

Attachment D

**Public Benefit Offer
923-935 Bourke Street, Waterloo**

8 November 2022

Ms Monica Barone

Chief Executive Officer
City of Sydney Council
456 Kent Street
Sydney NSW 2000

Attention: Mr Graham Jahn AM, Director of City Planning, Development & Transport

Dear Graham,

**Planning Proposal PP-2021-6962 – Amended Indicative Public Benefit Offer
923-935 Bourke Street, Waterloo – Woolworths**

On behalf of Fabcot Pty Ltd (Woolworths Property Group, Proponent) and in relation to the above property, we write to you regarding the Planning Proposal which was submitted on 19 November 2021 and which has been the subject of further discussions between the Proponent and the City of Sydney (the City).

This letter addresses the revised position of Fabcot in relation to the indicative public benefit offer associated with the proposal and which is intended to be delivered through a future Voluntary Planning Agreement (VPA).

The total public benefit offer, as explained through this letter, is provided through a number of means including increased affordable housing contributions, publicly accessible electric vehicle charging facilities, site specific sustainability targets and payment timing of Section 7.11 contributions.

This Letter of Offer is provided in confidence, is indicative in nature and a formal draft VPA is intended to be prepared and entered into with the City prior to the gazettal of revised planning controls for the site.

Affordable Housing

In accordance with the *City of Sydney Affordable Housing Program*, additional contributions to affordable housing are required where Planning Proposals seek an uplift in development standards. Under Appendix B of the Program, the site is located within an area defined as 'South' which is designated as requiring a 12% contribution rate for additional Gross Floor Area (GFA) sought.

Based on the revised Indicative Reference Scheme prepared by Bates Smart, the calculation for the affordable housing contribution is as follows:

- The Indicative Reference Scheme has a total Floor Space Ratio (FSR) of 2.7:1, representing 0.5:1 FSR as 'uplift' over the current maximum of 2.2:1 FSR (inclusive of base controls, community infrastructure bonus and design excellence) under the *Sydney Local Environmental Plan 2012* (Sydney LEP 2012).
- 12% of the 'uplift' GFA (0.5:1) is 384m², which according to the *Affordable Housing Program* is to be provided as 'bonus' affordable housing. The 3,200m² relates to the proposed provision of a subterranean supermarket which is the premise of the Planning Proposal sought.

Clause 7.13 of the Sydney LEP 2012 'Contribution for purpose of affordable housing' requires new development within the Green Square area to provide onsite affordable housing provision at the rate of 3% for residential purposes and 1% for non-residential purposes. While this baseline affordable housing contribution is required at the Development Application stage, a further commitment to affordable housing is intended by Fabcot as part of this Planning Proposal and is an integral component of this Letter of Offer.

In accordance with the current planning controls applicable to the site, being a maximum FSR of 2.2:1, this equates to a total of 14,375m² of GFA. Using the reference scheme residential component of 10,698m² GFA, the balance of 3,677m² of theoretical floor area has been designated as non-residential (retail and commercial GFA) for the purposes of indicative calculations. Using an average 65m² GFA per apartment this equates to approximately six (6) apartments within the development. It is noted that this provision is required as part of the future Development Application on site as a baseline and as is not strictly linked with the Planning Proposal.

However, the total future affordable housing provision by Fabcot is approximately 742m² in GFA when viewed in totality, subject to the provisions of the *Affordable Housing Program*. This arises from the current indicative reference scheme, which equates to an approximate total of 12 apartments (base provision and 'uplift' contribution). This represents a significant public benefit which will be delivered under a future VPA and will be subject to detailed Total Floor Area (TFA) diagrams. Fabcot intends to be fully consistent with the terms of the City's *Affordable Housing Program*.

Electric vehicle charging facilities

Fabcot intends to deliver a benchmark provision of publicly accessible electric vehicle charging facilities through a future VPA. All residential car spaces in the development to be EV ready, 50% of worker car spaces are to be EV ready and 25% of retail customer car spaces are to be fitted from the outset with a three phase Level 2 EV charger at 22 kilowatts or higher) with the addition of two (2) Level 3 or 4 fast chargers accessible within the retail parking provisions.

Fabcot signals their intention to provide the above which is understood to be consistent with the City's *draft Electric Vehicles Policy* which is expected imminently.

Sustainability targets and measures

Sustainability is key component of Fabcot's indicative public benefit offer. All energy efficiency and renewable energy targets for office and retail uses within the future development are proposed to be consistent with the City's *NetZero Energy 2026* provisions. The following specific measures are proposed:

- Supermarket & Retail – consistent with the City's NetZero Energy 2026 provisions.
- Commercial – consistent with the City's NetZero Energy 2026 provisions.
- Residential – BASIX compliance plus 5 points in both Energy (40) and Water (45).
- Incorporation of onsite rainwater capture and re-use for non-potable purposes within the development.
- Development of best practice site-wide resource recovery for operational waste / recycling systems.
- Commitment to electric vehicle charging facilities in residential, retail and commercial car-parking areas as presented above.

Summary and Conclusion

It is the intent of the proponent to form a VPA for the purposes of Section 7.7(3) of the EP&A Act. The draft VPA will be further defined and prepared post Gateway determination and will be available for public exhibition together with the Planning Proposal. The VPA will be executed prior to the gazettal of the amended planning controls for the site.

Fabcot presents a unique opportunity to provide an exemplar mixed-use development, which embodies a true community focus. Fabcot is committed to working with the City to create a genuinely meaningful public benefit on the site, which is connected and leveraged upon the City's successful existing programs in the community.

In summary, the key components of this indicative offer include the following:

- **Affordable housing** – provision of affordable housing contributions, equating to approximately 742m² in GFA, with arrangements consistent with the provisions of the City's *Affordable Housing Program*.
- **Electric vehicle charging facilities** – infrastructure provision for 'EV ready' car parking including the upfront provision of 25% of retail spaces with Level 2 charging and two (2) spaces with Level 3 or 4 charging provisions.
- **Sustainability targets and measures** – consistent with the City's NetZero Energy 2026 provisions and onsite rainwater capture and waste recovery measures in the future operation of the development.

The indicative offer is premised and has been calculated on the realisation of the land use and density, presented in the indicative reference scheme as provided within the Urban Design report accompanying this Planning Proposal.

Fabcot believe that this indicative offer is in the public interest and is an appropriate balance in order to allow an additional 3,200m² of floorspace as a subterranean supermarket. The intended supermarket tenancy has been appropriately justified on a site and strategic merit basis within the Planning Proposal justification report. The premise of the urban design concept for the site, with subterranean retail, is a development which appears in line with the bulk and scale intended for the site, with a maximum 2.2:1 FSR located above ground and revised building height controls which prioritise the retention of key vegetation within the site and on surrounding street verges.

We trust this indicative public benefit offer associated with the Woolworths Waterloo development is met with support. Should you have any further queries, please do not hesitate to contact me directly.

Yours sincerely,



Pierre Abrahamse
Head of Mixed Use Property Development
Woolworths Group