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Crows Nest Sydney Metro Site Rezoning Proposal - Submission

I strongly object to the above referenced rezoning proposal (and the associated proposed Over Station Development). My objection is based on the following documents:

- St Leonards & Crows Nest Draft Local Character Statement
- St Leonards & Crows Nest 2036 Draft Plan
- Crows Nest Sydney Metro Site Rezoning Proposal including Appendix A
- Crows Nest Sydney Metro Sites Detailed Urban Design Study (SJB Urban)
- St Leonards & Crows Nest Economic Feasibility Review (SGS Economics & Planning)
- SSD Application materials provided in regard to the Crows Nest Over Station Development

The reasons for objecting are set out below:

1. **Draft Local Character Statement:** The document sets out the background for all planning associated with the St Leonards & Crows Nest 2036 Draft Plan and in this respect it contains two important errors or assumptions that affect the rezoning proposal. These are:

Open Space: *"Enough high quality open space to support growth in the area."* If you have been listening to the community and more importantly to the North Sydney Council, you would know that there is **not nearly enough** high quality open space in the area. Council has been consistently saying so and in 2014 recieved a report "Recreational Needs Study" that found the Crows Nest / St Leonards area had the least open space of any area in North Sydney. It recommended that the Council as a matter of urgency start to put money to purchase land for open space to fix this. Your own report from ARUP also mentions that report. In that regard, rezoning of the station sites does nothing to alleviate the critical shortage of open space. It could do so however by abandoning the commercial building on site C and instead devoting this area to open space as a buffer between a station entry on Site A and the Hume street park.

Density: *"Differing opinions on increased density in the area"*. That is not true for the Crows Nest station site. The bulk of public opinion about the station site is overwhelmingly against the height and scale of buildings that this rezoning proposal would allow. The North Sydney Council itself resolved on 30 July 2018 to bring a number of concerns to the Minister's attention including the bulk and scale of the buildings. A copy of that resolution is at Attachment "A". You would know this also from the hundreds of submissions received in response to the community early engagement process about the Crows Nest station. In addition you would be aware of residents protesting by way of a petition against Crows Nest station high density

development. Over 1370 people have signed that petition. Regardless of the Council's and community's objections Sydney Metro has not amended the height or scale of the proposed buildings, thus indicating to the community that having our say means nothing to Sydney Metro.

2. **St Leonards & Crows Nest 2036 Draft Plan:** My specific objection is in regard to Land Use as that relates to the Crows Nest Sydney Metro Site rezoning proposal as outlined below:

The draft plan led by the Greater Sydney Commission's North District Plan proposes and emphasises the importance of job creation over the period 2106 to 2036 with a 'High' aspirational target of 16,500 new jobs.

Achievement of this target is dealt with in detail in the **Economic Feasibility Review prepared by SGS Economics and Planning**. The review analyses the jobs target in steps and comments on the Likelihood of achievement of each of those steps. In summary, steps leading up to 57,500 jobs are all considered very likely or likely subject to minor constraints.

Above that level the next 1,500 new jobs are considered possible provided that there is government led investment and other targeted economic development initiatives.

For the next 5,000 new jobs the hurdle is even higher requiring realisation of the Greater Sydney Commission's Health and Education vision and more supporting investment as well as targeted economic development initiatives.

Why then is the rezoning plan not addressing this important target of job creation by allowing the site to be used for targeted economic development initiatives to support the Health and Education vision for 5,000 more jobs instead of relying on high density residential development to lead job creation when there is no evidence that this will work. In fact, the evidence shows quite the opposite is true.

One such initiative would be a research or technology park over the station site devoted to supporting that vision and/or other high technology endeavours. Such a development would not need high rise buildings or rezoning.

The review by **SGS Economics & Planning** summarises the situation in its executive summary in the following way:

"Critically there is a crowding out phenomenon in the current market whereby residential development, by virtue of its relatively strong returns, displaces existing and future employment floor space". It goes on to say that "care must be taken to ensure that residential development by virtue of its higher returns does not displace the much-needed floor space for jobs growth".

And that is exactly what this rezoning proposal will lead to – displacing much needed floor space for jobs growth. (see below)

The review states that pure commercial office buildings are judged to be unfeasible given land acquisition, construction and transactional costs associated with redevelopment.

Thus the Sydney Metro Site could be one part of a government led initiative that could lead to a low rise technology park to be set aside for the Health and Education vision.

The recently released Over Station Development proposal for this site allocates only 2,700 sqm of non-residential or non-hotel space out of a total 55,400 sqm proposed. The balance is allocated to 350 apartments with 175 car parking spaces. The floor space of 2,700 sqm is enough for no more than 190 jobs. This land use mix of less than 5% of the total space available is abysmal and was chosen not by your consultants but by Sydney Metro itself as a means to capture more value from the chosen developer.

Sydney Metro therefore is frustrating the North District Plan and the Department of Planning's vision for an employment hub.

Development Feasibility: This section of the SGS Economics and Planning Report provides further evidence, using conservative development assumptions, why commercial space will not occur in the St Leonards Core and Crows Nest sub-precinct areas in the absence of government action.

SGS Economics and Planning tested 7 potential B3 commercial development sites in the St Leonards area to assess their economics for development as office – employment – buildings. The results are telling- ***“without planning intervention and changes to existing planning controls B3 zoned sites are generally unlikely to redevelop in the near future.”***

The report (Pg. 54) states that modelling yield uplift due to infrastructure enhancements is a difficult exercise. Using a goal seek methodology it shows that from the existing \$550 pa per sqm rents being paid for A and B grade stock in the area, rents would have to rise to over \$810 per sqm for pure commercial developments to be notionally feasible. To accommodate this, buildings of 30,000 sqm would be required with major tenant pre-commitments.

The report goes on to say in understatement terms, “It is difficult to predict how the precinct could reach \$810 per sqm in commercial rent...by 2024.”

It further says that rents the same as North Sydney would have to be achieved to attract pure commercial office development in the subject area. Using residual land value methodology only 1 of the 7 sites got close to being feasible under their

modelling assumptions and current planning controls – and that was 55-89 Chandos St. where 193 dwellings are in place.

The same 7 sites were then tested using a built form outcome identified in the SJB Urban Design draft Report. The conclusions are the same, in that unless there is a substantial residential element in all buildings (ie mixed use), then economic feasibility will not be achieved. In fact, using the SJB Urban Project Case only 2 of the seven projects was considered financially feasible, and these have very small commercial floorspace areas.

3. **Crows Nest Sydney Metro Sites Detailed Urban Design Study:** Our specific objections relate to:

Overshadowing: The shadow analysis (Design Testing Section 5.1) is shown for the winter solstice (21 June). It apparently satisfies retention of solar amenity as shown below:

Hume St Park	10:00am – 3:00pm
Ernest Place	10:00am – 3:00pm
Conservation Area	9:00am – 3:00pm
Willoughby Road	11:30am – 2:30pm

Testing by our the residents action group, OVERdevelopment-we're OVER it! shows extensive and unacceptable overshadowing of Willoughby Road and Ernest Place in the afternoons during daylight saving hours and also extensive overshadowing on the western side of the highway over Nicholson Street residences in the early mornings. Watch the results of that testing on YouTube [here](https://www.youtube.com/watch?v=p4TwX6R1aOk&feature=youtu.be):

<https://www.youtube.com/watch?v=p4TwX6R1aOk&feature=youtu.be>

The diagrams illustrate how the buildings as proposed for the Over Station Development that would be realised from this zoning proposal are not only visually objectionable but also will impact very adversely to the potential enjoyment by the community of the Crows Nest village and surrounds.

This is evidence that you have ignored North Sydney Council's protestations as contained in Attachment "A"

Design Excellence: This term is first noted in Sydney Metro's proposal for rezoning of the Metro Site but is one of SJB Urban's recommendations for changes to the LEP in regard to Height of Buildings and Floor Space Ratios. It states:

"Design Excellence

- *The above provisions are permissible, subject to the development proposal demonstrating design excellence (see design move 10, p.28 and considerations outlined in Chapter 5 Design Testing)"*

- *In Chapter 5 Design Testing move 10 states:*

Design Excellence.

- *Ensure future development demonstrates design excellence by employing best practice design principles. This is achieved by designing for good solar access, articulation of built form and a high quality finish.*
- *Break up the built form to reduce bulk and provide adequate separation, allowing for good solar access and ventilation.*
- *Consider the location of towers to maximise orientation to the north, in order to achieve a minimum of 70% solar access to all facades between 9 am and 3 pm at midwinter as required in the NSW apartment Design Guide (Section 4A p.70)*

Note the absence of any reference to public amenity. It has clearly been written to support the proposed high rise towers on the site with absolutely no regard for the community benefit or amenity.

Yet the term is used elsewhere as a means to ensure that community benefit by way of open space and amenity would be achieved. It is not a defined term and the outcomes in relation to community amenity must therefore rely on (non-expert) opinion.

It is also proposed in section 5.0 of the rezoning proposal to have a Heads of Consideration inserted into the LEP to inform and to be used in the assessment of future development on the Sydney Metro Sites. It suggests amongst other things Height of Buildings on the Sites, Setbacks on Pacific Highway, Hume Street, Oxley Street and Clarke Lane, Heights of Podiums (8 storeys) and so on and so on.

The Heads of Consideration within the LEP is unprecedented and is locking in the rules that the Consent Authority must adhere to regardless of other considerations of the LEP. In this regard it is neutering the consent authority's role and is one of the most objectionable draconian measures in the proposal. It is outright authoritarian and disallows community consultation such as to the DA. It is abhorrent and must not be allowed.

This is an opportunity though to comment on three other aspects of the design by SJB Urban:

- **Setbacks:** The proposed setbacks from street alignment are meagre at best and totally inadequate when considering this presents an opportunity to create a space and built form of excellence:
 - Pacific Highway 3 metres. Facing a major road
 - Hume Street and Oxley Street 2 metres. Hardly enough to walk and pass on what will be busy thoroughfares of passengers to and from the station entry
 - Clarke Lane 1 metre. This will be a service road, pedestrian access, bicycle way and have what looks to be retail outlets and cafes without sunlight for most of the day.

- Setbacks at podium level. Not specified at all but one can imagine it will be a token amount to satisfy the principle and nothing else.
- Transitions: The height at which the podiums stop and the towers commence is 8 storeys for the twin towers and 4 storeys for the hotel. Here, the transition theory is finally revealed when it shows that it is referenced to the top of the podiums and not to the towers above. In this regard it is disingenuous.

These three aspects of the design should not be allowed.

Conclusion:

The plan submitted by Sydney Metro and the **evidence provided above by the Department's own consultants** highlights why the Rezoning proposal for the Crows Nest Metro site should be reconfigured.

As it will be impossible to attract commercial only tenants to any development – **without a surrender in value capture** – it is suggested that the Metro site be developed to accord more fully with the **St Leonards and Crows Nest Draft Character Statement**. This would suggest smaller scale, less over shadowing, open space and amenity for residents.

The hope for nearby “sub – precinct” employment uplift through the Metro is misplaced – only residential projects “stack up” for developers. Lane Cove Council rezoned three (3) B3 commercial sites on the highway to B4 mixed use – to attract developer interest - and the overwhelmingly residential element in each property bears this reality out.

Without direct planning intervention (and reduced value capture), or specific State Government project funding the increase in employment targeted will not be achieved in the St Leonards Crows Nest area. It can only come from strict planning objectives and sizeable job creating initiatives in areas where land capacity for commercial uses is evident.

In this regard both the North Shore Hospital precinct and the Gore Hill business park precinct offer the best hope for significant employment growth, but regrettably they are not near the Crows Nest Metro station.

The Crows Nest Metro will therefore only service new residents, existing employees and hotel guests (if the hotel project proceeds). No substantial medium-term uplift in employment is likely for the reasons and analysis mentioned herein, unless substantial value capture is surrendered.

Accordingly, I request the Minister to reject the current Sydney Metro planning proposal and seek one that mandates office space in the OSD through reduced value capture to the owner **and** is re-configured to accord with the planning objectives set out in the St Leonards Crows Nest Plan 2036, as guided by the Draft Character Statement.

As a minimum, it does not seem unreasonable for a state government authority to be required to propose developments that support, rather than detract, from the Government's principal planning objectives.

I reiterate the reasons for my objection:

- Lack of open space inherent in the proposal
- Lack of job creation initiatives inherent in the rezoning proposal
- Bulk and scale of the buildings over the station site
- Overshadowing of Hume Street Park and Willoughby Road and Nicholson Street Wollstonecraft at any time as a result of future buildings on this site
- Provision of above ground parking on the Sites
- Lack of public amenity inherent in the rezoning proposal
- The inclusion of the Heads of Consideration in the rezoning proposal or any other planning document.
- The absence of any evidence of legitimate collaboration with the North Sydney Council planning officers
- Disregard for community feedback.

Yours sincerely,

