

**Ordinary Council Meeting 23 October 2017**  
**LEP PLANNING PROPOSAL 32 - 2 GREENWICH ROAD, GREENWICH**

**Subject:** LEP Planning Proposal 32 - 2 Greenwich Road, Greenwich  
**Record No:** SU6704 - 59827/17  
**Division:** Environmental Services Division  
**Author(s):** Christopher Pelcz; Terry Tredrea; Anthony Crichton

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### **Executive Summary**

A Planning Proposal was lodged with Council on 11 April, 2017 in relation to land at 2 Greenwich Road, Greenwich (**AT-1**), known as the site of the Northside Clinic mental health hospital. The proposal was accompanied by an Urban Design report (**AT-2**) and sought to amend the *Lane Cove Local Environmental Plan 2009* to:-

- Allow Additional Permitted Uses for this site as 'Shop Top Housing' in the B3 Commercial Core zone;
- Increase the Height of Buildings from the current 25 metres to 33 metres, and
- Depending on the outcome of the St Leonards/Crows Nest Strategic Employment Review, reduce the FSR from 3.0:1 to either 2.4:1 or 2.7:1.

The Planning Proposal is inconsistent with regional, local and precinct strategic planning controls for the following reasons:-

1. The proposal seeks to provide 915m<sup>2</sup> of commercial floor space, a relatively small quantity of employment land within the Precinct. This is inconsistent with the Priorities and Actions of the *Draft North District Plan*, which envisages the site as being part of a "Health and Education Super Precinct".
2. Shop top housing in the B3 Commercial Core of St Leonards would set an undesirable precedent for future landowners, which is also inconsistent with the zone objectives of the *Lane Cove Local Environmental Plan 2009*. Nor does "shop top housing" address the objectives of these strategic employment lands.
3. An extension of the proposed 2.75:1 FSR to the western side of St Leonards South precinct is inconsistent with the objectives and recommendations of Council's *St Leonards South Master Plan and its subsequent Draft Planning Proposal*.
4. The case has not been made that commercial development of the site (currently permitting 8 storeys and FSR of 3:1) is dependent upon residential development.

Therefore, it is recommended that Council not support Planning Proposal 32 to permit shop top housing at 2 Greenwich Road, Greenwich as it lacks strategic and site-specific merit at the regional, local and precinct level.

Note: The Proposal was submitted on the basis that the release of the St Leonards/Crows Nest Strategic Employment Review was imminent. At the time, the applicant stated an intention to submit an Addendum to address it, this did not occur within the required 90 day response period. However, by the time of its release the 'caretaker period' during Council Elections had already begun. This meant Council was unable to consider the proposal within the timeframe.

As a result, the applicant submitted the Planning Proposal for a Rezoning Review (**AT-3**) in August 2017 on the basis of a deemed refusal. Council was therefore required to submit a formal response within 21 days, this is attached to this report (see **AT-4**, **AT-5** and **AT-6**).

Council's formal submission expands on the position described in this report.

**Background**



*Site Details*

As shown in the figure above, the site is located at 2 Greenwich Road, Greenwich and has a site area of approximately 2,140 m<sup>2</sup>. Other current planning controls on the site are summarised below:

<i>Current Zoning</i>	B3 Commercial Core
<i>Current FSR</i>	3.0:1
<i>Possible GFA</i>	6,420 m <sup>2</sup>
<i>Current Height Limit</i>	25 metres

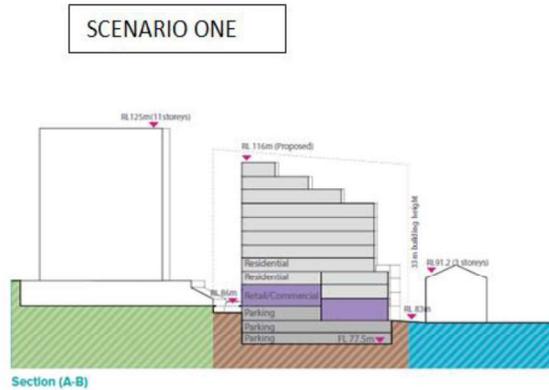
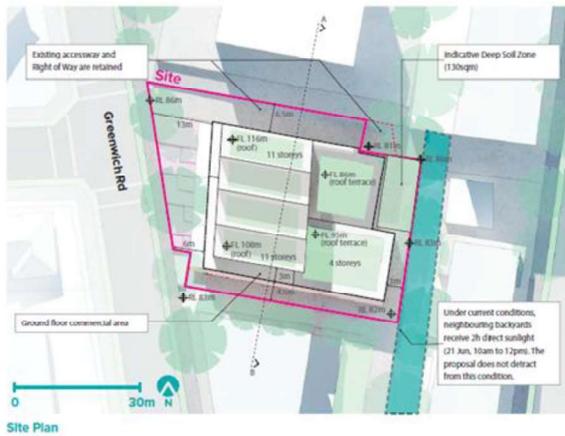
*Proposal Details*

Urban design analysis from the applicant, propose a height limit of 33 metres and two separate built form scenarios with different floor space ratios. Scenario 1 is based on achieving an FSR of 2.4:1, potentially resulting in a 'stepping down' built form from Pacific Highway. While Scenario 2 proposes an FSR of 2.7:1, resulting in a more 'box-type' built form.

According to the applicant, these separate options were put forward for different reasons:

- Scenario 1 responded to the current planning context (B3 Commercial Core zone immediately north of Greenwich R4 High Density Residential zone)
- Scenario 2 was designed "to accord with and achieve the likely objectives...of the DOP&E's priority precinct planning process..."

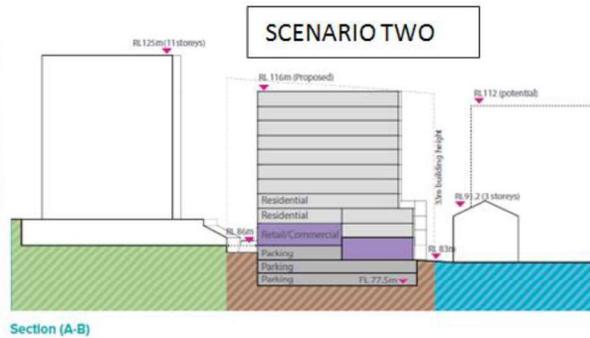
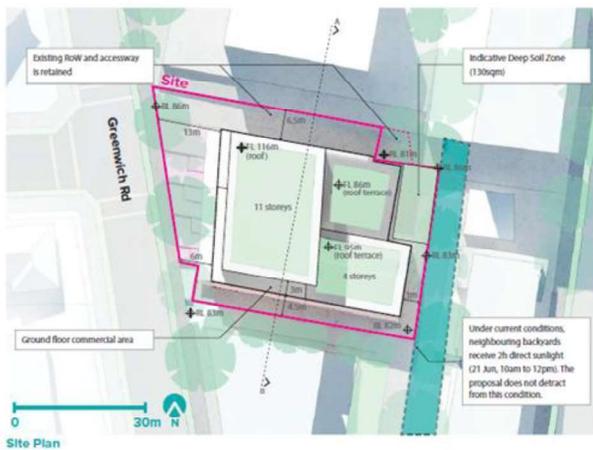
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The ‘Scenario 1’ concept would permit 60 apartments, and Scenario 2 would permit 70 apartments. Both permit a ground floor commercial floor plate of 915m<sup>2</sup>.

Note that “Shop top housing” means residences above either retail or business premises (which is defined as one type of commercial premises).

The applicant argues that Scenario 1 effectively “integrates with the current state of the surrounding context”. This has been interpreted by the applicant to mean maintaining shadow impacts on the current southern neighbours to that currently permitted.



The ‘Scenario 2’ concept design has been provided “to accord with and achieve the (yet to be adopted) objectives of the DOP&E’s priority precinct planning process for the subject site in the context of the wider precinct.” That is - the *St Leonards/Crows Nest Station Strategic Employment Review*. Currently, this document has not been released, has no status and is yet to be given such. Therefore, the *Draft North District Plan* is the most relevant regional strategic planning document for the St Leonards “super precinct”.

The following table shows the two Scenarios compared with current controls:

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	<b>Scenario 1 (current context)</b>	<b>Scenario 2 (Priority Precinct)</b>	<b>Current controls</b>
<i>FSR</i>	2.4:1	2.7:1	3.0:1
<i>Building Height</i>	33 m (11 storeys) - following ground contours	33 m (11 storeys) - RL116 metres	25 m (8 storeys)
<i>GFA Residential</i>	4,230m <sup>2</sup>	4,880m <sup>2</sup>	0 (not permissible)
<i>GFA Commercial</i>	915m <sup>2</sup>	915m <sup>2</sup>	6,420m <sup>2</sup>
<i>GFA Total</i>	5,145m <sup>2</sup>	5,795m <sup>2</sup>	6,420m <sup>2</sup>
<i>Apartment yield</i>	60	70	0 (not permissible)
<i>Envelope</i>	Stepped down	Box	--

### Discussion

In terms of what is “the DOP&E’s priority precinct planning process”, this area is subject to the *St Leonards/Crows Nest Strategic Employment Review*. The Review is currently examining ways “to maintain employment in the area, provide new homes, shops, cafes and open space and maximise access to public transport” (Dept of Planning website - St Leonards and Crows Nest). Supporting infrastructure would also be identified through this process.

Because the *St Leonards/Crows Nest Strategic Employment Review* is yet to be finalised, the proposal should not pre-empt the outcome of the Review. The applicant has been advised that Council supports the current Local Environmental Plan provisions and Draft North District Plan.

Notwithstanding this, it was requested that the applicant defer the Planning Proposal at least until after the publication of the *Interim Statement* for the Strategic Employment Review. Despite this advice, the applicant formally commenced the Rezoning Review stage.

### Relevant Plans

Therefore, the three strategic plans are particularly relevant to the site:

- 1) *Draft North District Plan;*
- 2) *Council’s St Leonards South Master Plan;*
- 3) *Lane Cove Local Environmental Plan 2009.*

#### *Draft North District Plan*

Action P4 of the Draft North District Plan includes seven key considerations the Review will have regard to, including:-

- *“leverage off the new Sydney Metro station at Crows Nest to deliver additional employment and residential capacity*
- *identify actions to grow jobs in the centre*
- *promote synergies between the Royal North Shore Hospital and other health and education-related activities, in partnership with NSW Health” (page 51)*

Action L3 specifically states that Lane Cove Council will “*progress the priority precinct investigations at St Leonards/Crows Nest with Department of Planning and Environment*” (page 95).

Note: Reference is made to the Strategic Directions of *A Plan for Growing Sydney, 2014*. These refer in particular to employment growth and are dealt with in greater detail in the *Draft North District Plan*.

*St Leonards South Master Plan*

The St Leonards South Planning Proposal has received Gateway approval, and is soon to be publically exhibited. Within the Gateway conditions, it is stated that proposals would need to be consistent with any findings of the Strategic Employment Review. Therefore, it is recommended that Council not pre-empt the outcome of this review, as it applies to other St Leonards sites.

*Lane Cove Local Environmental Plan 2009*

As per the Standard Instrument, Lane Cove LEP has standard objectives for the B3 Commercial Core zone.

**Merit Test Assessment**

*Strategic Merit Test:*

The two proposed scenarios can effectively be judged as one proposal against the Strategic Merit Test.

- Replacing 6,420m<sup>2</sup> commercial floor space with 915 m<sup>2</sup> commercial floor space represents an 86% reduction in employment GFA for this site. Such a reduction of employment floor space is inconsistent with the *Draft North District Plan*, which envisages the Precinct as a “Health and Education Super Precinct”, which sets a higher employment target of 63,000 jobs by 2036. This will require additional employment floor space of 284,000sqm. This is predicated on the object of “to leverage health, education and knowledge clusters.” (p.5)  
**The proposal is inconsistent with this strategic objective.**
- Over the past two decades the most significant employment growth in the precinct has been in the health and education sector. This proposal, however, seeks to replace the existing hospital with a reduced level of commercial floor space and an increased quantum of residential floor space. This strategic outcome is not supported as the loss of health sector floor space is inconsistent with the proposed objectives and actions of the draft *North District Plan*. **This would jeopardize the potential to increase future medical floor space on this site, and more generally on the southern side of Gore Hill Freeway.**
- It is stated that the employment function of the site will be “relocated in early 2018 to a larger, modern, purpose-built facility at 2 Frederick Street, St Leonards”, and together with the ground floor 915 m<sup>2</sup>, would therefore not adversely impact the *draft North District Plan’s* employment objective and target for the Precinct. **It would however, permanently remove this strategic site from potential employment stock, in conflict with the Precinct’s higher employment target of 63,000 jobs by 2036.**
- Seeking to establish shop top housing land use in the B3 Commercial Core of St Leonards sets a compromising precedent for the rest of the zone and precinct when one objective of

the *draft North District Plan* relevant to this employment precinct is to “identify actions to grow jobs”. (page 51)

- Seeking to establish shop top housing land use is inconsistent with the objectives of the B3 Commercial Core zone in the *Lane Cove LEP 2009*. For example, the provision of “appropriate employment opportunities”.
- The proposal to add substantial residential use to this B3 Commercial Core site is predicated on the argument that, “the collocation of residential accommodation on the site represents a highly suitable land use required to meet the housing needs of the local population..” (Planning Proposal page 39). **This case has not been supported by evidence.**
- It is claimed in the Urban Design Report (Appendix 1 – Strategic Merit Test) that the proposal is consistent with the three priorities of the *Draft Northern District Plan*:
  - Productivity – the 150 employees will transfer to the new Artarmon building, so no nett loss to the broader precinct. However, the current site is significantly lost to future employment use. The North District Plan predicts a need for 34% greater employment floor space over the next 20 years, not less.
  - Liveability – will create “greater housing diversity and affordability near transport”. Given the current strong rise in house prices in St Leonards South, it cannot be claimed that housing affordability would increase. Also, the contribution of this proposal towards Lane Cove’s dwellings target is irrelevant because current proposals within St Leonards (as well as Mowbray and Lane Cove areas) would already exceed Council’s dwellings target.
  - Sustainability – As part of a TOD precinct, the proposal contributes to sustainability. However, the proposal is not seen as part of the (St Leonards South) TOD precinct – see below.
- It is claimed that the proposal is consistent with Council’s *St Leonards South Master Plan (2014)*. **However, the proposed residential high-rise (33m) would set a unwanted precedent for up-scaling the rest of the Greenwich Road R4 zone that is currently 12m.** This is in the context of the imminent exhibition of the Planning Proposal for the St Leonards South (eastern side), which seeks to protect the orderly development of the precinct by containing residential uplift to the area east of Park Road, closest to the railway station. An extension of the proposed 2.75:1 FSR to the western side of the St Leonards South precinct is inconsistent with the strategic direction of the current LEP, Planning Proposal for St Leonards South and Master Plan, the western limits of which would need to be based on separate traffic and feasibility analyses.
- Scenario 2 assumes “the remaining portion of North Greenwich [St Leonards South] suburb, between Greenwich road and Park Road to follow a similar path in terms of densification and strategic response to the current context” (Urban Design Report, Part 4). The preferred pattern for St Leonards South, however, trends downward as it progresses west, down to a height of 25m and FSR of 2.75:1. While Scenario 2 corresponds with the FSR, it is 8m higher (at 33m). It also assumes a change of use to shop top housing, which is not part of *the St Leonards South Master Plan*.

*Site-Specific Merit Test:*

- The impact of traffic on streets and intersections has not been addressed. It is necessary to support the statement:

*“Future shop top housing on the site is not expected to generate significantly more traffic than land uses and development that are currently permitted. Further, given the walkability and accessibility by public transport of the site, active and sustainable transport modes will be promoted.”* (Planning Proposal page 7)

This contention is baseless and the applicant would be required to submit a Traffic Impact Assessment (TIA) report undertaken by a qualified traffic engineer. Such a report would need to demonstrate that the proposed development would not adversely impact traffic operations in Greenwich Road or any other adjoining road networks. On-site parking should be provided in accordance with the Council DCP.

Although the proposed building appears to comply with the new *Draft Better Placed Design Principles* (see **AT-2**, pages 31+), a SEPP65 review would be required at the detailed design stage.

### **Conclusion**

The proposal to amend Lane Cove LEP 2009 to permit additional permitted uses as Shop Top Housing on this site in the B3 Commercial Core zone is not supported for the following reasons:

**1. It is inconsistent with the *draft North District Plan*:**

- Which envisages the Precinct as a “Health and Education Super Precinct” (p.51).
- The proposal is inconsistent with the strategic objective “to leverage health, education and knowledge clusters” (p.5); and
- The current site is lost to future employment use.

**2. It is inconsistent with Council’s *St Leonards South Master Plan*, resolved by Council on 13 July 2015:**

- Which seeks to protect the orderly development of the precinct by containing residential uplift to the area east of Park Road, closest to the railway station; and
- It also assumes a change of use to shop top housing, which is not part of the St Leonards South Master Plan.

**3. It is inconsistent with the *Lane Cove LEP*, as shop top housing in the B3 Commercial Core of St Leonards:**

- sets an undesirable precedent for the rest of the B3 Commercial Core zone.
- is inconsistent with the objectives of the B3 Commercial Core zone, such as providing “appropriate employment opportunities”.

The Interim Statement for the St Leonards/Crows Nest etc Employment Review is yet to be finalised or given any status, it is considered premature to assume a thorough assessment can be made of this proposal.

Notwithstanding the above, the Proposal is inconsistent with the findings of the Strategic Employment Review as it requires a minimum amount of “*employment floor space outcome in any redevelopment in 2-3 storey podiums*”.

## RECOMMENDATION

That Council endorse the submission to the Planning Proposal Review outlined in **AT-4** to not support Planning Proposal 32 to permit a shop top housing development at 2 Greenwich Road, Greenwich as it lacks merit for the following reasons:-

- (i) It is inconsistent with the draft North District Plan, which envisages the Precinct as a “Health and Education Super Precinct”. The current site would be lost for future employment use.
- (ii) It is inconsistent with Council’s St Leonards South Master Plan, which seeks to protect the orderly development of the precinct by containing residential uplift to the area east of Park Road and closest to the railway station.
- (iii) It is inconsistent with the B3 Commercial Core objectives within the Lane Cove Local Environmental Plan, such as providing “appropriate employment opportunities”.
- (iv) While the Interim Statement and supporting documents has been released by NSW Planning & Environment it is inconsistent with its employment objectives, opportunities and key considerations for this character area and particularly the findings of the St Leonards and Crows Nest Station Strategic Employment Review.

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**Executive Manager**  
**Environmental Services Division**

## ATTACHMENTS:

<b>AT-1</b> <a href="#">View</a>	Planning Proposal Report - 2 Greenwich Rd	58 Pages	Available Electronically
<b>AT-2</b> <a href="#">View</a>	Appendix 1- Urban Design Report (2 Greenwich Rd)	57 Pages	Available Electronically
<b>AT-3</b> <a href="#">View</a>	Request for Rezoning Review - 2 Greenwich Road	2 Pages	
<b>AT-4</b> <a href="#">View</a>	Council's Formal Response to Rezoning Review	5 Pages	
<b>AT-5</b> <a href="#">View</a>	Council's Formal Response - Timeline for Planning Proposal for 2 Greenwich Rd	2 Pages	
<b>AT-6</b> <a href="#">View</a>	Council's Formal Response - Response to St Leonards/Crows Nest Station Investigation Precinct	3 Pages	