



iPROSPERITY

10 April 2018

Mr Peter Gainsford
General Manager
City of Canada Bay Council
Locked Bag 1470,
Drummoyne. NSW. 1470.

Dear Peter,

Re: I Prosperity Group Planning Proposal & VPA at Rhodes

I refer to our recent meetings regarding our Planning Proposal at Rhodes and specifically progressing the VPA negotiations and thank you for your time.

At our most recent meeting on 29 March, I outlined the likely reductions in proposed gross floor area (GFA) and associated floor space ratio (FSR), as a result of the opening up of the ground floor and use as a public space and the removal of the "winter gardens" on the lower floors. These alterations result in a total GFA of 36,954 square metres representing an FSR of 12.73:1. Currently, the site enjoys an FSR of 1.76:1, which means that the proposed uplift in FSR is 10.97:1.

As we had previously discussed, IPG is happy to accept the methodology contained on page 4 of Mr Montague's (BEM) original report, although we have not been provided a copy of the full document. **That methodology suggests that Council and IPG share the value of the uplift on a 50 / 50 basis.**

Using the above figures and Mr Montague's methodology, the calculation of the total VPA uplift amount would be $36954\text{sqm} * \$2500 = \$92,385,000$ (land purchase cost) $\div 2 = \$46,192,500$.

I-Prosperity is happy to make this offer to Council as its VPA contribution and we look forward to finalising these negotiations with Council.

Yours Sincerely
Belinda Li

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