



LEGACYPROPERTY

26 October 2018
The General Manager
North Sydney Council
200 Miller Street
North Sydney NSW 2000

Dear Sir,

VALUE OF PUBLIC BENEFIT OFFER RELATIVE TO VALUE UPLIFT: PLANNING PROPOSAL FOR 253 - 267 PACIFIC HIGHWAY, NORTH SYDNEY

This letter has been prepared in support of the planning proposal submitted to North Sydney Council on behalf of LegPro 45 Pty Ltd (the **owner**) on 27 September 2018.

We refer to Council's letter dated 9 October 2018 requesting further information including revised overshadowing diagrams that clearly illustrate the extent of new shadows that will be cast in comparison to that which currently exists, and economic feasibility details to determine if the value of the public benefit offer is appropriate relative to the level of financial gain by amending the planning controls.

Please find attached to this letter the requested overshadowing diagrams.

As Council has reinforced its position of not supporting planning proposals in its letter, we are not prepared to invest significant further money obtaining an economic feasibility study as requested.

In order to demonstrate that our offer is substantial, we submit the following high-level uplift analysis:

Acquisition costs: Combined purchase value of \$23,130,000 Transaction costs of \$1,200,000	\$24,330,000
Estimated value of the land following rezoning: GFA value based on 7.2:1 FSR = 10,562m ² x \$4,500 = \$47,529,000	\$47,529,000
Estimated land value uplift	\$23,199,000
Estimated value of public benefit offer	\$9,200,000
Percentage of land value uplift	39.7%

We understand that detailed plans for the St Leonards/Crows Nest precinct released by the NSW Government this month suggest that new dwellings in that area would be subject to a Special Infrastructure Contribution (SIC) levy of approximately \$15K per dwelling. If we were to apply this rate to our site, total 'value capture' would amount to only \$1.3M.

It is noted that our offer of \$9.2M represents approximately \$103K per dwelling proposed, being well above the rate proposed in the St Leonards/ Crows Nest precinct. On this basis, assuming that Council is satisfied with the strategic and site-specific merits of the proposal which are strong, this proposal provides a unique opportunity for Council to review its current stated policy position on landowner-led planning proposals and engage in further discussions with our team to find an outcome agreeable to all.

We will welcome the opportunity to hear Council's views on the merits of the proposal as we are committed to delivering an outcome of genuine public and planning merit.

In the event that Council does not support our proposal, we reserve the right to seek a rezoning review and amend our public benefit offer.

Yours sincerely,



Tim Turpin
Head of Development