

26 February 2024

Ms Monica Barone
Chief Executive Officer
City of Sydney
456 Kent Street
Sydney NSW 2000

Charter Hall Holdings Pty. Limited
ACN 051 363 547
Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704 Sydney NSW 2001
T +61 2 8651 9000
F +61 2 9221 4655
www.charterhall.com.au

Dear Ms Barone,

**Subject: Public Benefit Offer
383 Kent Street, Sydney - Planning Proposal**

Charter Hall has prepared this Public Benefit Offer (PBO) to support a Planning Proposal request relating to land at 383 Kent Street, Sydney (the Site). In accordance with the *Guideline for Site Specific Planning Proposals in Central Sydney*, Charter Hall has prepared this PBO with the intent to enter into a Voluntary Planning Agreement (VPA) with the City of Sydney (City) for the purposes of section 7.7(3) of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The proposal relates to an important Central Sydney Site within the Western Corridor of the Sydney CBD. As envisaged within the *Central Sydney Planning Strategy* (CSPC), this proposal seeks to renew the Site with employment generating land uses through the development of a leading but highly sustainable new office tower. This is in addition to the benefits offered to the City as set out within this PBO.

Charter Hall is one of the largest and most active owners of investment-grade property assets within the Sydney CBD and strongly supports the City's vision for Central Sydney, most recently reflected in the CSPS. Charter Hall views itself as an important partner in delivering the City's vision and this has manifested in this proposal to act upon the City's designation of 383 Kent Street as a Tower Cluster Area in the *Sydney Local Environmental Plan 2012*. The proposal has the ability to make a significant contribution to the City's target to unlock additional capacity for economic and employment growth and represents a significant step for Charter Hall to deliver on the City's aspirations for Central Sydney.

Charter Hall's vision for the evolution of 383 Kent Street is to ensure its enduring value for future generations by creating a new commercial and retail precinct that demonstrates the importance of the Western Corridor for employment and place within the Sydney CBD. 383 Kent Street will offer many experiences in one place, promising to inspire and motivate talent who demand a modern, healthy and flexible workplace in a living building, which also meets Charter Hall's and the City's sustainability aspirations.

Charter Hall is strongly supportive of the City's focus on employment growth by generating an internationally competitive CBD under the CSPS. With this uplift comes a demand for contributions to fund local public infrastructure and facilities. In this regard, the terms of this PBO will allow Charter Hall to engage with the City on how public benefits can be delivered through both monetary contributions and works-in-kind to better the immediate precinct environment, while supporting any additional demands generated by the proposal.

As set out within, Charter Hall's total PBO is a substantial offer having regard to the *Guideline for Site Specific Planning Proposals in Central Sydney* and its associated *Central Sydney Infrastructure Plan 2020*.

1 Proposed land and development to which the PBO relates

This PBO applies to land identified as 383 Kent Street, Sydney. The Site has a total area of 3,606m² within a single allotment of land legally described as Lot 1 DP778342. The PBO relates to a site-specific Planning Proposal request submitted to the City. The purpose of the Planning Proposal is to introduce new maximum building height and FSR development standards for the Site to accommodate a new commercial office building. The proposed planning envelope associated with the Planning Proposal constitutes:

- A maximum height of RL 189.80; and
- A maximum Floor Space Ratio (FSR) of 20:1 (including a design excellence bonus) equating to a total Gross Floor Area (GFA) of 72,121m² across the entire Site.

Public Benefit Offer Terms

This formal offer has regard to:

1. The Central Sydney contributions framework which levies future development through a development contribution of 3% of the total cost of the development.
2. The Sydney Local Environmental Plan 2012 (Sydney LEP) with regards to Division 3 Affordable Housing clauses and Subdivision 3 Heritage Floor Space clauses.
3. The endorsed *Guideline for Site Specific Planning Proposals in Central Sydney*, which details the need for any site-specific Planning Proposal request to be accompanied by a PBO and consideration given to the provision of community infrastructure.
4. The *Central Sydney Infrastructure Plan 2020* which identifies specific essential infrastructure (including precinct solutions) and community infrastructure.

2 Public Benefit Offer

Charter Hall's proposal seeks to provide the following benefits to be formalised via a VPA with the City:

- **Works-in-kind**

- Kent Street Logistics Hub

The Kent Street Logistics Hub is envisaged as a communal loading dock, specifically designed to offer a centralised loading facility for the public, particularly for those situated in the immediate precinct. This facility will address the lack of sufficient loading facilities in the area due to the heritage characteristics of the surrounding built form.

With service vehicles accounting for up to 60% of all on street parking demand on Kent Street, the Kent Street Logistics Hub will provide shared loading facilities to the precinct and will benefit the City in the long term by:

- Minimising on-street loading activities and reducing driveway crossovers, therefore promoting pedestrian and cyclist safety.
- Increasing the future retail viability of new retail offerings that are currently constrained by inadequate loading infrastructure.
- Facilitating the removal of kerbside parking, enabling the extension of footpaths for pedestrians and space for outdoor dining/ seating.
- Enabling adjacent laneways and rear courtyards to be adapted from service lanes to future outdoor public amenity.

As a works in kind offer, the Kent Street Logistics Hub will consist of 7 spaces (1 MRV + 2 SRVs + 4 vans) and will be accessed via Sussex Street. Managed by Charter Hall, users will be able to transport goods from Sussex Street or Kent Street via a goods lift. Loading hours will be in line with Council's current arrangement with a system to accommodate bookings and access implemented by Charter Hall, including a process to manage after-hours access as required.

The Kent Street Logistics Hub will be secured via a public positive covenant under s88E of the Conveyancing Act and will be linked to the conditions of the final Development Approval. The public positive covenant will be registered on title in favour of the City. The Covenant will reflect the following principles:

- Number of bays: 7 x loading dock bays (1 MRV + 2 SRVs + 4 vans)
 - Loading arrangements will be in line with the Council's existing conditions on Kent Street being 6am to 6pm weekdays, 7am to 10am Saturday with maximum 30-minute duration of stay to encourage turnover.
 - Charges for use will be equivalent to or no more than Council's charges for on street loading in Kent Street from time to time, (or if Kent Street loading is not provided by Council in the future, an equivalent street in Central Sydney).
 - A system will be provided by the owner to accommodate bookings and access, including a process to manage after-hours access if required.
 - Spatial requirements including vertical clearance of the loading bays will meet requirements of Section 3.11.13 of the Sydney DCP.
 - Sufficient space will be provided to each bay for the purpose of providing temporary set down areas for the duration of stay.
 - Drivers must adhere to the requirements of the loading dock management plan and its intended use, including completing any required security details to manage access.
 - The upkeep remains the responsibility of the owner without creating further burden on the City's resources.
- Pedestrian Through-Site Link

Construction of a pedestrian through-site link to facilitate a new east to west connection, linking Kent Street to Sussex Street through the Site. This through-site link will be secured via an easement registered on the land title for unrestricted public access but will remain in private ownership. This structure will ensure its upkeep remains the responsibility of the owner without creating further burden on the City's resources. The specific details of the pedestrian through-site link will be subject to detailed design development and the principles outlined within the DCP, which will be supported by an easement plan outlining the parameters of this works in kind contribution.
- **Sustainability commitments**
 - In accordance with the Planning Proposal, Charter Hall is committed to delivering the following:
 - 6-star Green Star Design & As Built v1.0 certified rating, including 20% embodied carbon reduction
 - 5.5 Star NABERS Energy rating (Commitment Agreement)
 - 4 Star NABERS Water rating (target)
 - 5 Star NABERS Waste rating (target)
 - WELL Core Gold (Commitment Agreement)
 - WELL Core Platinum (Target)
 - 100% renewable energy in operation

3 Summary of Public Benefit Offer

A summary of the value of the PBO offered by Charter Hall is set out in the table below. The table summarises the public benefits that will be delivered as works in kind, monetary contributions and other project specific initiatives.

Component of PBO	Value	Timing	Additional details
Works in kind			
Kent Street Logistics Hub	In Kind	<p>To be ready for operation no later than 12 months following issue of the Occupation Certificate for the new development.</p> <p>To be secured via a development consent condition as part of a future Development Application.</p>	<p>The provision of public loading dock facility comprising 7 x spaces (1 MRV + 2 SRVS + 4 vans) which will be fully owned and managed by the owner and available for use in line with the principles set out above. This arrangement will be documented by way of via a public positive covenant under s88E of the Conveyancing Act and linked to the conditions of the final Development Approval.</p> <p>The provision of this facility is classified under 'loading and servicing' in Table 3 – Community Infrastructure in the <i>Central Sydney Infrastructure Plan 2020</i>.</p>
Pedestrian Through-Site Link (easement for public access)	In Kind	On or before the date of issue of the last Occupation Certificate for the Development applicable to the part of the Land on which the through-site link is constructed.	<p>Creation of a pedestrian through-site link connecting Kent Street to Sussex Street in accordance with the site-specific Development Control Plan. The through-site link will be secured by an easement for public access registered on the land title, with the through site link remaining in private ownership.</p> <p>The specific details of the through-site link will be subject to detailed design development and the principles contained within the DCP. It will be supported by an easement plan clearly outlining the parameters.</p>
Project specific initiatives			
Sustainability commitments	In Kind	Through delivery of the development	<ul style="list-style-type: none"> • 6-star Green Star Design & As Built v1 certified rating targeted, including 20% embodied carbon reduction • 5.5 Star NABERS Energy rating (Commitment Agreement) • 4 Star NABERS Water rating (target) • 5 Star NABERS Waste rating (target) • WELL Core Gold (Commitment Agreement) • WELL Core Platinum (Target) • 100% renewable energy in operation

4 Conclusion

Charter Hall has prepared this PBO to accompany the request for a Planning Proposal relating to land at 383 Kent Street, Sydney.

We submit the abovementioned offer for the City's consideration as a framework for a future VPA to support the Planning Proposal. We trust that this offer clearly demonstrates our commitment through monetary contributions, sustainability initiatives and works-in-kind to support the needs of a global growing city. Charter Hall would like to thank the City for the opportunity to engage in the process of delivering critical infrastructure for Central Sydney. Further, we welcome any further opportunities to work collaboratively with the City to progress the proposed public benefits outlined in this PBO.

Should you require any additional information, or should you have any queries about this matter, please do not hesitate to contact the undersigned.

Kind regards,

A handwritten signature in black ink, appearing to be 'MS' with a stylized flourish.

Mark Stante

Head of Development, Office
Charter Hall

+61 428 677 933 | Mark.Stante@charterhall.com.au