

25 September 2020

The General Manager  
Willoughby City Council  
31 Victor Street  
Chatswood NSW 2067

Attention: Norma Shankie-Williams

Dear Norma,

**Proposed Letter of Offer between Ellis Street Development Pty Limited and Willoughby City Council (Council) | Planning Proposal | 15 Ellis Street & 753 Pacific Highway, Chatswood (Site)**

**Introduction and Offer**

1. As Willoughby City Council (**Council**) is aware, Central Element on behalf of Ellis Street Development Pty Limited (**Ellis Street**) has sought a change to the *Willoughby Local Environmental Plan 2012 (WLEP 2012)* and the *Willoughby Development Control Plan 2012 (WDPC 2012)* by way of planning proposal PP2017-0007 (**Proposal**) in order to facilitate development of the Site with increased building heights and density.
2. Ellis Street have worked with their team to design a development that meets the objectives of the endorsed Chatswood CBD Strategy. The development will be a signature development for our company, delivering an outstanding example of design, amenity and housing to suit the changing needs of Chatswood. The location will benefit by taking full advantage of the new Sydney Metro station, being within close walking distance of the site.
3. The development relies on an amendment to the WLEP 2012 to increase the permissible FSR on the Site from 1.7:1 (1,892.1m<sup>2</sup> GFA) to 6:1 (6,678m<sup>2</sup> GFA), which will include a 1:1 non-residential FSR (1,113m<sup>2</sup> GFA) and the permissible height to R.L. 159.2 and to change the zoning of the Site from R4 High Density Residential to Zone B4 Mixed Use. All proposed controls in the Proposal are consistent with the Chatswood CBD Planning and Urban Design Strategy. The development will consolidate the two existing lots comprising a single lot. The proposed form will include basement parking, commercial floor area and residential units.
4. In connection with the Proposal, Ellis Street offers to enter into a Planning Agreement (PA) under section 7.4 of the *Environmental Planning and Assessment Act 1979 (EPA Act)* immediately prior to the making of the change to the WLEP 2012 proposed in the Proposal (**Instrument Change**), should the Minister decide to make the Instrument Change.
5. This letter does not constitute an offer to enter into a planning agreement for the purposes of s7.7(3) of that EPA Act. However Ellis Street will make such an offer subject to negotiation and finalisation of the terms of the PA.
6. The PA must comply with the requirements of Division 7.1 of Part 7 of the Environmental Planning and Assessment Act 1979, Division 1A of Part 4 of the Environmental Planning and Assessment Regulation 2000 and NSW Department of Planning, Industry and Environment's (2020) Draft Planning Agreements Practice Note.
7. The key terms of the PA proposed by Ellis Street are as follows.



## Parties

8. The parties to the PA will be Ellis Street and Council.

## Instrument Change and Development

9. The PA is proposed to be entered into in relation to the Proposal, and the development of the Site for the consolidation of the lots comprising the Site and mixed use residential and commercial development with basement.

## Land

10. The land to which the PA will relate is the Site, being the land known as 15 Ellis Street & 753 Pacific Highway, Chatswood.

## Affordable Housing Contribution

11. It is understood that clause 3.8(7) 'affordable housing' is proposed to be amended as part of the Comprehensive LEP to require a portion of the future GFA uplift in residential floor space to be dedicated to Council as affordable housing. This is consistent with the NSW Guideline for Developing an Affordable Housing Contribution Scheme and Greater Sydney Region Plan North District Plan which stipulates 5-10% of additional residential floor space, subject to being viable, should be provided as affordable housing in areas where an uplift of land value is created.
12. It is understood the affordable housing levy will be administrated likely as a condition of the DA Consent rather than form part of the planning proposal PA.

## Community Infrastructure Scheme

13. It is understood Council have introduced a new value capture policy being the Community Infrastructure Scheme (CIS) which requires a monetary contribution per square metre of increased floor area rather than being expressed as a percentage of the increased value of land. The Draft CIS was endorsed at the Ordinary Council Meeting on 14 September and currently on public exhibition for comment prior to policy being endorsed.
14. A monetary contribution is required to be paid by Ellis Street to Council to the amount of **\$2,639,479.50** based on the CIS Policy currently on public exhibition. The contribution has been calculated based on the rate of \$765 per metre multiplied by the total increase in residential floor area being 3,450.3m<sup>2</sup>. The table below provides a breakdown of how the total additional residential floor area has been calculated.

Item	Area (m <sup>2</sup> )
Developable Site Area – 1,211 – 98m <sup>2</sup> SP2	1,113
Total Gross Floor Area – 6:1	+ 6,678
Non-residential Floor Area – 1:1	- 1,113
Affordable Housing - 4%	- 222.6
Existing Residential Floor Area – 1.7:1	- 1,892.1
Total Additional Residential Floor Area	<b>3,450.3</b>

15. The final CIS monetary contribution amount payable included within this public benefit offer is to be adjusted based on any amendments to the final endorsed CIS Policy and any changes to the approved development application proposal (i.e. change in non-residential FSR amount or percentage of affordable housing provided).



16. The value of land to be dedicated and works with a material public benefit required by Council within the CIC Funding Scheme Works Program can be deducted against the CIS and Section 7.11 Contributions payable by Ellis Street to Council in accordance with the CIS Policy.
17. Land to be dedicated included within the PA will be valued by an independent registered valuer with at least ten years' experience in valuing land in NSW. Valuation be carried out in accordance with the Land Acquisition (Just Terms Compensation) Act 1991. The estimated value of any proposed works with a material public benefits are to be documented by an appropriately qualified design and cost determined by a registered Quantity Surveyor.

#### **Community Infrastructure Scheme – Alternative offer for consideration**

18. An alternative offer to Council for its consideration is proposed in relation to its CIS Policy for its consideration in relation to the dedication of land to Council for the provision of a public road.
19. It is proposed to dedicate the land at the site zoned SP2 Infrastructure which has a site area of 98m<sup>2</sup> for no cost, subject to the developable portion of the site being eligible for a 0.53:1 FSR bonus which would be administrated through a site specific LEP provision. The FSR bonus equates to an 8.8% FSR variation or 588m<sup>2</sup> of additional gross floor area being accommodated at the site.
20. This offer is in the public interest as it enables the delivery of land dedication to Council at a nominal cost of \$1 and will substantially increase the amount of CIS contributions payable to Council to enable to delivery of additional community infrastructure. The site is suitable for a minor 8.8% increase in FSR being located to a gateway corner site and within 400m of the Chatswood railway station and bus interchange.

#### **Sections 7.11 and 7.24 of the EPA Act**

21. Sections 7.11 and 7.24 of the EPA Act will apply to the development in addition to the CIS.

#### **Other Matters**

22. The VPA will contain provisions dealing with security, registration on title, restrictions on dealings and resolution of disputes, to be discussed and negotiated with Council.

#### **Conclusion**

23. Please do not hesitate to contact me if any further information is required. I am available to discuss the offer set out in this letter at any time.

Yours faithfully,



Daniel Barber  
Planning and Development Manager  
Central Element on behalf of Ellis Street Development Pty Ltd

