

ATTACHMENT C

ATTACHMENT C

**PLANNING AGREEMENT –
LETTER OF OFFER**

CFT NO.4 PTY. LIMITED

ACN 128 223 656

ABN 20 592 941 364



20 November 2014

Mr. Graham Jahn
Director of City Planning, Development and Transport
City of Sydney
Town Hall House
456 Kent Street
Sydney NSW 2000

By E-Mail – gjahn@cityofsydney.nsw.gov.au

Dear Graham,

505-523 George Street, Sydney
Confirmation of Public Benefits Offer to the City of Sydney

I refer to our recent communications regarding various planning and other considerations relating to our proposed redevelopment of 505-523 George Street, Sydney (the “site”) and, in particular, certain identified needs of the City of Sydney (the “City”).

I am pleased to confirm that Coombes Property Group (“CPG”) wishes to offer the City the following public benefits within the proposed redevelopment’s retail podium which is to be located immediately beneath a residential tower no taller than 260 metres from street level:

Proposed Child Care Facilities

CPG proposes to transfer to the City a strata title of no less than 2,600 sq.m. of internal and external space (including thoroughfares, outdoor play areas, panic rooms, changing rooms, toilet and hygiene facilities, storage areas and administrative areas). The space would front George Street on the highest level of the podium and be sufficient to accommodate two child care facilities each having a capacity of 65 children aged 0 – 6 years (so, for clarity, 130 children capacity in aggregate). In due course, we are willing to explore with the City design elements for the Child Care Facilities such as exposed roof areas to take advantage of the upper podium location and recessed outdoor sandpits.

We acknowledge the City’s current intention to operate such facilities itself. Notwithstanding this, we in principle agree to provide the City flexibility to engage a third party operator for the Child Care Facilities.

Certainty of use for this space dedicated to the City is important to us given representations that will be made to future apartment purchasers within the development. We understand that the

ATTACHMENT C

City may be willing to agree to a permitted use limited to child care for 20 years from practical completion. We acknowledge the City's desire to have some flexibility post this period and are willing to discuss and agree alternate permitted uses after the initial 20 year term that are not incompatible with or offensive to other occupants of the building.

The Child Care Facilities would be dedicated by CPG to the City in an unfurnished but fitted-out condition (including floor coverings, ceiling, services, internal gyprock partitioning, painted walls, toilets, kitchenettes, built-in appliances, phones, security cameras, security entry (swipe card) system wired back to the City's main security system, acoustic treatments (if required) etc). The design and scope of works shall be mutually agreed and fully set out in a performance brief in due course (including, for example, opportunities for consolidation of fire stairs for the Child Care Facilities with those needed for other uses in the proposed development).

Whilst the design is still to be finalised, it is intended that public daily access to the Child Care Facilities would be available via elevators accessible from Kent Street.

We are agreeable to in due course engaging a specialist consultant experienced in child care centres to assist the City and CPG in the detailed design of the Child Care Facilities, including appropriate floor to ceiling heights, outdoor landscaping, required acoustic treatments, loading and access requirements, waste handling needs and vertical transportation requirements.

Proposed Meeting Room Facilities

CPG proposes to transfer to the City a strata title of no less than 250sq.m. of internal space on the highest level of the podium and on which the Child Care Facilities would also be located. The space would front Kent Street and benefit from views over Darling Harbour. The facilities shall be sufficient to accommodate approximately 100 people (assuming 1.5sqm:1 person) in a flat floor meeting space and, in addition, a storage room and dedicated kitchenette. We shall also explore the opportunity for this space to have an extra high or double floor to ceiling height (noting these facilities are not located on the same level as any cinemas).

The Meeting Room Facilities would be dedicated by CPG to the City in an unfurnished but fitted-out condition (including floor coverings, ceiling, services, internal gyprock partitioning, sound absorbent or painted walls, access to common toilets, dedicated kitchen, etc). The design and scope of works shall be mutually agreed and more fully set out in a performance brief in due course.

Access to the Meeting Room Facilities would be by way of elevators off Kent Street. We understand that the City intends to operate this space and, again notwithstanding this, we in principle agree to provide the City flexibility to engage a third party operator for the Meeting Room Facilities. It is important, however, that the space is used in perpetuity for corporate meeting room and/or function purposes and/or mutually agreed alternate uses that are not incompatible with or offensive to other uses within and occupants of the development given representations that will be made by CPG.

We are willing to commit to minimum access hours to the Meeting Room Facilities of 6.00am to 12.00 midnight daily.

ATTACHMENT C

Proposed Toilet Amenities

CPG proposes to provide public toilet amenities of a capacity to be agreed on the George Street level for no less than the podium trading hours. The provision of permanently available toilets fronting onto George Street remains a spatial, liability, design and financial challenge for us. We are also concerned about the inevitable impact on the adjacencies to any toilets and our ability to attract and retain the quality of retail we seek for George Street. Achieving a high-quality design, streetscape and offer is in our collective interests and, to that end, we welcome the opportunity to discuss further with you a mutually acceptable location for public toilets within the podium.

Other operational issues connected with any Proposed Toilet Amenities accessible outside the podium trading hours (such as cleaning, maintenance, risk, insurance, indemnities, security, cost reimbursement arrangements, etc.) may be mutually agreed after the issues in the foregoing paragraph are resolved.

Strata Costs and Servicing Requirements

In respect of the Child Care Facilities and Meeting Room Facilities dedicated to the City, we are prepared to agree with the City a strata apportionment that is fair and equitable in view of the mixed use nature of the proposed development, including the services supplied to each of these areas.

In the overall design of the building, we acknowledge the need for servicing (including waste removal) of and to the Child Care Facilities and Meeting Room Facilities to be properly considered.

Environmental Performance

We commit to achieve an environmental performance standard for the residential tower which exceeds the current NSW BASIX requirements.

As part of our Stage 2 Development Application, we further commit to provide the City of Sydney a detailed report setting out:

- (a) our analysis of international best practice for buildings similar in scale, use, constraints and nature;
- (b) the environmental opportunities explored for this development; and
- (c) those environmental initiatives we propose be incorporated into the development.

Section 61 Contribution and Heritage Floor Space Requirements

I confirm that the above offer is in addition to (and not in substitution of):

ATTACHMENT C

- (a) the s.61 contribution required in respect of the proposed development; and
- (b) the requirement for us to purchase heritage floor space to facilitate the proposed development.

Whilst there is clearly further detail to be resolved in due course, would you kindly confirm that the above offer is, in principle, acceptable to the City.

I thank you for your and the City's assistance and consideration of our proposal and hope to work closely with the City in designing and developing a world-class mixed-use landmark which will inevitably improve the streetscape, amenity and offering in this important part of Sydney.

Yours faithfully,

CFT NO. 4 PTY. LIMITED



Michael Coombes
Director