



10 September 2019

The General Manager
City of Canada Bay Council
1A Marlborough Street
Drummoyne NSW

Attention: Paul Dewar

Dear Sir,

**Amended Draft Letter of Offer – Planning Proposal PP2017/005,
160 Burwood Road, Concord**

PURPOSE

This letter has been prepared by LFA (Pacific) Pty Ltd, on behalf of the owner of the site. This letter represents a draft offer to enter into a Voluntary Planning Agreement (VPA) in relation to an Amended Planning Proposal that seeks to rezone the land at 160 Burwood Road, Concord. It sets out various public benefits that are included as part of the Amended Planning Proposal and attributes values to these benefits which is supported by analysis prepared by others.

The Proponent reserves its right to review the offer set out within this letter in the event the contents of the Planning Proposal (and the architectural Concept Plan which supports it) require any alteration by Council as part of its assessment.

THE AMENDED PLANNING PROPOSAL

This offer accompanies and supports the Amended Planning Proposal dated 7 February 2019, which has been prepared in response to feedback received from Council on 2 November 2018, together with the feedback received from the Canada Bay Local Planning Panel meeting on 5 June 2019.

The Amended Planning Proposal seeks to provide for the development of the site as per the Concept Plan and Urban Design Report (Appendix C of the Amended Planning Proposal) as follows:

- Retention and adaptive re-use of the Central Roasting Hall factory building;
- Approximately 400 new dwellings in the form of shop top housing, residential flat buildings and multi-unit dwellings. The buildings will



range in height from 3 storeys to 6 storeys (21m), including the adaptive re-use of the existing Central Roasting Hall factory building;

- Approximately 3,500m² of retail and commercial uses;
- Approximately 774 car parking spaces (or as required by Council);
- Approximately 8,900m² of public open space in the form of a new plaza and foreshore park, in response to feedback obtained from community consultation;
- New local roads connecting to Zoeller Street and the foreshore park; and
- Bicycle and pedestrian access to the foreshore.

Accordingly, the proposed development scheme seeks to:

- Create a mixed-use neighbourhood with residential, retail, commercial, light industrial/urban services, and community uses to support the changing social and demographic characteristics of the community;
- Contribute to the provision of affordable housing by offering 5% of total dwellings,
- Provide for increased employment opportunities than currently available on the site with the existing factory use
- Improve pedestrian, cycle, vehicular and waterfront access to the site
- Enhance the industrial character of the site through the retention and adaptive re-use of the Central Roasting Hall
- Provide new public open space and associated landscape embellishments
- Activate the foreshore harbour frontage by improving the site connectivity, public access and landscape amenity of the site; and
- Protect and enhance of the natural environment through appropriate landscaping and various ESD initiatives.

Further details are included in the Amended Planning Proposal documentation to which this Draft VPA is attached.

VPA OFFER

Value Uplift

The VPA seeks to provide public benefits with a value satisfying a notional target 50% of the value uplift in the site.

As part of Council's preliminary assessment of the July 2018 Amended Planning Proposal, AEC Group conducted a Peer Review of the Draft VPA Offer dated 27 July 2018. For the purposes of preparing this offer, AEC's



methodology and approach to assessing the Value Uplift resulting from the Proposal is accepted as follows:

- \$1,300/sqm, as the value of the site before rezoning, equating to approximately \$51.3m (rounded).
- Residual land value of \$125m (rounded), in line with prices paid for development sites in the general locality (albeit at the lower end of the range).
- Deducting the value before a rezoning from the value after a rezoning, a Land Value Uplift of \$73.7m results.
- By 'capturing' 50% of the Value Uplift of \$73.7m, \$36.9m is the assessed dollar value against which VPA contributions can be made. That is, for the cumulative value of public benefit items (whether cash or in-kind) to sum to \$36.9m.

Public Benefit

The public benefits provided as part of the Amended Planning Proposal include:

- 5% of total dwellings, dedicated to an independent affordable housing provider for the provision of Affordable Housing;
- 8,900m² of land to be dedicated to Council as public open space upon completion of the development project (Attachment A);
- Funding for the provision of a bus service for a period of three years with an estimated cost of \$280,000 per annum (total \$840,000); and
- Restoration works to the seawall and additional waterfront edge landscaping to provide access to the water (estimate \$2,100,000).. Agreement will be reached with the Roads and Maritime Service to confirm final scope of works)
- Provision of a "screen net" to protect the site from the risk of incoming golf balls from the golf course to the north of the site as requested by Council (estimate \$200,000)

Section 7.11 Contributions

Development contributions for a subsequent development application (DA) would be levied under Council's Section 7.11 Development Contributions Plan (November 2017).

Given the value of public benefits provided within this offer exceed the notional target of 50% of the uplift in land value, this offer seeks to confirm that an off-set be applied to any Section 7.11 contributions that would otherwise be applied to the DA.

**Next Steps**

Council adopted a "Planning Agreements Policy 2006" on 5 December 2006 to provide an efficient, fair, transparent and accountable framework for the preparation and consideration of VPAs. The Proponent proposes to prepare and submit for Council's consideration a VPA under the terms of the Council's adopted 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.

This draft letter of offer is submitted for Council's consideration prior to the drafting of the VPA. We look forward to progressing discussions on components of the VPA offer, which we consider will provide significant public benefit for the existing and future community within the Concord area.

Yours faithfully,

LFA (Pacific) Pty Ltd

Alf Lester
Director

Attachments:

- *Attachment A – Proposed Public Open Space*

ATTACHMENT A – PROPOSED PUBLIC OPEN SPACE

