



Address
Level 17, 9 Castlereagh Street
Sydney NSW 2000 Australia

Contact
T +61 2 9152 8668
E info@avenor.com.au
W www.avenor.com.au
Avenor Pty Ltd ABN 17 609 542 252

18 September 2017

Att: The General Manager
North Sydney Council
200 Miller Street
North Sydney NSW 2060

Dear Sir,

**RE: LETTER OF OFFER TO ENTER INTO A VOLUNTARY PLANNING AGREEMENT –
PLANNING PROPOSAL – 173-179 Walker Street, North Sydney**

This is a letter of offer to enter into a voluntary planning agreement. The offer is made by Walker Street No. 100 Pty Ltd ("the owner")

This letter has been prepared in support of a Planning Proposal submitted to North Sydney Council on behalf of the owner. Set out below are details of the planning proposal and the general terms on which a Planning agreement would be prepared.

We are submitting this letter of offer for Council's initial consideration prior to the drafting of the voluntary planning agreement. Our intent is that any draft planning agreement would be prepared and exhibited concurrently with the Planning Proposal following Gateway Determination.

Development Overview

A planning proposal was lodged over the subject site at 173-179 Walker Street, North Sydney which seeks to amend the building height and FSR development standards as contained within the North Sydney Local Environmental Plan 2013, that apply to the subject site.

The planning proposal does not seek to change the current R4 High Density Residential zoning.

The Planning Proposal is accompanied by an indicative concept plan prepared by Kann Finch Architects and supporting technical studies which provides further guidance with respect to the anticipated development outcome and mitigating measures for the site. The indicative concept plan provides for approximately 284 residential apartments, 1,515m² of floor space dedicated to community facilities, 80m² retail space and 865m² of publicly accessible landscaped open space. The concept proposal also provides basement parking for 252 cars. The final yield and



dwelling mix will be subject to detailed planning at the future development application stage however it is anticipated that the development could include the following apartment mix; 31% 1 bedroom apartments, 59% 2 bedroom apartments and 10% 3 bedroom apartments.

The objectives of the planning proposal and the outcomes sought to be delivered by way of the planning proposal include:

- The replacement of outdated housing stock with the delivery of a high quality residential redevelopment outcome including affordable rental accommodation which will assist in reducing the pressure associated with the demand for housing.
- The optimisation of a strategically located residential land that is in close walking distance to the future new Victoria Cross Metro train station.
- Dedication of the lower ground, ground and first floor to community facilities to Council with substantial interconnected external landscaped open space areas to address the current deficiency in the supply of accessible and modern community facilities within the North Sydney LGA;
- A single slender tower form that avoids a tower crowding effect and maximises view corridor sharing;
- Provision of retail uses combined with the community facilities and publicly accessible park provides opportunities to activate the street and provide passive surveillance to the surrounding streets; and
- Significant public benefit for the wider community through the provision of public domain improvements including a publicly accessible park and landscaped pedestrian pathway.

Section 94 Contribution

But for the planning agreement, the future development of the site would be subject to the provisions of North Sydney Council Contributions Plan 2013. The contributions plan calls for the payment of a monetary contribution towards the provision of identified local infrastructure. The contributions plan also makes provision for Council to accept the delivery of material public benefits and undertaking of works in kind in part or full satisfaction of the contribution obligation that would arise in relation to a development proposal.

A voluntary planning agreement is a suitable mechanism for the delivery of material public benefits and works in kind in lieu of the payment of a monetary contribution.

Walker Street No.100 Pty Ltd is proposing to deliver a number of community benefits in association with the redevelopment of the site that will be facilitated by the present planning proposal. The scope of this offer is set out below.



The planning agreement will exclude section 94 of the *Environmental Planning and Assessment Act 1979* ("the EP&A Act"), but it will not exclude the application of section 94A or 94EF of the EP&A Act to the development.

Voluntary Planning Agreement Offer

On 18 February 2013 Council adopted the "Voluntary Planning Agreement Policy" to provide a fair, transparent and accountable framework for the preparation and consideration of voluntary planning agreements.

Walker Street No.100 Pty Ltd proposes to prepare and submit for Council's consideration a draft voluntary planning agreement under the terms of the Council's adopted policy. It is proposed that the voluntary planning agreement will:

- Dedicate 5% of the residential yield to affordable rental accommodation, in accordance with the *North Sydney Affordable Housing Strategy 2015*;
- Dedicate 1,515m² of gross floor area to Council to be utilised for community facilities, as defined by the *North Sydney LEP 2013*. The community space will be provided in the form of a partial fit-out, including finished walls, ceiling, flooring and basic service connections for electricity, water and sewer; and
- Make publicly accessible 865m² by way of an easement-in-gross of landscaped open space, comprising the street level park and lower level landscaped open space for use by the public. The Council would be the beneficiary of the easement, but the owners' corporation will be responsible for the maintenance and upkeep of the publicly accessible space.
- Exclude the application of section 94 contributions pertaining to any future development applications for the development of the site facilitated by the planning proposal owing to the material public benefit value of the items above.

Timing of delivery of the material public benefit items would be provided before the issue of any occupation certificate on the site. Further details will be provided in the draft planning agreement to be submitted to Council. The value of the contribution and material public benefit offering is based on the development proposed under the submitted planning proposal and in the event of changes to the proposed built form controls as part of the Planning Proposal, the owner reserves the right to adjust its planning agreement offer. It is anticipated that the final contribution would reflect the terms of the planning proposal.

Enforcement of the Agreement

We do not propose to lodge any monetary security in relation to the above obligations. This is because the planning agreement will provide for the enforcement of the agreement by a suitable means in the following ways:

- The owner will arrange for the registration of the planning agreement on the title of the land. This means that the agreement will be binding on, and enforceable against, the owner of the land from time to time as if each owner for the time being had entered into the agreement (section 93H(3) of the EP&A Act).
- Prior to registration, the owner will not be able to assign or novate its rights under the agreement, or transfer its interest in the land, without Council's consent. The Council's consent may not be unreasonably withheld, but



consent may withheld if the owner is in breach of the agreement. The restriction will not prevent the use of the land as security for the purpose of finance.

- The Council will be able to compulsorily acquire any acquisition land not dedicated in accordance with the agreement for \$1.
- An occupation certificate (including an interim occupation certificate) will not be able to be issued if:
 - the necessary construction required by the planning agreement has not been completed;
 - the relevant land has not been dedicated; or
 - the relevant easement-in-gross has not been imposed) (section 109H(2) of the *Environmental Planning and Assessment Act 1979*).

Dispute Resolution

The planning agreement will contain a mechanism for the resolution of disputes by way of mediation.

Formal Document

A formal planning agreement would need to be prepared in accordance with this offer. It should be expected that this document will contain reasonable safeguards to protect the owner's interests and those of the Council that are not expressly referenced in this letter. Ultimately any agreement will be dependent on the finalisation of this document in a form that is satisfactory to both the owner and the Council.

The Next Steps

This letter of offer is submitted to Council for your consideration. We would welcome the opportunity to meet with Council to discuss this proposal after which time we would proceed to the drafting of the Voluntary Planning Agreement.

Yours faithfully

A handwritten signature in blue ink, consisting of a stylized 'S' and 'L'.

For and on behalf of Walker Street No. 100 Pty Ltd

Mr See Ching Low, Chief Executive Officer, Oxley Holdings Limited