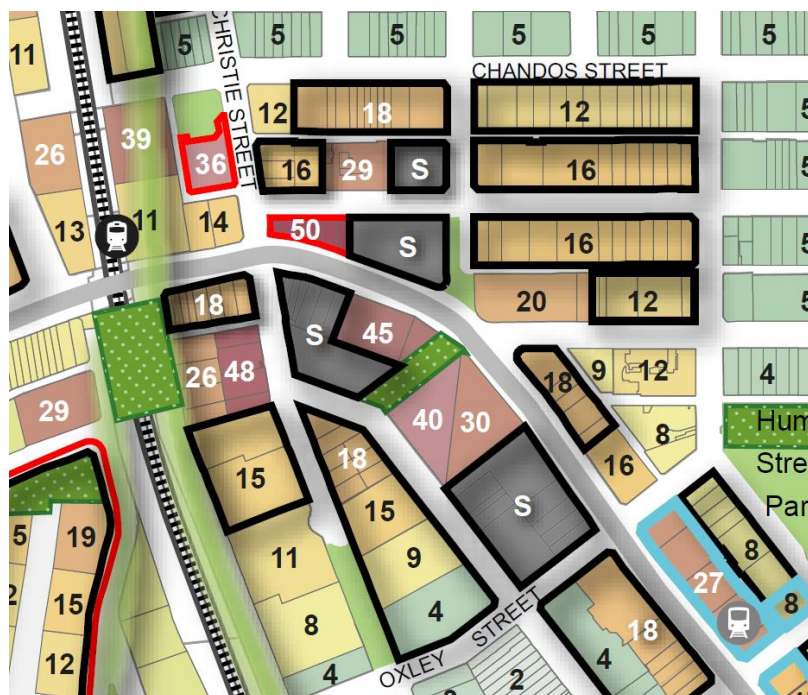


Figure 32 Heights nominated in draft 2036 Plan

Source: Department of Planning & Environment

As illustrated in **Figure 33**, the site is centrally located within the future developments in the St Leonards Centre and as such warrants a taller building form to step up towards the centre of the precinct, surrounding the train station.

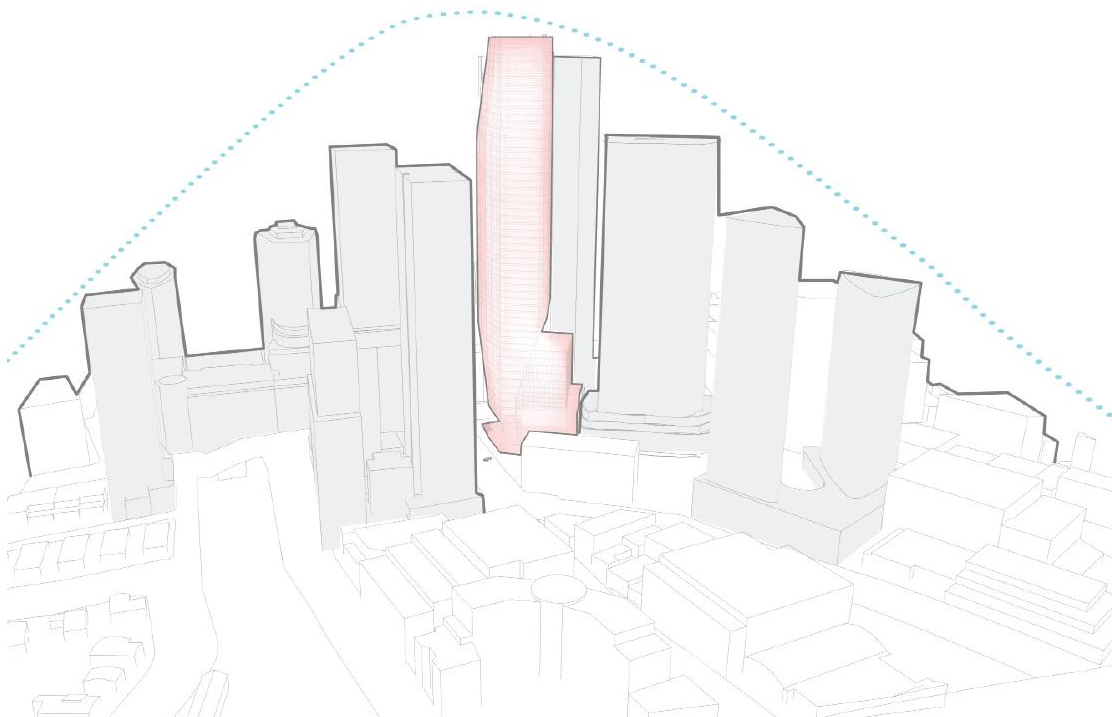


Figure 33 Micro height analysis – St Leonards Centre

Source: PTW

As can be seen above, the proposal fits neatly within the height profile of the St Leonards skyline and completes the height peak envisaged by the draft 2036 Plan. The proposal in its scale, proportion and form will provide a focus for the St Leonards 'CBD' building cluster and complete the skyline composition.

Figure 34 shows a render of the development in its future context.



Figure 34 Render of development in future context

Source: Binyan

2. Design Excellence

The vision for this project is to create a building which, through the quality of its architecture and the sophistication of its integration with the public domain, will itself reflect the renewal and reinvigoration of this Strategic Centre.

The building's form and proposed height have both been informed by a considered architectural response to the site's context and site-specific constraints to ensure that the proposed LEP controls facilitate a building that is well proportioned and of a high architectural standard.

PTW Architects prepared a detailed analysis for the site that considered a multitude of factors, including terrain, topography, envelope, bulk, shadowing and context, among other things. The PTW Concept Design Report makes the following points (see: **Appendix A**):

- St Leonards currently lacks a coherent structure, however several major proposed developments will help compose the Centre's building groups, with the Telstra Exchange site forming a critical part in a run of renewed buildings fronting the Pacific Highway.
- The site is located on a crest, close to the topographical peak of St Leonards centre, making it a focal point when approaching south along the Pacific Highway.
- Due to the topography falling towards the harbour and the adjacent southern low scale residential areas, the site is highly visible from the south. This has been an important consideration in the design of the scheme.
- The site occupies a 'keystone' location within the St Leonards Centre, terminating the active laneway from the new St Leonards Plaza. The existing buildings on the site interrupt the anticipated future pedestrian flow along Pacific Highway and along Christie Street between Nicholson Lane, Christie Lane and the Forum.
- Redevelopment of the Telstra Exchange site will create the potential to complete the missing public domain link between the pedestrian flow from the Forum to the new network of plazas and laneways to the south of Pacific Highway and to the east of the site – see **Figure 35** below:

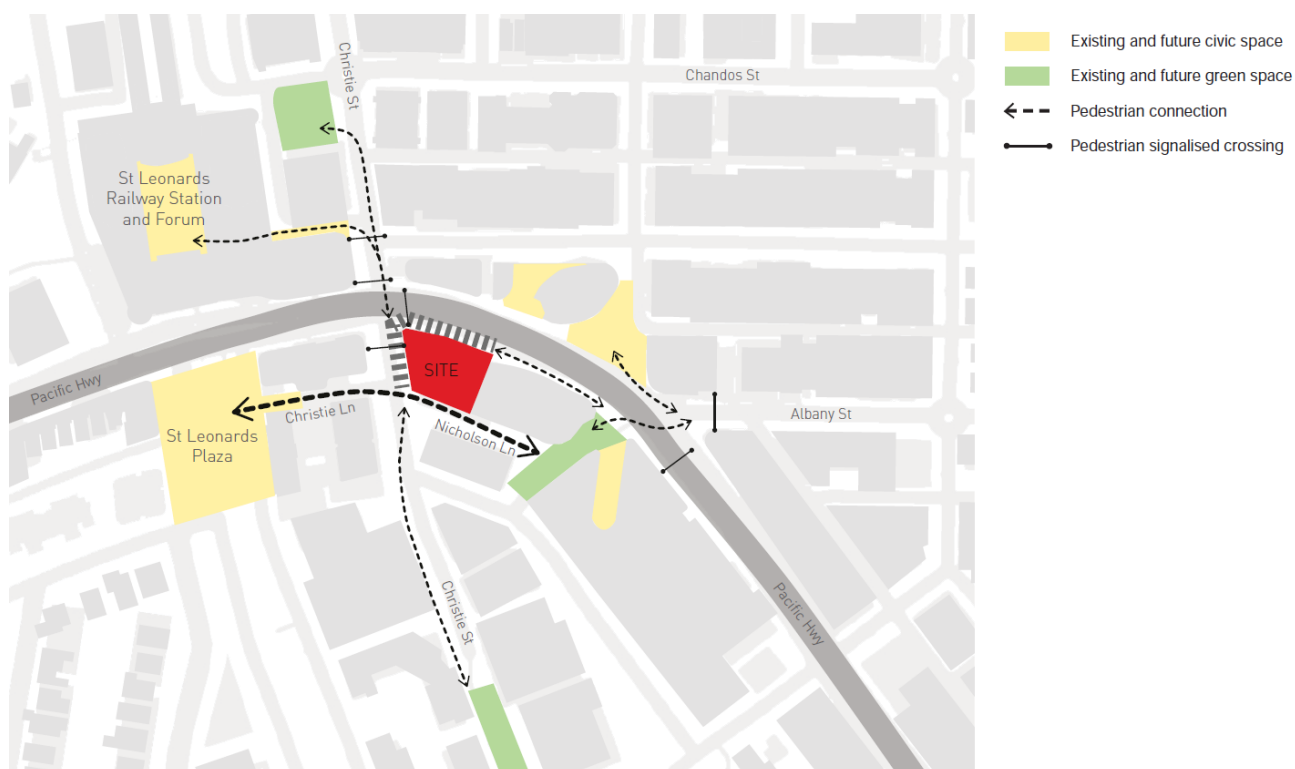


Figure 35 Future connectivity and linkages in St Leonards

Source: PTW

3. Technical Considerations

The tower element cantilevers up to 12 m over the existing Telstra Exchange building, but is not able to either impose any load onto or run any load-bearing structure through the existing building. This is a significant structural challenge that comes at a considerable economic cost.

To overcome this limitation, an innovative transfer solution is proposed, in which tower columns along the eastern edge of the residential floors are splayed back to the core over 12 storeys from Level 22 down to Level 10. The overturning effect of the splayed tower columns are supported by an outrigger system, which engages tower columns along the western edge of the residential floors all the way to the footings via deep outrigger walls.

Although it comes at significant financial cost to the Proponent, this solution has proved the most architecturally elegant and structurally efficient when compared to the other conventional load-transfer options. It eliminates the need to build a transfer system (minimum two-storeys), with over-sized transfer columns and footings next to the existing building.

Another significant technical constraint for the site is Car Parking, which must be provided above ground. As a result, the building height is reflective, to a degree, of the requirement commercial to provide above car parking spaces.

Car parking cannot be accommodated below ground due to the following constraints:

- The continuing operational presence of the Telstra Exchange and the associated network of cabling means that basement excavation is not possible.
- The core will need to be located next to the Exchange which further reduces the width of the basement.
- The remaining space is too narrow and too small to include a car ramp and offers too little area to make any other parking systems below ground viable.

In response to these limiting factors, the scheme proposes to provide some residents with parking, in the form of an automated car stacker located above the Telstra Exchange. While this solution provides enhanced amenity for

residents, it does push the building 'higher', in that it erodes the size of the lower commercial floor plates. Refer **Figure 36** below.

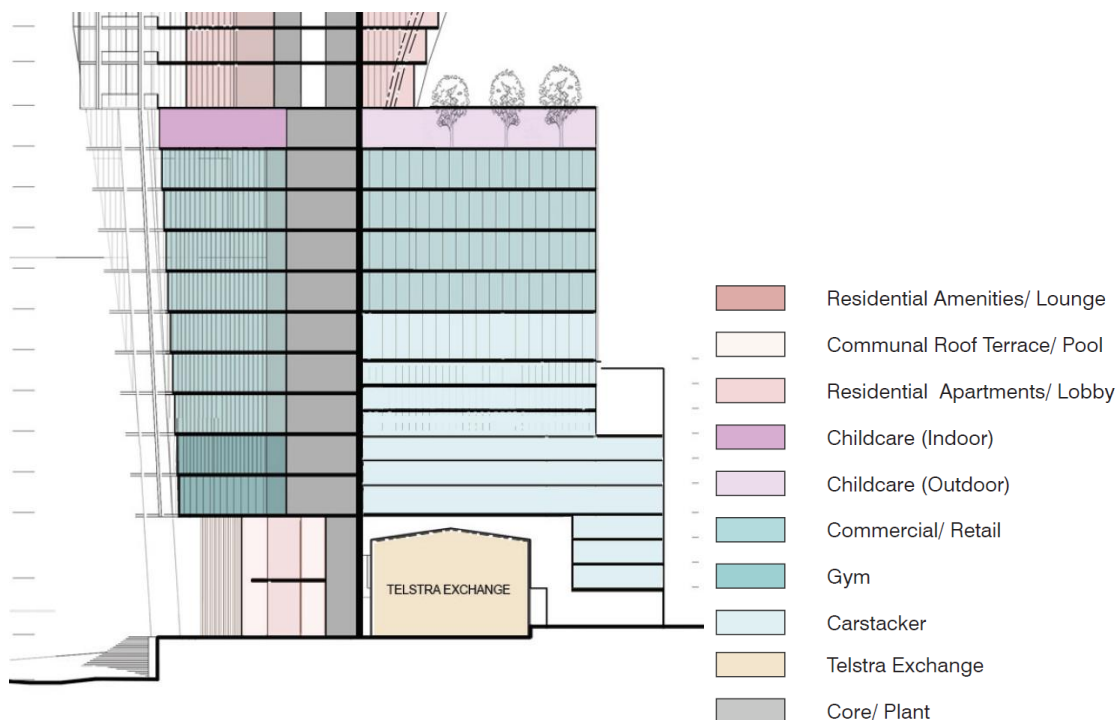


Figure 36 Car stacker arrangement

Source: PTW

Ultimately, the development relies on its proximity to two train stations to minimise the amount of car parking provided. Use of public transport and other sustainable transport modes are a more effective solution to meeting the transportation needs of residents and workers in a high-density centre.

Further discussion of the car parking solution is included at **Section 6.3.7**.

6.3.2 Amenity

The consideration of amenity with respect to building height includes the amenity enjoyed by future residents of the building, as well as the building's impact on the amenity of neighbouring properties.

The proposed scheme has been designed with consideration of compliance with the requirements of the NSW Apartment Design Guide. Beyond the consideration of planning controls, this Proposal also identifies future streetscapes and positively contributes to them.

Although the ultimate built form on the site will be determined at the DA stage, the design facilitated by this planning proposal is expected to:

- provide adequate building separation distances from the nearby existing and approved residential flat buildings;
- achieve compliance with the solar access design criteria;
- achieve cross-ventilation; all of the residential apartments are located above level 9, and as such the directive to achieve 60% cross ventilation set out in the natural ventilation design criteria is not applicable to the development as all apartments are deemed to be naturally ventilated; and
- Be consistent with the height, bulk, scale and density of the future character of development in the locality.

6.3.3 Setbacks and street wall height

Eastern setback

The New Hope development was approved on 19 December 2017 by the Sydney North Planning Panel. The development was approved with a typical setback of 7m to its western boundary (the boundary with the Telstra Exchange site), as shown in **Figure 37**.

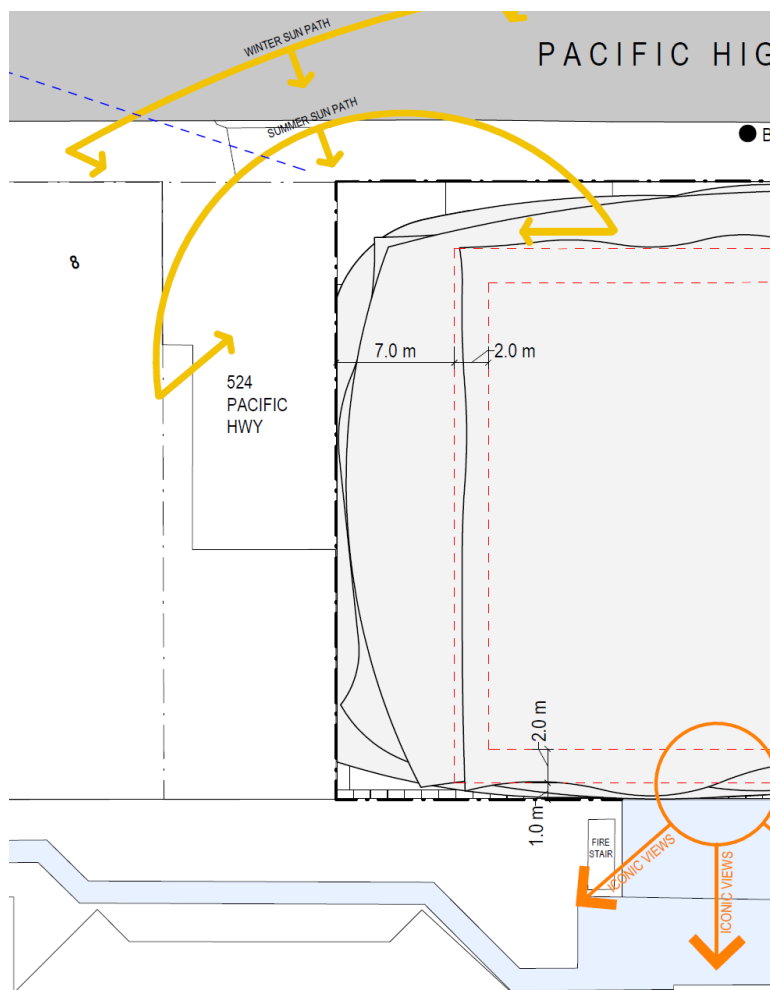


Figure 37 New Hope western setbacks

Source: A Plus

Objective 3F of the Apartment Design Guide typically calls for 12m separation on either side of a boundary, for a total of 24m between apartment buildings over 9 storeys. Given New Hope was approved with a smaller setback, this creates a visual privacy and building separation issue for the Telstra Exchange site.

In response to this approved condition, it is proposed to provide the full 24m separation to New Hope to provide adequate visual privacy to both buildings (with 17 of the 24m to be accommodated on the Telstra Exchange site).

Up to level 5, it is proposed to provide a zero setback to New Hope, mirroring the New Hope setback and the setbacks nominated in the draft 2036 Plan.

From levels 6-13, it is proposed to provide a six metre setback. This setback is considered to be sufficient, given non-residential uses are proposed to be provided within the building's podium.

The proposed setbacks are summarized in **Figure 38**.

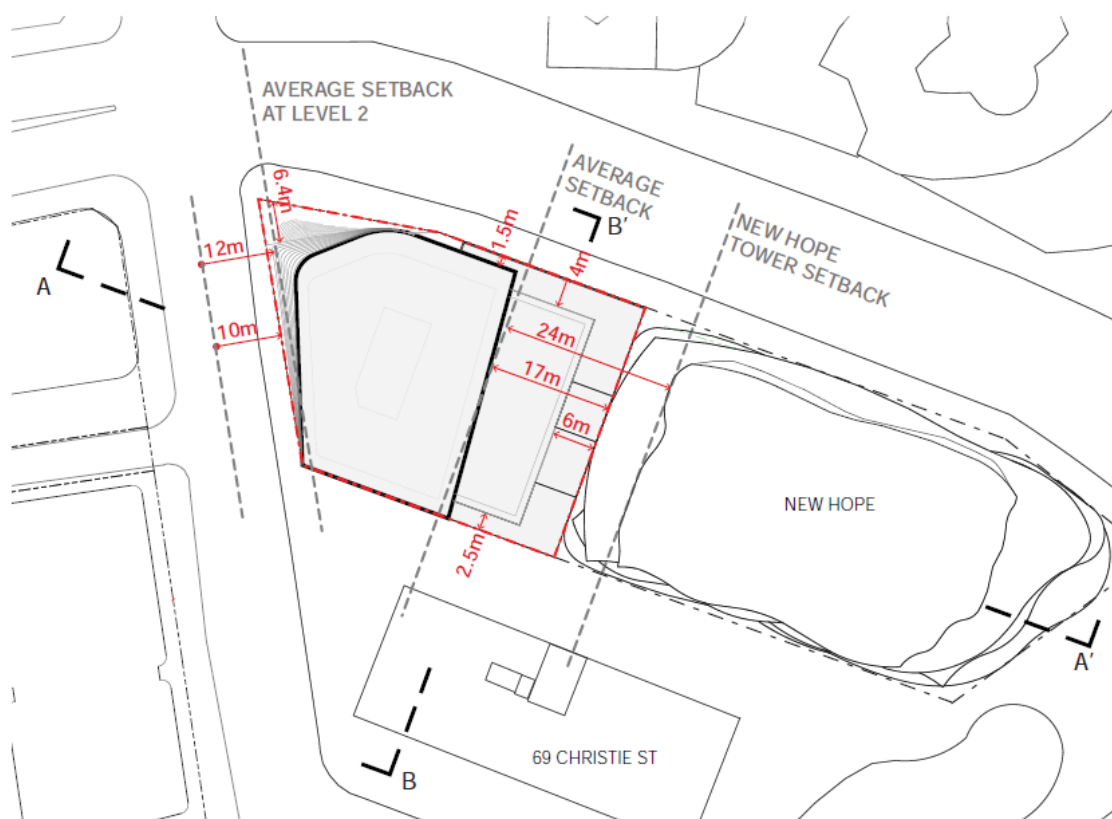


Figure 38 Proposed setbacks to New Hope

Source: PTW

Northern setback

It is proposed to provide a substantial setback at ground level, above which a zero setback to a height of four storeys is provided. This effectively creates a four-storey street wall to the Pacific Highway, while simultaneously increasing the public domain offering at ground level.

It is noted that the draft 2036 Plan nominates a street wall height of six storeys for the Telstra Exchange site. However, this street wall height does not appear to take into account the fact that New Hope was approved with a street wall height of four storeys. A four-storey street wall is therefore proposed to match the datum set by the approved New Hope development.

Above street wall height, for the eastern part of the building, a setback of four metres is proposed. Again, this setback matches the setback set by the approved New Hope development.

For the tower, a variable setback of between 1.5-6.4 m is proposed. A reverse setback is also provided on the corner, opening up the ground plane to Christie Street and creating a large splay, easing pedestrian movements and the sense of bulk and scale at the intersection between Christie Street and the Pacific Highway.

The design response to the intersection is shown in **Figure 39**. As shown, the four-storey street wall is acknowledged along the Pacific Highway, and a reverse setback is at ground floor for the entirety of the Pacific Highway frontage and along Christie Street.



Figure 39 Corner of Pacific Highway and Christie Street, looking back at the proposed development

Source: Binyan

Western setback

A varying setback to Christie Street is provided for the full height of the building. Again, continuing the design response to the corner, a significant reverse setback is proposed to be provided at ground level, opening up the ground plane as the building wraps around Christie Street.

Southern setback

A zero setback is proposed to be provided to the south. This setback mirrors the condition set by the approved New Hope development and is discussed further in **Section 6.3.3**.

6.3.4 Interface with 69 Christie Street

69 Christie Street is an existing commercial building, currently built to a height of seven storeys. The current height limit is 36 metres for this building.

New Hope was approved with a nominal setback to 69 Christie Street (0-3m, varying due to the wavy architectural form of the building). In order to address the interface issues with 69 Christie Street, the applicant put forward the following points:

- 69 Christie Street is already set back some 12m from the boundary to New Hope.
- The maximum height of 69 Christie Street is 36m, and the proposed development cannot be expected to speculate on what the future height limit may be.
- Non-residential uses were provided to a height of 36m, eliminating any possible interface issues should 69 Christie Street be redeveloped to the current height limit.

In approving New Hope, the Sydney North Planning Panel noted the following (taken from the Statement of Reasons):

“The Panel also considered the objection of the owners of 69 Christie Street, the main of which was that the proposed building will reduce the residential potential of the site. The Panel notes that the current zoning of 69 Christie Street prohibits residential development and that the site is in the commercial core. The Panel cannot speculate what future planning controls might be and must be guided by the current controls. Moreover, in order to address the concerns of 69 Christie Street, the subject development would have to substantially increase its setback from the rear boundary, which would result in a significant reduction of its own development potential as permitted by the current controls.”

For the Telstra Exchange site, it is proposed to mirror the approach taken by New Hope by providing a zero setback to 69 Christie Street, and providing residential uses above the current maximum height of 69 Christie Street (36 metres). The proposed interface to 69 Christie Street is summarised in **Figure 40**, which shows that, if redeveloped, 69 Christie can come closer the New Hope and subject site.

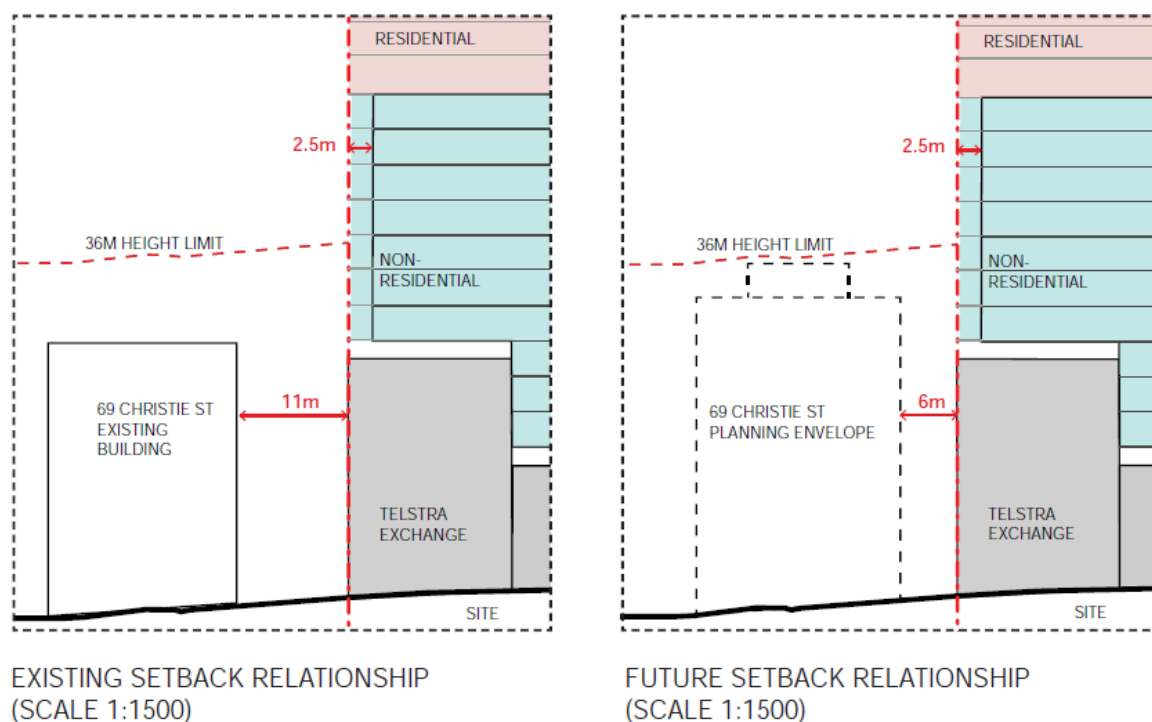


Figure 40 Proposed interface with 69 Christie Street

Source: PTW

69 Christie Street is already limited by the approach taken by the approved New Hope development. That is, 69 Christie Street cannot reasonably redevelop to a height above 36 metres without resulting in unacceptable impacts to New Hope.

As such, a zero setback to the south would not further reduce the future development potential of 69 Christie Street, which is a continuance of the existing, approved, position of the determining authorities. Further, setting back from 69 Christie Street would:

- significantly limit the development potential of the Telstra Exchange site, and, combined with the other constraints on the tower floor plate, would prevent a viable floor plate from being achieved – thus completely sterilising the development potential of a site already significantly constrained by other factors;
- reduce the opportunity for active retail fronting Christie Lane; and
- result in an incongruous building line and inconsistent public domain.

A zero setback to 69 Christie Street with podium non-residential uses is considered appropriate.

6.3.5 Overshadowing

The proposal seeks to minimise overshadowing impacts by introducing a slender tower form that will reduce the potential for overshadowing and result in fast-moving shadows where impacts do arise.

The draft 2036 Plan focuses on two overshadowing issues in relation to significant sites. These are:

- **Compliance with sun access planes.** The primary sun access plane that applies to the site is the 10 am to 2 pm sun access plane to Newlands Park.
- **Cumulative overshadowing of significant sites.**

The draft 2036 Plan specifies that new development in the area should not produce any additional overshadowing of certain public spaces in the area. An extract showing these public spaces in relation to the site is shown at **Figure 41**.

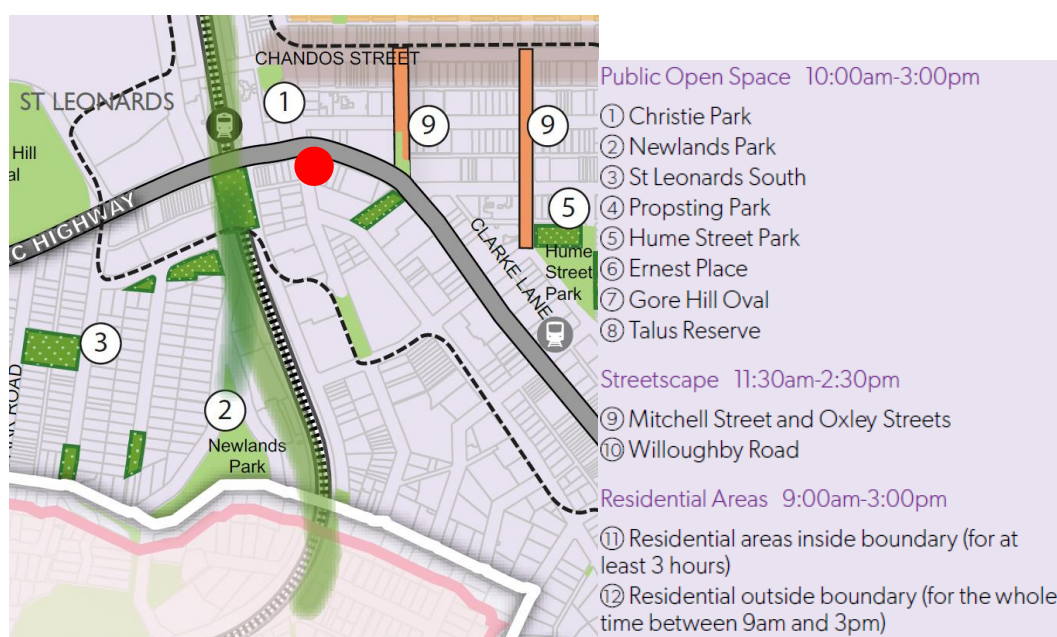


Figure 41 Sun access planes in 2036 Plan in relation to the site (highlighted in red)

Source: Department of Planning & Environment

As shown, the only sun access plane that affects the site is the sun access plane to Newlands Park. The plan specifies no additional overshadowing to Newlands Park between the hours of 10:00 am and 3:00 pm.

The Stage 2 Urban Design Study prepared by SJB that underpins the 2036 Plan states the following regarding overshadowing impacts (our emphasis):

*“Built form controls have considered overshadowing of critical open spaces and surrounding low density residential areas, ensuring future envelopes do not result in additional significant impact within the time periods identified below. **The degree of acceptable additional impact has been assessed according to the site-specific characteristics and existing performance quality of each space.**”*

Based on this statement, there appears to be an acknowledgement that the controls proposed for other sites in the 2036 Plan allow some flexibility in the nominated sun access planes recommended by the same plan.

Based on the approach taken by the Department of Planning & Environment and SJB in the 2036 Plan, a reasonable approach would be to consider the following when determining the acceptable degree of overshadowing:

1. The quality and use of the open space.
2. The extent of any existing overshadowing, whether by development or by existing vegetation, such as large trees.
3. The amount and period of any additional overshadowing from the proposed development.

The area that has the potential to be affected by the proposal is the northern part of Newlands Park. Photographs of northern part of Newlands Park were recently taken on June 21 and are shown at **Figure 42** and **Figure 43**.



Figure 42 Northern part of Newlands Park at 10 am on June 21 (looking south from northern tip of park)



Figure 43 Northern part of Newlands Park at 10 am on June 21 (looking north from centre of park)

These photographs show that the northern part of Newlands Park is already occupied by large trees, which overshadow most of this area – indeed, at 10 am on June 21, the northern part of the park is almost completely overshadowed by trees, with very little sunlight penetrating to the ground. On this basis, any further overshadowing of this area would not result in a noticeable or appreciable reduction in solar amenity. Furthermore, this part of the park is a thin neck of land, that contains lessor facilities than the more often used southern part of the park.

In order to understand the amount of overshadowing, PTW has undertaken an analysis of:

- the amount of existing overshadowing already caused by existing development between 10:00 am and 11:00 am;
- expected shadowing through changes to planning controls for 617-621 Pacific Highway, St Leonards, which was recently approved and gazetted at a height of 180m;
- shadow cast by any other approved development; and
- existing shadow cast by existing tree canopy in the park.

The analysis is shown at Figure 44, and is also included at **Appendix A**.

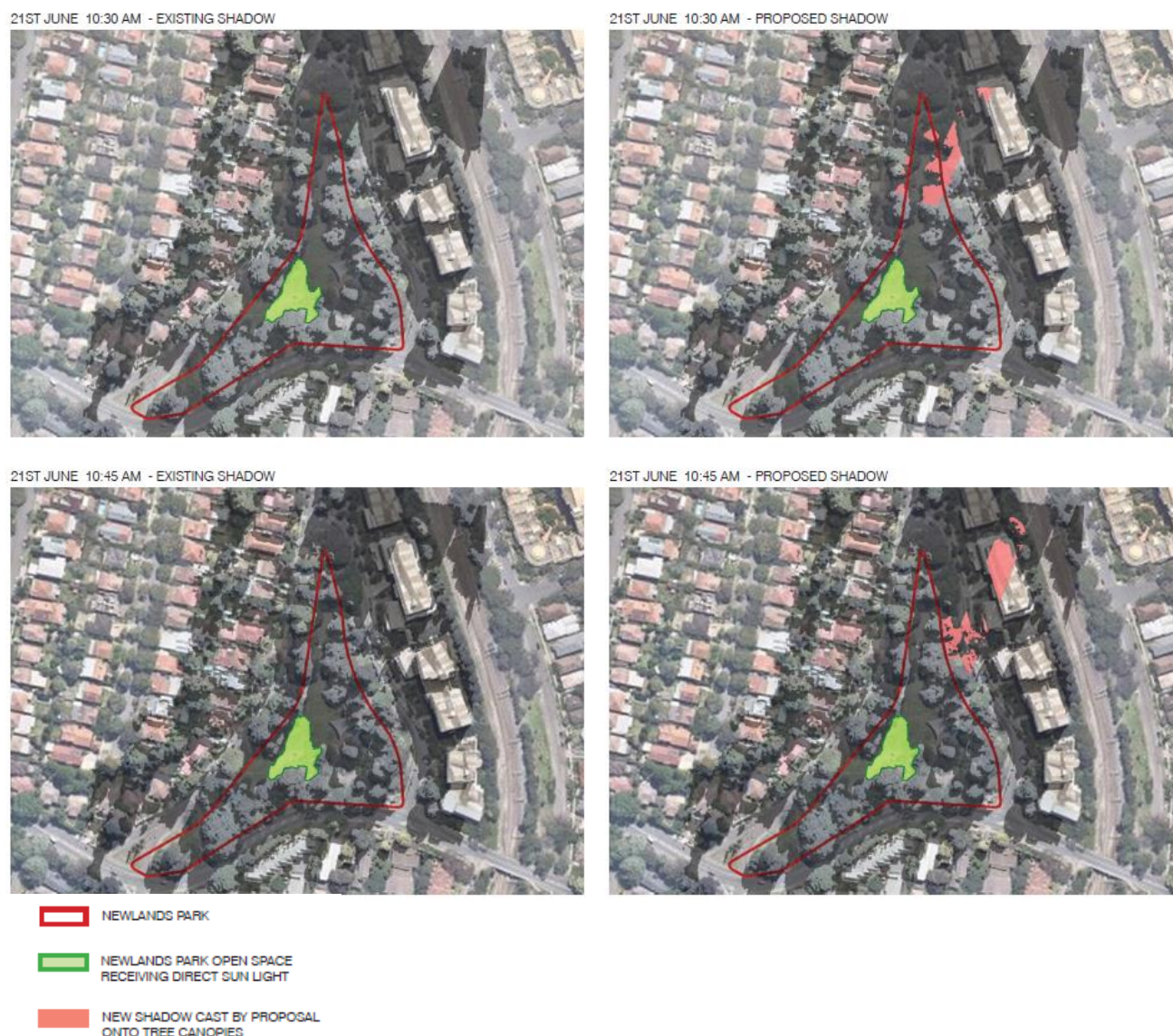


Figure 44 Shadow diagrams

On June 21, at the proposed height of 195 m, development of the Telstra Exchange site would overshadow Newlands Park to a minimal degree between approximately 10:00 am and approximately 10:45 am on June 21. However, the following points are noted:

- The proposed height limit has been set to limit overshadowing to this wooded and heavily overshadowed area of the park, without significantly impacting the main area of wider open space in the central area of the park
- The shadow moves extremely quickly – any given part of the park is only shadowed for approximately 15 minutes before the shadow has moved to the east.
- No part of the park is shadowed by the proposed development beyond 11:00 am – therefore, the shadow impacts last less than one hour on June 21.
- The impacts lessen as the year moves towards spring and summer – meaning that the impacts are limited to only a few months of each year in the depths of winter, during a time where local residents would be less likely to utilise the open space in any case.
- Between 10:15 and 10:30, when the overshadowing impacts to Newlands Park are most pronounced, the entirety of the shadow falls on wooded areas that are normally heavily overshadowed by trees in any case (see **Figure 42** and **Figure 43**). As a result, the proposed height limit would not result in any significant additional

overshadowing of areas that are not already either overshadowed by vegetation or existing/approved development.

- The middle area of the park – the open area least affected by existing development or overshadowing from existing vegetation – is not affected at all on June 21 by the proposed height limit.
- The east-west profile of the building is extremely slender and minimises the extent of overshadowing.
- Use of the park between 10:00 am and 11:00 am in mid-winter is likely to be extremely limited, particularly in the northern section of the park. The more important period of solar access is from 11:00 am to 2:00 pm, consistent with sun access controls in the current Lane Cove Development Control Plan.

Newlands Park is an important piece of open space, and solar access to the park is a key issue. The proposed height limit realises the importance of this open space and has been set to minimise impacts to the park, while realising an appropriate development density commensurate with the growing role of St Leonards as a major residential and employment centre.

Treating the sun access planes in the 2036 Plan as non-discretionary would unnecessarily limit the development potential of many key sites in St Leonards. We submit that a robust merit assessment of overshadowing impacts can achieve an appropriate balance between minimising solar access impacts to important open space, while realising the true potential of St Leonards and Crows Nest and maximising return on significant public transport investment in the centre.

As also noted above, the current Lane Cove Council Development Control Plan only requires that sunlight be maintained to 50% of public open areas between the hours of 11 am and 2 pm. The control is reproduced below at **Figure 45**.

6.1 Sunlight to Public Spaces

Sun access especially during lunchtime hours is desirable in all public spaces. Therefore overshadowing of major public or urban space should be avoided during the lunchtime period in commercial and retail centres throughout the Lane Cove LGA.

Objectives

The objectives for sunlight to public spaces are:

- To create public spaces with high amenity that encourages visitors to linger.
- To ensure that there is adequate sun access to publicly accessible spaces during winter at times of the day when the space is likely to have its highest use by visitors and residents.
- To provide sufficient sunlight access for the growth of mature landscaping.

Provisions

- New development must allow for a minimum of 2 hours of solar access to at least 50% of new and existing public open areas or plazas between the hours of 11am and 2pm on 21st June.

The location of the sunlight during these hours for urban plazas is to be adjacent to building frontages to allow for outdoor seating during the lunchtime period.

Figure 45 Current DCP provisions for sunlight to public spaces

Source: Lane Cove Development Control Plan 2010

It is submitted that the period of 11 am to 2 pm would adequately protect sunlight to Newlands Park, while also avoiding restricting the development potential of St Leonards, which is the highest-order commercial centre in Lane Cove LGA. Furthermore, it is anticipated that the intent of the LUIP 2036 will need to be transferred into the relevant LGA's controls and as such, it is possible that Lane Cove Council may seek to continue their current, well established control for overshadowing for this part of the St Leonards core.

Based on the above, it is submitted that:

- overshadowing impacts to Newlands Park from the proposed 195m height limit are considered acceptable and consistent with the objectives of the 2036 Plan; and

- the sun access restrictions for Newlands Park should either be merit-based (based on the quality and use of the open space, as well as the duration and extent of overshadowing), or should mirror current controls in Lane Cove DCP (50% of the open space between 11 am and 2 pm).

6.3.6 Views

An increased building height has the potential to block existing views from surrounding sites. In line with accepted urban design principles on view sharing, the proposed slender tower form, ensures that existing apartments surrounding the site will retain a portion of their existing views. This is not unreasonable considering the dense urban location of the site and the predominant tower built form characteristic of St Leonards.

In terms of internal amenity, excellent solar access is achieved due to the north, east and west orientation of all apartments within the residential tower. The building shape has been adjusted to allow for a minimum of 2 hours direct sunlight to living rooms and private open spaces between 9am and 3pm in midwinter for the majority of apartments.

Further, 7 out of 9 apartments per floor offer excellent views to the harbour. The shape of the floorplate and its fluted east and west facade create ideal apartment layouts with balconies and living rooms orientated towards the most desirable locations.

This is explored further in the PTW Design Report at **Appendix A**.

6.3.7 Traffic and parking

A Transport Impact Assessment has been prepared by GTA Consultants to assess the traffic impacts of the indicative scheme (as shown in **Appendix E**). The findings of the report are discussed below.

Traffic

GTA has provided an assessment of the anticipated traffic generation rates for the proposed development, noting the site's proximate location to significant public transport and the existing travel patterns of people in the area. Based on the areas in the indicative scheme, the total traffic generation is calculated to be as follows:

- 14-17 vehicles per hour each-way during weekday peak hours for residential uses; and
- 48 vehicles per hour each-way during weekday peak hours for commercial uses.

This represents an increase of some 62-65 vehicles per hour two-way during the weekday morning and afternoon peak hours respectively.

The assessment also models the anticipated traffic generation assuming the existing surrounding road network and the cumulative impacts of the anticipated traffic generated by the future developments in the Centre. The assessment provides that, while the intersections surrounding the site are operating at capacity in the AM peak, this is reflective of the existing road conditions and not directly attributable to the proposed development.

GTA provided an assessment of the safety implications of vehicles exiting the site onto Pacific Highway. The assessment provides that there are sufficient gaps in the traffic along the Highway to allow vehicles to safely exit the site.

Additionally, GTA provided a comparative assessment of the traffic impact associated with stand-alone commercial development having regard to the site's current planning controls under the B3 Commercial Core zone (**Appendix F – Section 7.7**), based on a scheme by PTW Architects providing 10,836 sqm of commercial floor space and 160 car spaces. The results suggest that the traffic generated by the pure commercial scheme would be double that of the mixed-use scheme proposed in this planning proposal (calculated at 62-65 movements at peak time vs 128 movements).

Parking

The site's proximity to both St Leonards Station and the future Crows Nest Metro Station allows an excellent opportunity to deliver genuine Transit Orientated Development.

The proponent has supported this concept with the provision of only 160 total car spaces comprising 112 residential spaces and 48 commercial spaces – in line with the objective of the North District Plan to reduce vehicle movements in the Centre. GTA's assessment notes, however, that this provision is below the Lane Cove Council DCP required 517 spaces. GTA believes this is appropriate for the following reasons:

- The site is well located and is close to significant public transport facilities;
- Provision of the maximum car parking rates for the proposed development would result in significant traffic generation that would be detrimental to the capacity of the surrounding road network; and
- The Lane Cove DCP parking rates are high compared with other similar centres and do not reflect the sites location proximate to significant public transport.

GTA considers that the parking provision for the development set out in this proposal is reasonable as workers and residents without allocated car spaces will use public transport or ride sharing services as their primary means of transportation. This will have the benefit of lessening the impact of potential future vehicle movements in the area.

Car Stacker

It is acknowledged that the existing Telstra exchange footprint and associated access requirements constrain the available site for parking and car park access. As such, a car stacker system is the only feasible way to incorporate any significant on-site parking provision for residents and commercial tenants. It is expected that the car stacker system can accommodate 160 spaces, with two car lifts proposed to allow the vehicles to enter the stacker.

In terms of car stacker operation, the GTA addendum report (**Appendix I**) notes the following:

- The one-way circulation through the site and car stacker for vehicles entering from Christie Street and exiting onto the Pacific Highway limits potential vehicle conflicts.
- Queuing analysis completed as part of the Transport Impact Assessment indicated peak period queuing of 2-3 vehicles is expected.
- Site access is on the western side of the site, while the proposed car stacker is on the eastern side, maximising the available internal queuing distance. When combined with the distance along Christie Street between the site access and the Pacific Highway, there is a significant queuing distance available before Pacific Highway traffic operation is affected.
- Queuing on entry represents a low risk that can be further mitigated by operational protocols (e.g. for vehicles to continue past the access if there is an issue entering).
- Vehicles exiting the car stacker do so at a higher level to the entry point, with vehicles then turning left directly onto the Pacific Highway.
- A gap acceptance assessment completed as part of the Transport Impact Assessment indicated that there are sufficient gaps in traffic flow from the upstream Albany Street traffic signals for vehicles to exit in a timely manner.

Further, the RMS have been engaged and provided initial response in support of the car stacker as a suitable solution for the site.

6.3.8 Contamination

A Phase 1 Preliminary Site Investigation (PSI) was undertaken by EI Australia (**Appendix D**) to determine the potential risk for land contamination from past and current activities in accordance with the requirements of *State Environmental Planning Policy No. 55 – Remediation of Land*.

The PSI confirms that the current Exchange building and retail buildings have occupied the site since at least the 1960s and 1920s respectively. EI have provided an assessment of these land uses as well as a site inspection to determine any signs of contaminated materials or potentially contaminating activities.

Based on the findings of the assessment and with consideration of the Statement of Limitations, EI conclude that site contamination is unlikely to prevent the site from being redeveloped in future, including to any residential, commercial or retail uses that may be placed on the site in the future.

6.3.9 Site Isolation Impacts

Potential to amalgamate with 69 Christie Street

The draft 2036 Plan identifies the Telstra Exchange site and 69 Christie Street as a single, consolidated 'Significant Site', and that there is an intention from the Department to encourage amalgamation of these two sites.

In response, PTW has prepared a range of development scenarios (see addendum at **Appendix A**) that demonstrate the relative pros and cons of amalgamation with 69 Christie Street under various scenarios, including an amalgamation scenario.

Generally, the analysis shows that development of 69 Christie Street, particularly under a residential scenario, is already very heavily constrained by the interface established by New Hope, which extends for some two-thirds of length of the northern frontage of 69 Christie Street.

As noted above, the Telstra Exchange site has very limited ability to actually affect the development potential of 69 Christie Street – its development potential is already constrained by New Hope.

PTW have prepared a scenario showing a potential mixed-use built form outcome for an amalgamated scheme. Because of the constraints imposed by New Hope, the analysis shows that only a very small portion of the western side of 69 Christie Street could accommodate development – the eastern two-thirds of the site would be heavily overshadowed, and would not be able to face north due to the visual privacy requirements of the Apartment Design Guide.

The resultant built form outcome is shown at **Figure 46**, which shows the building extending onto the western part of 69 Christie Street.

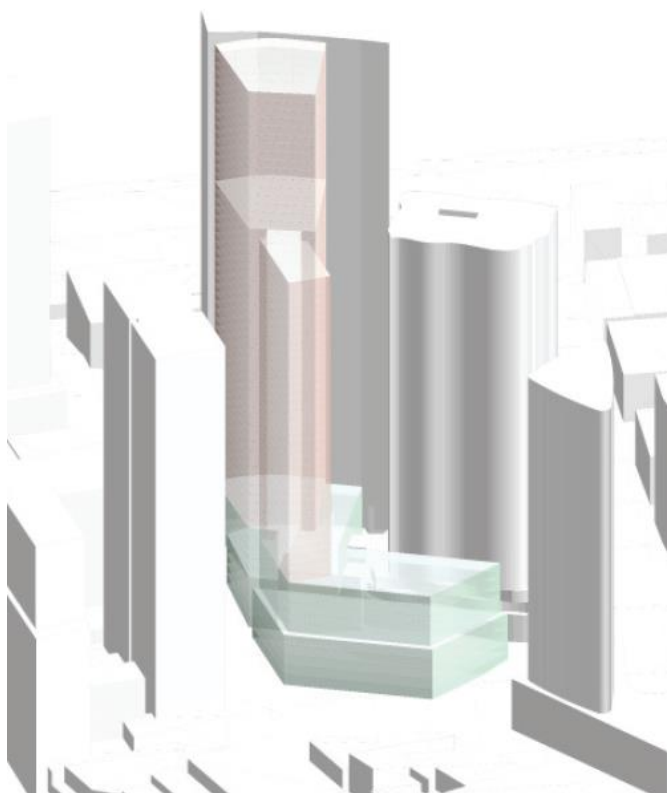


Figure 46 Built form outcome of amalgamated scheme

This outcome would result in a range of adverse built form and public domain outcomes, including the following:

- This option would preclude an open-to-sky public domain linkage that would connect Christie Lane through to Friedlander Place. This is a key public domain element that would complete Lane Cove Council's vision for range of connected laneways that would link the JQZ site to the west with Mirvac's St Leonards Square to the east.
- This option would result in an overly long and bulky building presenting to Christie Street. The current Grocon proposal for the Telstra Exchange site is a highly slender, elegant building that achieves appropriate separation to surrounding towers. It is considered that an amalgamated site would compromise the slenderness of the proposed tower and would result in an undesirable built form outcome along Christie Street.
- The building envelope would create potential ADG compliance issues due to the inability to achieve visual privacy separation with New Hope.
- There would be a potential increase in overshadowing due to the increased bulk and length of building.

We also note that renewal of the existing AMA building could still be achieved via a reskin of the façade or a commercial refurbishment of the building. As such, it is considered that amalgamation with 69 Christie Street would result in a range of undesirable outcomes, while adding little in terms of renewal or revitalization of St Leonards.

Further, consistent with planning principles established under *Karavellas v Sutherland Shire Council [2004]*, Grocon has attempted to initiate negotiations with AMA, with no conclusive outcome to date. It is understood that AMA are also exploring potential uplift opportunities for their site.

Notwithstanding this, as demonstrated by this section, amalgamation is not necessary or warranted, and would actively inhibit positive public domain and built form outcomes.

Q9 – Has the planning proposal adequately addressed any social and economic impacts?

6.3.10 Social effects

The planning proposal will facilitate the redevelopment of the site, delivering a number of positive social outcomes including:

- The provision of approximately 453 permanent jobs on the site and 628 jobs during construction, strengthening both the local St Leonards and the broader North Shore economies;
- Approximately 366 apartments on the site, providing additional housing for the St Leonards Centre, located in close proximity to transport, employment, health and education services; and
- An activated public domain that offers increased passive surveillance and retail activation.

6.3.11 Economic effects

Economic constraints

An Economic Impact Assessment (EIA) has been prepared by Urbis to determine the appropriateness of the proposed rezoning of the site from B3 Commercial Core to B4 Mixed Use (**Appendix C**). The Assessment considers the viability of developing a purely commercial office building on the site given the current constraints posed by the Telstra Exchange building and the subdued demand for commercial floor space in St Leonards observed over the last 15 years (**Appendix C – Section 4**).

The Urbis EIA provides that the St Leonards office market has had an average net absorption rate of 625 sqm per year since 2000. Based on the average net absorption rate, the office market in St Leonards will absorb 9,375 sqm of total stock by 2031 (15 years from 2016).

Employment population for St Leonards Centre is expected to grow by 8,000 additional jobs by 2031 (based on Bureau of Transport Statistics), which is commensurate with the employment forecasts outlined in the North District Plan. If these growth forecasts prove correct, and the existing and proposed commercial developments in St

Leonards translate to actual floor space, it is likely that the Centre will a surplus of between 62,637 sqm and 76,749 sqm of commercial floor space by 2031.

Further, the average net absorption rate for St Leonards has been low when compared with other suburban office markets such as Macquarie Park and Chatswood. Urbis' EIA considers the following factors to be some of the key contributors to the low St Leonards market confidence:

- More affordable rents in other suburban office markets;
- Higher quality commercial offerings with larger floorplates in other centres; and
- Greater amenity and proximity to major retail centres in other centres.

All of these factors are likely to remain significant over the next 15 years.

Based on the historical average absorption rate for St Leonards, a pure commercial building at the subject site, maximising the permitted FSR controls under the site's current zoning, would yield 28,412 sqm of commercial floor space. This would provide sufficient stock to satisfy demand for the entire office market in St Leonards for over 45 years. This is in addition to the projected surplus of commercial office space in St Leonards of between 62,000 sqm and 77,000 sqm discussed above.

As such, the significant site constraints combined with the market conditions do not facilitate the redevelopment of the site purely for commercial uses.

Considering the above factors in combination with the substantial site-specific constraints involved at the Telstra Exchange site, it is clear that site cannot be developed for stand-alone commercial uses under its current B3 zoning. Ultimately, the site's capacity to enhance its employment generation is contingent on being part of a larger mixed-use redevelopment, where site-specific constraints can be offset by the inclusion of residential land uses.

It is also noted that the draft 2036 Plan nominates the Telstra Exchange site for a rezoning from B3 Commercial Core to B4 Mixed Use, as shown in **Figure 47**.

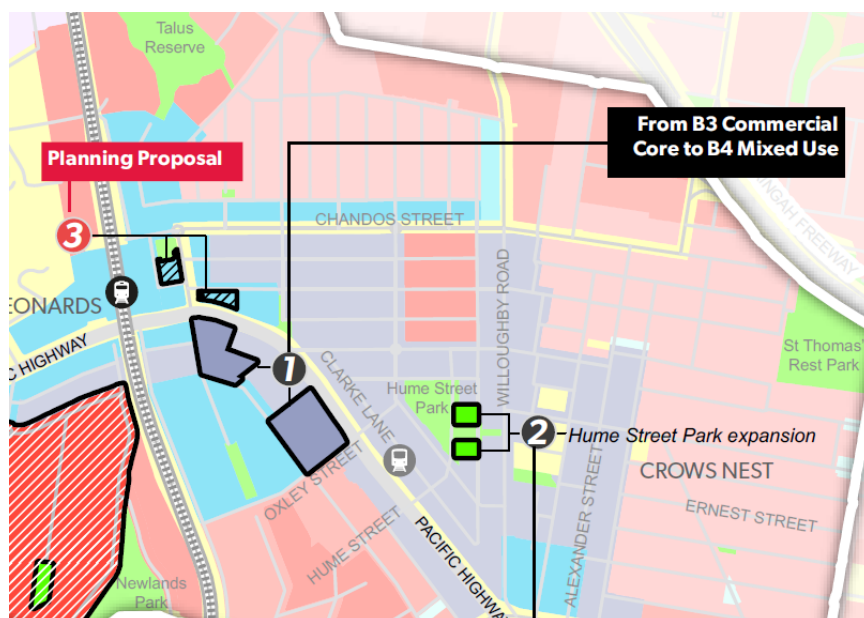


Figure 47 Proposed rezoning under draft 2036 Plan

Source: Department of Planning & Environment

Economic Opportunities

Despite the lack of demand for significant commercial floor space in St Leonards, the EIA concludes that the Centre remains attractive to smaller tenancies in the Health and Social Services sector (**Appendix C** – Section 3). The commercial floor space provided as part of the development is expected to be well supported by these types of tenancy profiles.

It is also evident that the site's location, adjacent to St Leonards station, provides residents with access to approximately 520,000 jobs within a 20-minute train ride – see: Urbis EIA – Section 5 at **Appendix C**. This number is projected to increase substantially with the construction of the proposed Crows Nest Station, located within 350 m of the site, providing direct access to key employment hubs of Barangaroo, Macquarie Park and other localities within the Sydney CBD. By comparison, Macquarie Park station, another area earmarked for significant mixed-use density, has access to approximately 225,000 jobs, fewer than 50% of those available from St Leonards. Accordingly, St Leonards is a highly appropriate and desirable place to accommodate new residential floor space.

Ability to achieve 6:1 non-residential FSR

The draft 2036 Plan nominates a minimum non-residential FSR of 6:1 for the Telstra Exchange site. This non-residential floor space is intended to encourage more A-grade commercial office floor space and encourage the revitalisation of St Leonards.

This planning proposal proposes a minimum non-residential floor space of 4:1. This has largely been driven by constraints imposed by the Telstra Exchange building, which must be retained as critical infrastructure. The location of Telstra infrastructure also constrains subterranean car parking opportunities for the site, forcing car parking to be provided at grade. This in turn further challenges the realisation of non-residential GFA.

However, worth noting is that the planning proposal would achieve the 6:1 non-residential FSR requirement, if the Telstra Exchange floor space were treated as GFA. However, as per the Standard Instrument's definition of GFA, the majority of the Telstra Exchange building does not count as GFA as it falls under the category of "plant rooms, lift towers and other areas used exclusively for mechanical services or ducting". This means that although the Telstra Exchange building contains a significant amount of non-residential floor space, that floor space does not technically count towards non-residential GFA.

The existence of the Telstra Exchange building further constrains the ability to provide non-residential floor space by precluding basement car parking. This has necessitated the incorporation of car stacker within the podium, which utilises space that might have otherwise been used for non-residential uses, and is also not counted in GFA.

PTW has undertaken an analysis of the amount of non-residential floor space that could be provided if the site were not constrained by the Telstra Exchange building. The analysis is included in **Appendix A** and is also reproduced at **Figure 48**.

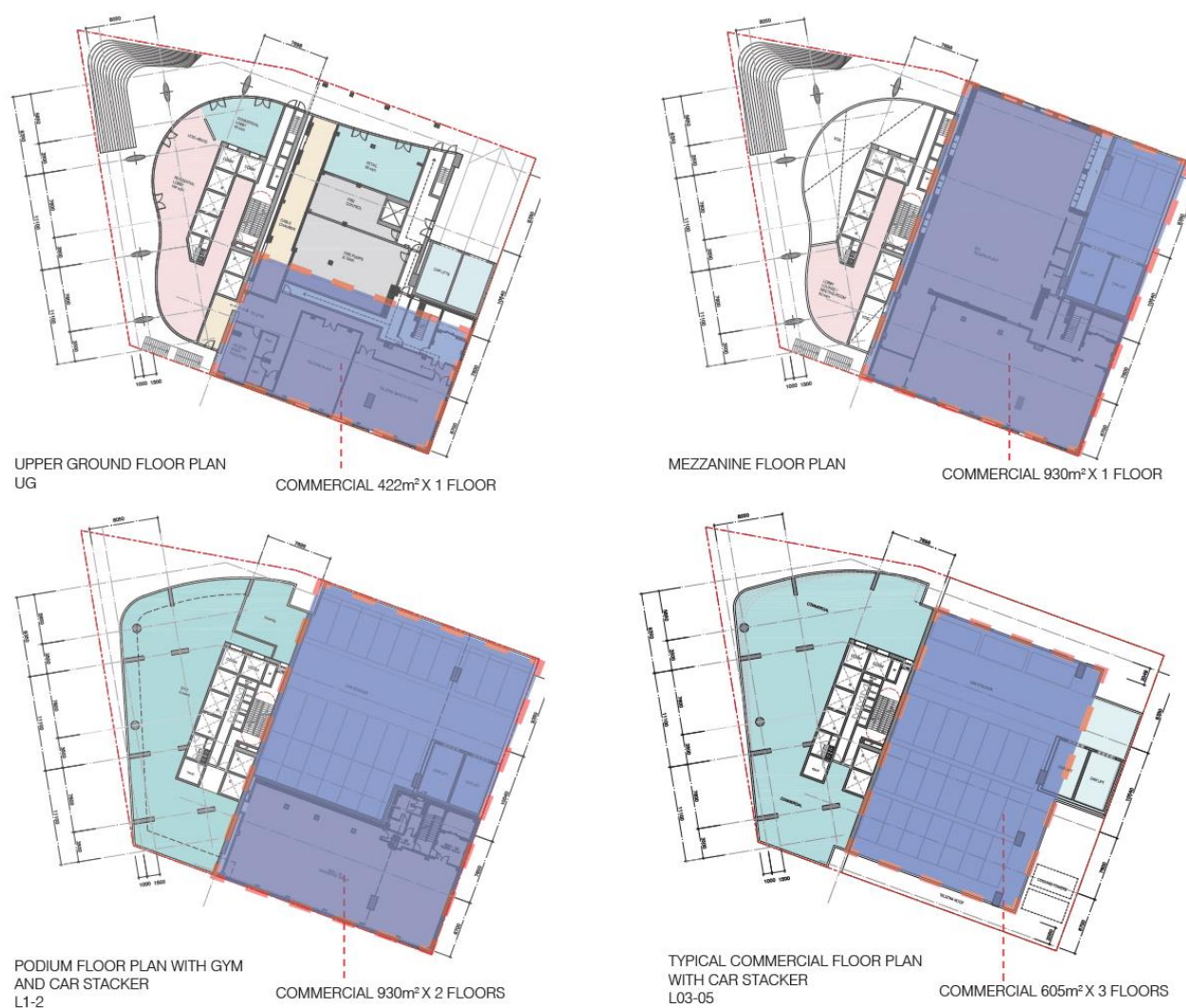


Figure 48 Potential commercial floor plates without Telstra Exchange building

Source: PTW

The analysis shows that without the constraints imposed by the Telstra Exchange building, additional commercial floor space equal to approximately 5,000 m² could be provided. This would result in a total non-residential FSR of 7:1.

The development concept therefore includes space in excess of the 6:1 non-residential FSR nominated in the draft 2036 Plan, but is unable to technically achieve 6:1, due to the limitations of the GFA definition and the need for a car stacker within the podium of the building. For these reasons, the proposed minimum non-residential FSR of 4:1 is considered appropriate.

6.4 State and Commonwealth Interests

Q10 – Is there adequate public infrastructure for the planning proposal?

The site is located in an established urban area and has access to a range of existing utility services, public transport, infrastructure and health and education services. Further investigations will be undertaken as part of the preparation of the DA to determine whether any upgrade of existing utilities is required.

It is also noted that a Special Infrastructure Contribution was proposed in 2018, as part of the planning package for St Leonards and Crows Nest. It is likely that at DA stage, the proponent will contribute significantly to infrastructure improvements in the area via this contribution.

Q11 – What are the views of State or Commonwealth public authorities consulted in accordance with the Gateway determination?

State and Commonwealth authorities will have the opportunity to provide comment on the planning proposal as part of its formal exhibition. Any future DA will be referred to the relevant authorities as required.

6.5 Community Consultation

Community consultation will be conducted in accordance with Schedule 1 of EP&A Act and *A Guide to Preparing Planning Proposals*.

7.0 Conclusion

This planning proposal seeks amendments to Lane Cove LEP 2009 zoning, floor space ratio, maximum building height and non-residential floor space development standards for the St Leonards Telstra Exchange site.

This planning proposal and supporting specialist studies has demonstrated that the proposal would be in the public interest for the following reasons:

- The future development facilitated by the proposal will be entirely consistent with State, Regional, District and local planning strategies for St Leonards.
- The proposal is consistent with the recently released draft St Leonards and Crows Nest 2036 Plan.
- The resultant building envelope will not generate any unacceptable environmental impacts in relation to built-form, view loss or overshadowing.
- The proposal will not generate any adverse impacts on the operation of the surrounding road network.
- The development will provide significant public domain improvements, enhancing pedestrian connectivity along the Pacific Highway and encouraging use of the public transport infrastructure.
- The proposal will likely facilitate the optimal employment outcome for the site, given that it is considered undevelopable under the current planning controls.
- The proposal will contribute towards the revitalisation of a technically difficult and isolated site located on a prominent corner within the St Leonards Strategic Centre.

The proposed scheme has been carefully designed and located to respect and maintain the amenity of its neighbours, whilst its curved and tapering form respond to its location on the Pacific Highway and the technical challenges that lie within. Its prominence and composition (with the tall tower proposed for 655 Pacific Highway, diagonally opposite) will create a gateway to the St Leonards CBD, its sculptural form and aspirational design, perceived as an iconic landmark for the Centre. Without amendment, the controls here simply maintain the status quo, impeding opportunities for redevelopment and preserving the substantial 'gap' in towers along the Pacific Highway.

With the above in mind, we believe the proposed amendments to the LEP are appropriate and well-considered, and that the planning proposal should be supported by Council and proceed to the Gateway.