



10 September 2019

Mr Craig Wrightson
The General Manager
Lane Cove Council
PO Box 20
Lane Cove NSW 1595

Dear Mr. Wrightson,

PUBLIC BENEFIT OFFER IN CONNECTION WITH A PLANNING PROPOSAL FOR 524 - 542 PACIFIC HIGHWAY, ST LEONARDS

This letter sets out the offer of Grocon Pty Ltd (**Grocon**) to enter into a planning agreement (**VPA**) with Lane Cove Council (**Council**) in relation to the Planning Proposal for 524 Pacific Highway, St Leonards (**the site**).

The various allotments combined as part of this proposal have fragmented ownership but are all currently controlled by Grocon, acting as the agent for the various land owners. Their legal description is detailed in **Table 1** below. Overall, the lots have a combined area of 1,671 sqm, forming an irregular, consolidated development parcel (refer **Figure 1**).



Figure 1 The Telstra Exchange site

Source: Nearmap

Table 1 Legal property description

Address	Legal Description	Owner
524-530 Pacific Highway	Lot 7, 8 & 9 Section 17 DP 3175	Telstra Corporation
	Lot 1 DP 433297	Telstra Corporation
536 Pacific Highway	Lot D DP 377423	Lea Baron ATF the Estate of Joseph Gollan
538 Pacific Highway	Lot C DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2
540 Pacific Highway	Lot B DP 377423	H M Pty Ltd
542-542A Pacific Highway	Lot A DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2.

1.0 The Planning Proposal

A Planning Proposal has been submitted to Council seeking to amend provisions of the Lane Cove Local Environmental Plan (LCLEP) 2009. The proposed provisions would facilitate the renewal of the site for a mixed use development that:

- rezones the site from B3 Commercial Core to B4 Mixed Use;
- increases the total FSR from 17.1:1 to 23.2:1 (including a minimum of 4:1 to be dedicated to non-residential employment uses); and
- increases the maximum building height from 72m to 195m (RL 277 AHD).

The site has been identified as a ‘significant site’ in the draft St Leonards and Crows Nest 2036 Plan (draft 2036 Plan), acknowledging its importance in the precinct and its potential for increased height. Consistent with the Plan, the vision for the site is to create an aspirational mixed-use building that complements the future character of St Leonards as a Strategic Centre and a hub for Transit Oriented Development. Importantly, the draft 2036 Plan identifies the site for a B4 Mixed Use zone.

The site also forms a key central part of Council’s own initiative of the Pilot Rezoning Program. Without the renewal of this site, the Pilot Rezoning Program will result in a disconnected public realm and built form south of the highway. The Grocon site is unique in this instance as it forms the key connector between these renewal sites.

Importantly, the Planning Proposal intends to facilitate a mixed use development, with the Residential component being used for Build to Rent residences. Whilst defined in planning terms as a ‘residential use’, the activity in fact will provide for alternative tenure types in the LGA and allow housing diversity in close proximity to the employment and health precinct of St Leonards. The building will be owned in a single entity which allows the building to be specifically designed, maintained and managed to cater to long-term renters.

2.0 Details of Public Benefit Offer

In recognition of the changes sought to the LEP by the Planning Proposal, in accordance with Section 7.4 of the *Environmental Planning and Assessment Act 1979*, Grocon intends to enter into a Voluntary Planning Agreement (VPA) with Council. The general nature and extent of the public benefit offer is set out as follows:

- Five percent of the gross floor area (GFA) of the residential component of the development will be maintained by the proponent as affordable / key worker housing. All affordable dwellings will

be leased to affordable / key workers for a minimum period of ten (10) years. The proponent will manage these properties in accordance with the relevant guidelines and register them on title.

- A monetary contribution based on an uplift of 10,193 sqm GFA. In line with recent VPAs made by Council, this planning agreement proposes to offer \$1,300 per sqm of uplift. Based on the current proposal, this equates to \$13,251,030 in contributions towards Council's public plaza, laneway connections (Christie Lane) as well as the underground connection to St Leonards station and other public domain works.

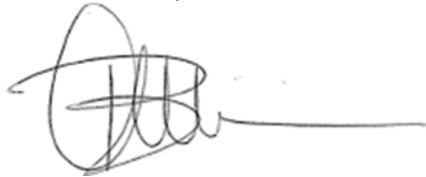
It is intended that this offer will be formalised into a VPA with Council for exhibition with the Planning Proposal following Gateway with execution upon amendments to the LEP being made in accordance with the Planning Proposal.

2.1 Assumptions and Exclusions

- This Public Benefit offer is based on the Development Concept as outlined in the PTW Architects' scheme that identifies a building of 195m and FSR 23.2:1 including a minimum non-residential floor space of 4:1.
- Timing: The contribution is to be paid upon release of the relevant Construction Certificate for a future development application at the site.
- The VPA is for specified public domain works and infrastructure to be detailed between the Proponent and Council. The contribution is to fund works with a nexus to the development and in a timeframe to be agreed.
- The development contributions provided under the VPA far exceed the quantum of monetary contributions which could be secured by Council through conditions of consent imposed pursuant to a contributions plan. Accordingly, as contemplated by section 7.4(3) (formerly s93F(3)) of the EPA Act, the VPA will provide that the application of sections 7.11 and 7.12 (formerly section 94 and section 94A) is excluded in relation to all future development applications on the site up to the maximum yield permitted under an Acceptable Rezoning.
- Due to the unknown nature of timing or nature of the State Infrastructure Contribution (**SIC**), this agreement seeks to delete the requirement for 'Satisfactory Arrangements' for any future SIC.
- The VPA will be registered on the title to that part of the Land controlled by Grocon being as identified in Table 1.
- Grocon agree to pay Council's reasonable costs of preparing, negotiating, exhibiting and executing the VPA.

Should you have any queries in relation to this matter, please do not hesitate to contact Clair Boenne on 0410521637

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Clair Boenne', with a long horizontal line extending to the right.

Clair Boenne
Development Director
Grocon Developments