

30 July 2018

The General Manager
City of Canada Bay Council
1A Marlborough Street,
Drummoyne NSW

Attention: Paul Dewar

Dear Sir,

Amended Draft Letter of Offer – Planning Proposal PP2017/005, 160 Burwood Road, Concord

Purpose

This letter has been prepared by Colliers International Project Management, on behalf of the owner of the site. It represents a draft letter of offer to enter into a Voluntary Planning Agreement (VPA) in relation to a Planning Proposal that seeks to 'rezone' the land at 160 Burwood Road, Concord.

This offer accompanies and supports the amended Planning Proposal to Canada Bay Council, as a result of feedback received from Council in its consideration of the matter in November 2017. It sets out various public benefits that are included as part of the Planning Proposal and attributes values to these benefits which is supported by analysis from others.

The Proponent reserves its right to review the offer set out within this letter in the event the contents of the Planning Proposal (and the architectural concept plan which supports it) requires any alteration by Council as part of its assessment.

The Planning Proposal

This offer relates to the Planning Proposal originally set out in the Urbis document titled 'Planning Proposal 160 Burwood Road, Concord' (dated 29 April 2016), and the current amendment and its supporting documents including (but not limited to) the Urban Design Report prepared by Roberts Day, Economic Impact Assessment (EIA) prepared by Hill PDA dated July 2018 respectively, together with the Architectural Concept Masterplan drawings prepared by AJC/BVN, Roberts Day and Oculus.

In summary the Planning Proposal involves the following key elements (further details are provided within the Planning Proposal documentation):

- A mixed use development with residential, retail, commercial, and community uses to support the changing social and demographic characteristics of the community;
- The provision of 10% of the dwellings offered as affordable housing
- Increased employment opportunities on the site with more jobs provided than the existing use
- Retaining and celebrating Industrial Heritage - the retention and adaptive re-use of the industrial heritage significant building on the subject site;
- The activation of the foreshore harbour frontage by improving the site connectivity, public access and landscape amenity of the site;
- The protection and enhancement of the natural environment through landscaping and various ESD initiatives;
- Provision of open spaces and landscaping – opening up the public domain between the buildings and providing a variety of open spaces and landscaped spaces to take advantage of the waterfront location of the site as requested

by the community during consultation, while also providing private/communal open spaces associated with the residential uses on the site.

The architectural concept plan contained within the Urban Design report that supports the Planning Proposal includes the following:

- An FSR of 1.6:1 which equates to approximately 530 dwellings incorporating a variety of apartment types, size and affordability that range from 1 bedroom to 3 bedroom units
- Twelve (12) separate buildings ranging in height from 3 storeys to 13 storeys;
- Approximately 3,500 m² of retail and commercial uses;
- Approximately 1600 car parking spaces over 2 levels of basement parking;
- Two new internal through-site streets between Burwood Road and Zoeller Street, providing connectivity through the site
- Bicycle and pedestrian access to the foreshore and through the site via the new streets and the plaza fronting the new foreshore park.;

VPA Offer

Value uplift

The VPA seeks to provide public benefits with a value satisfying a notional target 50% of the value uplift in the site as identified in discussion with Council's Director of Planning.

As part of this calculation uplift, we are advised by the Proponent that the base RLV is taken to be approximately \$100M which has previously been tabled and discussed with Council's Officers. This has been based on offers received for the site, and sales of land in the area on a per apartment rate for similar scale development. In previous discussions with Council's Officers, this 'base value' has been identified as a reasonable assumption.

The RLV of the development concept that underpins the Planning Proposal (as set out in the architectural concept plan and within the Urban Design Report) is \$111M. Therefore, Council's aspiration for the public benefit value provided as part of this Planning Proposal equates to approximately \$5.5M, being 50% of (\$111M - \$100M).

Public Benefit

The public benefits provided as part of the Planning Proposal are discussed in detail within Section 6 of the EIA (an extract of which is included within **Attachment A**). Effectively, these benefits include;

- 10% of the dwellings will be offered for sale at reduced rate as affordable housing units, to first home buyers.
- 15,700sqm of open space (inclusive of the deep soil, plaza and new through-site connections) that whilst potentially being retained in private ownership will be entirely publicly assessable and will effectively perform a public open space function- this is identified on the Plan within **Attachment B**.
- Provision of a bus service funded by Freshfood for a period of three years with an estimated cost of \$280,000 per annum (total \$840,000).
- Underwriting of a ferry service connecting Bayview Park Ferry Wharf and Barangaroo to a maximum of \$700,000 per annum over three years (total \$2,100,000). A Heads of Agreement has been signed between Freshfood and Sealink Pty Ltd (which owns the Captain Cook cruises) to operate 14 ferry services daily between Bayview Park Ferry Wharf and Barangaroo immediately following completion of the first residential stage. As a minimum, the service will be 7

morning and 7 afternoon/evening peak services running every 20 to 25 minutes, 7 days a week. Beyond this period, Sealink believes the service will be self-funding.

The combined value of these benefits has been calculated by Hill PDA refer to Table 2 within the EIA (included as an extract within Appendix B of this letter). This combined value has been calculated at \$29,592,000, excluding the value of open space.

Section 94 contributions

Council has advised that the applicable development contributions for a subsequent development application (DA) would be levied under Council's Section 94 Plan (ie Section 94 Contributions Plan, November 2015).

Given the value of public benefits provided within this offer exceed the notional target of 50% of the uplift in land value, this offer seeks to confirm that an off-set be applied to any Section 94 contributions that would otherwise be applied to the DA.

Next Steps

Council adopted a "*Planning Agreements Policy 2006*" on 5 December 2006 to provide an efficient, fair, transparent and accountable framework for the preparation and consideration of VPAs. The Proponent proposes to prepare and submit for Council's consideration a VPA under the terms of the Council's adopted policy.

Further details on the timing of the delivery of these public benefits will be provided in the draft VPA to be submitted to Council. It is anticipated that the VPA would be executed prior to the gazettal of the LEP amendment and the final contribution would reflect the terms of the gazetted LEP amendment.

We are submitting this draft letter of offer for Council's initial consideration prior to the drafting of the VPA. We look forward to progressing discussions on components of the VPA offer which we consider will provide significant public benefit for the existing and future community within the Concord area.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "R McGuinness".

Robert McGuinness
Associate Director

Attachment A –

Attachment B –

Attachment A –

Public Benefits

In addition to providing 535 dwelling units, the Planning Proposal will provide substantial public benefits in terms of open space, public transport services and affordable housing. These benefits are quantified below.

Table 2: Estimate of Value of Public Domain

Public Benefit	Sqm	Rate	TOTAL
AIR RIGHTS OVER PUBLIC SPACES	15,700	\$3,500*	54,950,000
D+C OF PUBLIC SPACES (say)	15,700	\$500	7,850,000
10% AFFORDABLE HOUSING UNITS**	5,207	\$3,611	18,802,000
BUS SERVICE***			840,000
FERRY SERVICE***			2,100,000
TOTAL VALUE OF PUBLIC BENEFITS			84,542,000

* The equivalent rate for the market value of development rights (\$/sqm GFA) adopted by Burwood Council under its VPA policy evident by several recent development site sales

** Assumes 10% of the total residential GFA and a benefit of 25% of the assumed sales rate per net saleable area of \$14,444/sqm.

*** This is the capped level of underwriting by Freshfood for three years of service

Source: Freshfood and HillPDA

The total value of the public benefits components amount to \$84.5m. This includes the proposed community bus loop operating hourly and connecting the site with both Burwood and Strathfield stations via Concord hospital. It is proposed that the developer will fund the operation of the bus route at an annual estimated cost of \$280,000 (excludes fleet and depot costs) for a period of three years.

The above estimate also includes the cost of Freshfoods underwriting a ferry service (14 ferry trips to Barrangaroo every day, 7 days a week) at \$700,000 over three years, commencing immediately following building completion of the first residential stage.

The development proposes significant visual and amenity improvements to the public domain by way of renewed urban form, increased connectivity including open spaces and a through site link, and associated landscaping works. These improvements would enhance the appeal of the site for a broad range of visitors increasing the scale of its trade area.

The improved appeal of the peninsula together with the scale of investment proposed by the Subject Site's development would signal confidence in the locality to the market and thereby be likely to stimulate additional investment activity and land value improvements in the Concord area.

Summary

In addition to contributing to the supply of housing there would be considerable economic benefits associated with changing the composition of use of the Subject Site from predominantly industrial to predominantly residential:

- Complementing the character of the immediate region, which is predominately residential
- Increasing the proportion of residents living close to employment, retail facilities, amenities and public transport (which aligns with the NSW State Plan 2021)
- Supporting the viability of the main retail and commercial precincts

- Providing housing close to education and recreation facilities. This is an advantage to residential developments with residents seeking to escape from the urban environment and attracted by proximity to schools for their children
- Provision of open space. This new space would have a positive visual impact in the locality. There is also a range of social benefits that well located and equipped open space offers to the local community and society more broadly
- Financially supporting public transport initiatives including bus and ferry.

Attachment B –

3.3 Public vs Private Open Space

Understanding the Development

The new development has deliberately given primacy of the public domain over private open space.

The spacial design allows for a well connected series of public spaces within the public domain that are accessible 24 hours a day by the general public.

This privacy allows for activity to occur on the ground plane with varied and different uses such as retail and commercial with outdoor seating associated with restaurants and cafes as well as pedestrian and vehicluar streets and pedestrian laneways that provide both visual and physical transparency.

Total Site Area	39800m2
Total Area of Public Open Space	15700m2
Total Area of Private Open Space	10100m2
Percentage Public Open Space	61 %
Percentage Private Open Space	39 %



Figure 7 - Bushells Public Domain vs Private Open Space