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**PLANNING AGREEMENT OFFER
FROM AMP**

APPLICANT'S PUBLIC BENEFIT OFFER IN CONNECTION WITH YOUNG STREET PRECINCT DEVELOPMENT

This is a public benefit offer by AMP Capital Investors Limited (the "**Developer**") acting as manager on behalf of the relevant owners of the Young Street Precinct development site (the "**Site**"), comprising:

- AMP Centre – 50 Bridge Street, Sydney; and
- AMP owned Young and Loftus Street sites comprising 5 - 17 Young Street, 2 - 10 Loftus Street and 16 - 20 Loftus Street, Sydney ("**Young and Loftus Street Site**"); and
- AMP Building – 33 Alfred Street, Circular Quay.

This offer is to enter into a Voluntary Planning Agreement (the "**VPA**") as agreed between the Council of the City of Sydney (the "**Council**") and the Developer and relevant owners as the case may be.

The offer relates to site specific amendments to the *Sydney LEP 2012* to allow inter alia, the transfer of floor space within the Site (the "**LEP Amendment**") and the draft DCP to be considered by the Central Sydney Planning Committee and the Council, and the development of the Site (the "**Development**"), including the redevelopment of existing buildings and construction of new buildings within the Site (the "**Buildings**").

This offer has been made with the consent of the registered owner(s) of the land comprising the Site (the "**Landowners**") who will also be parties to the VPA, each relevant Landowner being a AMP Capital Investors Limited managed entity.

The Gallipoli Memorial Club Limited ("**GMC Ltd**"), is the owner of the Gallipoli Club, 12 - 14 Loftus Street, Sydney (the "**Gallipoli Memorial Club**"), which is located within the Precinct. It is intended that the Gallipoli Memorial Club be included as part of the Site. GMC Ltd has to date been supportive of the planning proposal (having issued a letter to the Developer indicating this support), and the intention is for GMC Ltd to separately offer to enter into the VPA, once the terms of the VPA are agreed upon (i.e. prior to exhibition of the final form VPA).

This offer summarises the extent of the public benefits to be provided by the Developer, or the Landowners as the case may be, under the terms of the proposed VPA. The public benefits are as follows:

1 Monetary Contribution

The Developer will pay to Council an amount equal to the 1% of Capital Investment Value of the Development (as defined in the *Environmental Planning and Assessment Regulation 2000*) (the "**Maximum Monetary Contribution**"). This contribution (after deduction of offsets) is to be allocated to the delivery of urban design outcomes within a zone defined as:

- the precinct bordered by Loftus Street, Alfred Street, Bridge Street and Phillip Street (the "**Precinct**") including all civic spaces located within the boundaries of the Precinct and in front of Customs House and 33 Alfred Street; plus
- the section of Alfred Street within public ownership between George Street and Loftus Street; plus
- Macquarie Place Park and Jessie Street Gardens.

1.1 Offsets

The Maximum Monetary Contribution will be offset against and reduced by the aggregate of the amount of offset works, funding contributions and public benefits as discussed further in this offer. The Developer's current estimates of the value of each of these offset amounts is set out in the attached Schedule. These amounts are subject to final agreement between the parties. The attached Schedule also shows the relevant portions of the VPA, by reference to the applicable portion of the Site, as well as indicative timing for the delivery of each relevant portion of the VPA.

1.2 Section 61 development contribution

The Maximum Monetary Contribution shall not include the Section 61 development contribution payable for the Project, which is payable separately by the Developer (in accordance with the *City of Sydney Act*).

2 Dedications

The relevant Landowner of each Building in the Young and Loftus Street Site which is developed as a part of the Development and GMC Ltd (if, as intended, it becomes party to the VPA) will grant to Council ownership of an air stratum above the relevant building.

The exact structure of the ownership interest in the air stratum is to be agreed, but the following outcomes are to be achieved:

- The owners of the lots comprising the Site may prohibit the erection of improvements or the carrying out of any uses within the air stratum by the Council, and the use of the air stratum will be for protection of light and air to Macquarie Place; and
- Any subsequent owners of the Site, continuing to enjoy the benefit of this prohibition, with the proposed mechanism for achieving this being:
 - a registered restriction on use burdening the air space stratum and benefitting the Council and each lot within the Site (created by way of s88B instrument);
 - the registration of the VPA over the air space stratum and each lot within the Site, restricting the Council from selling or developing the air space stratum for the benefit of the owner of each lot within the Site; and
 - a registered easement for access within the air space stratum and light and air benefitting each lot within the Site.

No offset against the Maximum Monetary Contribution under paragraph 1 is to apply for the value of these air space stratum.

3 Easements and Covenants

3.1 Loftus Lane Civic Space

As part of creating and enhancing through site links and permeability throughout the Site, the Developer intends to create a small civic space at the junction of Loftus Lane and the Young Street Arcade ("**Loftus Lane Civic Space**"), to emphasise the junction between Loftus Lane and Young Street Arcade, a new east west Link from Young Street to Loftus Street. The additional area to be made available by the Developer to create the Loftus Lane Civic Space will be an area of indicatively 60 m² subject to design resolution in accordance with the development application resulting from the conduct of a design competition under clause 6.21 of the *Sydney LEP 2012* in respect

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of the Young and Loftus Street Site, and which may include areas below any overhanging parts of the Buildings.

Public access to and usage rights over the Loftus Lane Civic Space will be provided by way of easement in stratum for the benefit of Council designed to:

- preserve flexibility to relocate (but not reduce the area of) the Loftus Lane Civic Space in any subsequent redevelopment of the Site; and
- ensure public access over the Loftus Lane Civic Space area at appropriate times to cater for security and public liability management, and otherwise in accordance with the management plan to be approved by Council and developed in connection with the Through Site Links (see paragraph 3.2 below).

All costs associated with creating the Loftus Lane Civic Space are to be incurred solely by the Developer, and not subject to any offset under paragraph 1, and the value of any land the subject of the easements for the Loftus Lane Civic Space would also not be subject to an offset against the Maximum Monetary Contribution under paragraph 1.

3.2 Through Site Links

The Developer will create through site links between the Buildings and below any overhanging parts of the Buildings ("**Links**") and permeability throughout the Site and commits to provide a design that satisfies this design intent. The indicative location and design of the Links is as set out in the draft DCP.

Public access to the Links will be provided by way of easement designed to preserve flexibility to relocate (but not reduce the area of) the Link in any subsequent redevelopment of the Site.

The Links will be open for public access during hours to be agreed enabling the Developer to block access at appropriate times after hours to cater for security and public liability management, and will be managed in accordance with a management plan to be approved by Council and provided by the Developer.

All costs associated with creating the Links is to be incurred solely by the Developer, and not subject to any offset under paragraph 1, and the value of any land the subject of the easements for the Links would also not be subject to an offset against the Maximum Monetary Contribution under paragraph 1.

3.3 Lanes development commitment

The Developer proposes to provide individual fine grain street level premises in the new and existing Buildings and laneways network in the Young and Loftus Street Site that will:

- each have a gross floor area of less than 100 square metres, and
- not have direct access to any other premises in the relevant Building, and
- adjoin, and have direct access to, a lane (being a public road with a width of less than 6 metres); and
- have a floor level no more than 5 metres above the existing ground level of the relevant lane; and
- be used for the purpose of business premises, community facilities, entertainment facilities, food and drink premises, information and education facilities, places of public worship, pubs, indoor recreation facilities, a registered club or retail premises.

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The Developer and the relevant Landowners agree that the portion of the VPA relating to the Young and Loftus Street portion of the Site will contain a covenant prohibiting the Developer or the relevant Landowner from consolidating or otherwise dealing with any lanes development space that varies from the above.

4 Other contributions appropriate under a Voluntary Planning Agreement

4.1 Public Art

The Developer commits to providing public art within the Precinct at the cost of the Developer, up to a maximum value of \$2,000,000 with the balance of those monies not expended on public art to be used for the purpose of improving the public domain under the VPA as described in paragraph 1 above. Where possible, public artwork is to be located in a publicly accessible space within the Precinct, and where possible given the type of artwork, the Developer will dedicate the artwork to the Council.

The maximum amount of the contribution is to be agreed with Council and will be subject to an offset against the Maximum Monetary Contribution under paragraph 1.

4.2 Heritage Works

The Developer commits to undertake heritage conservation works to all listed items within the Site in accordance with any approved conservation management plans for the Site and, where possible, in a suitable sequence to ensure that these works are part of the earlier stages of the Development.

All costs associated with the above works are to be incurred solely by the Developer, without offset against the Maximum Monetary Contribution under paragraph 1.

4.3 Young and Loftus Street Usages

To ensure that a lively mixed-use precinct is provided in the Young and Loftus Street Site, a minimum of 40% of the total Gross Floor Area of all Buildings (new and existing) within the Young and Loftus Street Site will be provided as non-residential uses. This minimum usage threshold will be provided for in appropriate registered property instruments.

5 Other Matters

5.1 Reason for VPA

The Developer acknowledges that the LEP Amendment provides an opportunity to transfer floor space within the Site once the LEP Amendment is made.

5.2 Timing and structure of VPA

The Developer and the relevant Landowners propose to enter into a VPA binding on all portions of the Site prior to the LEP Amendment being made. The VPA will not take effect until such time as the LEP Amendment is made. However, the Developer and relevant Landowners acknowledge that the Council is entitled to register the VPA on the title of the relevant lots prior to the LEP Amendment being made.

It is intended that a final and binding offer to enter into the VPA will be made once a formal VPA document has been prepared, and that all relevant Landowners and GMC Ltd (if, as intended, it becomes party to the VPA) enter into that VPA. This final and binding offer will be made prior to the exhibition of the VPA.

As set out above, the final VPA will be executed and registered prior to the LEP Amendments being made.

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5.3 Utilisation of LEP Amendment

The Developer and relevant Landowners agree that their obligations to deliver the public benefits that are contemplated under the terms of the proposed VPA, will take effect prior to the issue of any construction certificate for a development that utilises the provisions of the LEP Amendment to transfer floor space within the Site, as contemplated by paragraph 5.1 above.

5.4 Timing of payments

The precise timing of payments and expenditure of contribution amounts will be agreed with Council and encapsulated within the VPA, noting that the attached Schedule currently shows indicative timing for the delivery of each relevant portion of the VPA.

5.5 Security

The quantum and timing of the security arrangements for each relevant portion of the VPA will be agreed with Council and encapsulated within the VPA.

5.6 Value of offset commitments

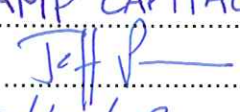
The maximum commitments by the Developer for which an offset is entitled cannot exceed the Maximum Monetary Contribution payable under paragraph 1.

5.7 Section 61 development contribution

This public benefit offer does not exclude the operation of the provisions of Section 61 of the *City of Sydney Act 1988*. For the avoidance of doubt, the Developer and relevant Landowners acknowledge that any contributions payable under section 61 of that Act will be paid without any offset to any contributions payable under the VPA.

The VPA will comply with the requirements of the *Environmental Planning and Assessment Act 1979* and Regulations thereunder. It is intended that the VPA be registered by the Registrar General on the title of each portion of the Site. The VPA will continue to be registered on title of each portion of the Site until all the relevant commitments relating to a relevant portion have been complied with, at which stage the VPA will terminate in respect of that relevant portion and be removed from the title of that relevant portion. The VPA will continue to be registered on title of the air space stratum lots (as contemplated by paragraph 2 above) on the basis that the VPA will contain ongoing obligations in relation to these lots (i.e. restricting the Council from selling or developing these lots).

The VPA will also contain a mechanism catering for change in ownership of the land and will allow for dealings involving the land comprising the Site where those dealings are not inconsistent with the terms of the VPA.

Name of Developer AMP CAPITAL INVESTORS LIMITED
Signature of Developer  JEFF PEERS HEAD OF ASSET CREATION
Date 7/6/13

Schedule – Estimated Value of Offset Amount and Suggested Timing for Delivery

Benefit	Relevant portion of VPA	Estimated value of contribution / (offset amount)	Timing for delivery
Maximum Monetary Contribution (before adjustment for reductions or offsets as described in paragraph 1.)	50 Bridge Street	\$6,700,000	In accordance with paragraph 5.4 above
<i>less:</i>			
Dedications – Air Space Stratums	All lots within Site	NIL offset	Before occupancy of each relevant building
Loftus Lane Civic Space	Young and Loftus Street Sites	NIL offset	Before occupancy of each relevant building from which Loftus Lane Civic Space easement is to be granted
Through Site Links between Young Street and Loftus Street	Young and Loftus Street Sites	NIL offset	Before occupancy of each relevant building from which Links easement is to be granted
Through Site Link between Young Street and Phillip Street immediately adjacent to the southern façade of 33 Alfred Street	50 Bridge Street	NIL offset	Before occupancy of 50 Bridge Street building
Public Art	50 Bridge Street	Offset for provision of artworks (up to a maximum of \$2,000,000)	To be agreed
Lanes development covenant	Young and Loftus Street Sites	NIL offset	Before occupancy of each relevant building
Heritage Works	All Heritage Buildings within Site	NIL offset	To be agreed
Net Monetary contribution		\$ 4,700,000	To be paid when all amounts (Maximum Monetary Contribution and each offset amount) are finally determined.