

14 September 2023

The General Manager
City of Parramatta Council
PO Box 32
Parramatta NSW 2124

Dear Sir/Madam

Offer to enter into planning agreement in relation to Planning Proposal
Property: 263-273 & 277-281 Pennant Hills Road, Carlingford

Introduction

Karimbla Properties (No. 61) Pty Ltd (**the Developer**) offers to enter into a Planning Agreement with the City of Parramatta Council (**Council**) under section 7.4 of the *Environmental Planning and Assessment Act 1979* in connection with the Planning Proposal (as described below) to amend the Parramatta Local Environmental Plan 2023 as it applies to 263-273 & 277-281 Pennant Hills Road, Carlingford.

The Developer has considered advice from Council staff in addition to Council's Planning Agreements Policy (**Policy**) in the making of this offer.

Offer

The table below (and attached plans) sets out the details of the key terms of the offer, which is predicated on the approval and gazettal of the Planning Proposal. Full commercial terms are to be further resolved and agreed based on Council's Planning Agreement template, which will be issued separately once Council issues the template.

Table 1

Item	Terms
Parties	City of Parramatta Council (Council) Karimbla Properties (No. 61) Pty Ltd ACN 622 383 733 (Developer) Meriton Properties Pty Ltd ACN 000 698 626 (Guarantor)
Land	263-273 & 277-281 Pennant Hills Road, Carlingford (Being Lot 22 DP21386, Lot 2 DP9614, Lot 3 DP9614, Lot 4 DP9614, Lot 61 DP819136, Lot 62 DP819136 and Lot 1 DP1219291)
Planning Proposal / Development Application	Planning Proposal to amend Parramatta Local Environmental Plan 2023 to rearrange the zoning, increase the maximum building height and floor space ratio development standards, changes to Clause 24 of Schedule 1 "Additional Permitted Uses" and insert an additional clause under Part 6 Additional Local Provisions relating to the exclusion of balconies from GFA.
Monetary Contribution	Make a Monetary Contribution, equivalent to Council's prevailing S7.11 or S7.12 Plan which is payable at the Occupation Certificate of each building. The Monetary Contribution will be allocated to the fit-out of the Community

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	Hub primarily with residual contributions applied to the provision of recreational facilities in the Shirley Street Reserve.
Works	<p>The Developer will, without charge to the Council and without offset from Developer Contributions:</p> <ol style="list-style-type: none"> 1. Deliver a Community Hub (2,500m² NLA) which makes provision for a future 1,800m² (NLA) 'warm shell' library and 700m² (NLA) 'warm shell' community centre with provision of 20 parking spaces; 2. Embellish approx. 5,585m² of public open space in the land proposed to be zoned RE1; and 3. Embellish approx. 595m² of open space to be made publicly accessible, via a public access easement. <p>The offer is based on Council's representations/requests and is reflected in the attached VPA Plan.</p>
Dedication of Land/Timing	<p>The Developer will, without charge to the Council and without offset from Developer Contributions:</p> <ol style="list-style-type: none"> 1. Dedicate a single stratum lot containing the 2,500m² (NLA) Community Hub. The stratum lot will be dedicated to Council after the respective Works are complete and prior to any Occupation Certificate in the building in which the Community Hub is located; and 2. Dedicate a single (or multiple) Torrens Title Lot containing the proposed RE1 zoned land with an area of approx. 5,585m² of public open space, as per the attached plan. The open space lot/s will be dedicated to Council after the works are complete and prior to any Occupation Certificate in the final building within the Development. The developer will agree to a 12-month maintenance period during the 12-month defects liability period. 3. Register a public access easement of approximately 595m² to facilitate public access between buildings C & D as per the attached plan. The easement will be registered after the relevant Works are complete and prior to any occupation Certificate in the final building within the Development. <p>The offer is based on Council's representations/requests and is reflected in the attached VPA Plan.</p>
Value of Public benefits	<p>The estimated value of the Public Benefit Offer is \$27,500,000 as outlined below:</p> <ol style="list-style-type: none"> 1. Community Hub construction and dedication: \$20,000,000 (estimate of Council) excluding land value.

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	<p>2. Public Open Space (excluding easement) embellishment and dedication: \$7,500,000 (approx. \$1,330/m²) excluding land value.</p> <p>The estimated land value increase generated by the Planning Proposal is in the order of \$25,000,000-30,000,000. Based on the typical “Rule of Thumb”, the Public Benefit Value should equate to approximately 50% of the estimated land value increase. Accordingly, the offer is considered to be more than adequate. Any further Public Benefit Contributions would require additional planning gain.</p>
<p>Application of section 7.11, 7.12 and 7.24</p>	<p>The offer excludes the application of sections 7.11 and 7.12, which is otherwise payable via the Monetary Contribution under this proposed VPA.</p> <p>Section 7.24 of the Act is not excluded under this offer and will apply in accordance with the prevailing legislation.</p>
<p>Dispute Resolution</p>	<p>This will be addressed in the subsequent Draft Agreement, but generally align with the template provisions.</p>
<p>Security</p>	<ul style="list-style-type: none"> Meriton Properties Pty Ltd will be a party in Planning Agreement as a Guarantor for the Developer. Meriton Properties is the parent company of the Meriton Group and this has been agreed with our recent Planning Agreement at 180 George Street, Parramatta and the recently agreed Planning Agreement for this site under PP-2021-6314. The final Planning Agreement will be promptly registered on the respective titles of the Site (excluding any future allotments created by strata plan apart from common property lots). The Developer, acknowledging that the Council has a caveatable interest in the Land, will not object to Council registering a caveat on the Land once the Planning Agreement is executed and only until such time as the Planning Agreement is registered on the titles of the Land (excluding a 20-day period after receiving the executed VPA in a registrable format). If the Planning Agreement is not registered within 20 days and the Council registers a Caveat on the Land, then once the VPA is registered, the Council must withdraw the Caveat. The appropriate application of conditions on the associated Development Consent which can be applied under S.4.15 of the EP&A Act.
<p>Restrictions on Issue of Certificates</p>	<p>The Developer agrees that the VPA will restrict the issue of relevant Construction or Occupation Certificates to ensure the public benefits are delivered as per the agreed timing. Notwithstanding, provisions should be included to allow the Developer and Council (both parties acting reasonably) to mutually agree to adjust the timing of the completion of the obligations with regard to the respective certificates. This flexibility may be required subject to the consideration of the construction sequencing of the future development and the need to ensure public safety by restricting public access into an active construction site.</p>

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Other Terms	<p>This will be addressed in the subsequent Draft Agreement, but generally align with the template provisions.</p> <p>The Developer will require a commitment from the Council to commit to the fit-out of the Community Hub to commence upon the dedication of the Stratum Lot containing the Community Hub and commence operation within 12-months of the dedication to ensure the Community Hub is not left empty and detracts from the overall amenity of the Development.</p>
Costs	<p>Karimbla Properties (No. 61) Pty Ltd agrees to pay Council's reasonable costs of and incidental to the negotiation, preparation and entering into the agreement, as well as administration and enforcement of the planning agreement in accordance with the terms set out in the template planning agreement.</p>

The Offer aligns with the extensive Pre-Lodgement discussions with the Council Staff and trust that it represents significant Public Benefit and Community Value to supplement the substantial planning and urban design benefits enabled by the associated Planning Proposal. We trust that this will be deemed acceptable and enable the efficient progression of the Planning Proposal.

Please contact Matthew Lennartz should you need to discuss the terms and progression of this offer.

Yours faithfully

Karimbla Properties (No.61) Pty Ltd



Albert Chan

Director

Karimbla Properties (No.61) Pty Ltd



Matthew Lennartz

**Executive Manager - Planning & Government
Meriton**



LEGEND

- RE1 ZONE
- STREETS - VEHICULAR + CAR PARKING
- PEDESTRIAN STREETS
- PUBLIC ACCESS EASEMENT