

10 June 2022

Nerida Stores  
Georges River Council  
Civic Centre  
MacMahon Street  
Hurstville  
NSW 2220

**Attention: Nerida Stores**

Dear Nerida,

## **DRAFT LETTER OF OFFER REGARDING VPA – 193-199 ROCKY POINT ROAD, 66-68 RAMSGATE ROAD AND 2-6 TARGO ROAD, RAMSGATE**

### **1. PURPOSE**

This letter has been prepared on behalf of Point Gate Developments Pty Ltd (the Proponent), which is a Joint Venture between Time & Place and Fabcot Pty Ltd, the in-house retail development division of Woolworths.

It represents a draft letter of offer to enter into a Voluntary Planning Agreement (VPA) in relation to the Planning Proposal at 193-199 Rocky Point Road, 66-68 Ramsgate Road and 2-6 Targo Road, Ramsgate (the site).

This offer accompanies and supports a Planning Proposal to Georges River Council (Council). It sets out the structure of the monetary contribution as well as public benefits that are included as part of the Planning Proposal. In summary, the VPA offer includes:

- **Monetary Contribution**
- **Works in Kind**
- **Easement for Access**

It is anticipated that this offer, subject to mutual agreement between the Proponent and Council, will form the basis of a draft VPA that would be publicly exhibited along with the Planning Proposal.

The Proponent reserves the right to review the offer set out in this letter in the event the contents of the Planning Proposal (and the reference scheme which supports it) requires alteration by Council or the South Sydney Planning Panel as part of its assessment.

Any VPA offer put forward by The Proponent, is subject to a positive gateway determination.

## 2. VPA OFFER

The VPA offer has been prepared in accordance with the Georges River Planning Agreements Policy (2016) (VPA Policy) and is subject to the approval of the Planning Proposal and the proposed traffic signal upgrades.

The VPA Policy is Council's current adopted policy which provides guidelines for both the Council and developers to negotiate and prepare Planning Agreements.

It is noted that Council have sought to introduce a new Planning Agreements Policy in September 2020. However, the Council meeting on 14 September 2020 resolved to defer the adoption of the *Georges River Planning Agreements Policy 2020*.

### 2.1. MONETARY CONTRIBUTION VIA LAND VALUE CAPTURE

Council's VPA Policy states that where a planning proposal is likely to result in an increase in value of the unimproved land the subject of the planning proposal, Council will determine the appropriate contributions by applying 'land value capture' or use an alternative mechanism which Council considers appropriate.

The VPA Policy provides a formula for calculating monetary contribution associated with land value capture based on the residual value of the land under the existing controls versus residual value of the land under the Planning Proposal.

Based on the land value capture formula, the applicable monetary contribution for the value uplift will be calculated.

Given the significant value of the proposed Works in Kind, the proponent seeks an offset to the land value capture monetary contribution that would apply to the Planning Proposal.

### 2.2. SUMMARY OF WORKS IN KIND PUBLIC BENEFITS

For works in kind, Council's VPA Policy states that unless otherwise agreed, Council will generally value the benefit of works in kind by adopting the valuation method that would ordinarily be adopted by a quantity surveyor. For other material public benefits, the VPA policy anticipates the Council and the developer to negotiate the manner in which the benefit is to be valued for the purpose of the planning agreement.

An Affordable Housing Contribution was discussed with Council on various occasions throughout 2021 however the final advice was that there is not currently an applicable policy to facilitate a contribution in that direction. To align with the Planning Agreements Policy, a monetary contribution is proposed as well as the public benefits provided as part of the Planning Proposal which include:

- **Publicly Accessible Open Space:** provision of publicly accessible open space connected to the surrounding street via 2 through-site links that, whilst retained in private ownership, will be entirely publicly accessible and perform a public open space function.
- **Through-site links:** public pedestrian access to improve permeability in and around the site.
- **Public domain improvements and landscaping:** upgrades to footpath along the Targo Road and Public domain improvements.
- **Traffic improvement works:** delivery of traffic improvement works to the local road network including installation of new traffic signals

## 2.3. SECTION 7.11 CONTRIBUTIONS

Currently, the site is partially covered by the Ramsgate Centre Section 94 Plan. The western portion of the site is covered by:

- Kogarah s94 Plan no. 1 – Roads and Traffic
- Kogarah s94 Plan no. 5 – Open Space
- Kogarah s94 Plan no. 9 – Kogarah Libraries

Council is preparing a Draft Georges River Local Infrastructure Contributions Plan 2021, which is intended to be LGA wide in application and will replace all the other contributions plans that currently apply to the site.

Any subsequent development application (DA) on the site would be subject to the development contributions plan that is current at the time.

The VPA Policy defines *Surplus Value* as the value of the developer's contribution under a planning agreement less the value of development contributions that are or could have been required to be made as section 7.11 or 7.12 contributions.

Council's draft Planning Agreements policy (Sept 2020) contains a provision for credits so that developer contributions can be offset by VPAs, and states '*Council will consider on a case-by-case basis whether a surplus value under a planning agreement can be used to offset development contributions required to be made by the developer in respect of the same development.*'

Given the value of public benefits provided within this offer, this offer seeks to confirm that the Surplus Value offset be applied to any Section 7.11 contributions that would otherwise be applied to a future DA for the redevelopment of the site. We would welcome the opportunity to discuss the offsets in further detail with Council during the drafting of the VPA.

## 3. EASEMENT FOR ACCESS

To ensure vehicle access to any future development at 201-209 Rocky Point Road, Ramsgate, the Proponent will burden the site with an easement for access to benefit 201-209 Rocky Point Road during the amalgamation of the properties, prior to final Occupation Certificate.

The easement will enable the proposed site-through link off Ramsgate Road and the neighbour's existing laneway to act as a shared way enabling waste vehicles up to 10.5m in length to access any future development at 201-209 Rocky Point Road.

## 4. NEXT STEPS

The Proponent intends to prepare and submit for Council's consideration a draft VPA under the terms of the Council's VPA 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 and working with Council to agree on an appropriate VPA in conjunction with a planning approval.

Kind regards,



Kim Zoljalali

Time & Place (on behalf of Point Gate Developments Pty Ltd)