

Attachment C

**Planning Agreement - Public Benefit Offer -
1-25 O'Connell and 8-16 Spring Street,
Sydney**

Public Benefit Offer in Connection with the Planning Proposal Submission in relation to The O'Connell Precinct, Sydney, NSW 2000

15 July 2024

Monica Barone
Chief Executive Officer
City of Sydney
456 Kent Street
Sydney NSW 2000

Dear Ms Barone,

Subject: Public Benefit Offer The O'Connell Precinct

The Trust Company (Australia) Limited as trustee for Pearl Spring ZB 2016 Trust, TOP AssetCo Pty Limited as trustee for TOP Asset Trust and 1 O'Connell HeadCo Pty Limited as trustee for 1 O'Connell Head Trust (the **Owners**) have prepared this Public Benefit Offer (**PBO**) to support a Planning Proposal request relating to land at the O'Connell Street Precinct which consist of land known as 17, 19 & 23 O'Connell Street, 8, 10 & 16 Spring Street and 1 O'Connell Street (incorporating 1 & 3 Bent Street) (Proposed Development).

The key elements of the Proposed Development are:

- a commercial tower and podium linking to the existing 1 O'Connell Street building;
- the significant improvement/remodelling of 19-21 O'Connell Street;
- improvements to the existing 1 O'Connell Street building including integration with the new commercial podium and basement;
- activated street frontages along Spring, Bent and O'Connell Streets; and
- a strategic through site link, a cross city link connecting with the Sydney Metro Hunter Street station.

Lendlease, the long-standing Investment Manager for the Owners and asset manager for the subject site, is a world-leading investment and development group with the vision to create communities, workplaces, infrastructure and urbanisation projects that help businesses to succeed and people to thrive. With an enduring history of landmark global projects, Lendlease is committed to delivering a world-class commercial precinct that offers a diversity of workplace whilst achieving the highest standard of social and environmental amenity.

The project will provide an iconic office tower that will optimise employment opportunities and capitalise on the direct access to the future high-speed Sydney Metro rail network at the site's doorstep. Lendlease and the Owners recognise the strategic location of the site within Central Sydney, and its important role in strengthening 'Global Sydney' as an economic and cultural powerhouse. The O'Connell Precinct will reinvigorate the site to deliver a world-class commercial precinct that realises opportunities that are emerging in future work practices, reflective of Lendlease and the Owners' commitment to working with the city to implement the CSPS.

This request for a Planning Proposal establishes a planning framework to deliver the vision of this world-leading commercial precinct, which will:

- strengthen Sydney's global economic role by delivering an environmentally sustainable premium grade commercial tower that supports significant employment growth and emerging work practices (wellbeing and sustainability, communication and digital technologies and security);
- be of highest standard of architectural, urban and landscape design demonstrating design excellence and providing a valuable contribution to the Central Sydney skyline;
- unlock the ground plane to deliver a world class destination with increased activation and permeability, delivering a new public plaza, through site link for increased connectivity and reinvigorated street level outcome; and
- enable the highest level of sustainability initiatives, supporting the improved performance of commercial development in Central Sydney.

The future redevelopment of the site within the proposed planning framework established by this request for a Planning Proposal is in full alignment with the objectives and intended outcomes of the City's ground-breaking CSPS. Specifically, it supports the ongoing growth of employment floor space in Central Sydney, the concentration of growth in a tower cluster considered suitable for accommodating commercial uplift, and the protection of public amenity. The proposal delivers new

employment generating floor space in the right location, with greater jobs delivered at no expense to the sunlit public spaces and parks which make Sydney special.

The Owners are strongly supportive of the City's focus on employment growth by generating an internationally competitive CBD under the CSPS. With this uplift comes a demand for contributions to fund local public infrastructure and facilities. In this regard, the terms of this PBO will allow the Owners to engage with the City on how public benefits can be delivered through both monetary contributions and works to better the immediate precinct environment, while supporting any additional demands generated by the proposal.

As set out within, the Owners' total PBO is a substantial offer having regard to the *Guideline for Site Specific Planning Proposals in Central Sydney* and its associated *Central Sydney Infrastructure Plan 2020*.

Land and proposed development to which the PBO relates

This PBO applies to land identified within the O'Connell Street Precinct. The Site has a total area of 6,737.4 m² within multiple allotments of land legally described in the Table 1 below.

Table 1 Owner details / Site description

Owner	Street Address	Lot No. and DP/SP	Area (m ²)
1 O'Connell HeadCo Pty Limited as trustee for 1 O'Connell Head Trust and The Trust Company (Australia) Ltd as trustee for the Pearl ZB 2016 Trust	1 O'Connell Street, Sydney	Lot 1 DP814858	3211
TOP AssetCo Pty Limited as trustee for TOP Asset Trust and The Trust Company (Australia) Ltd as trustee for the Pearl ZB 2016 Trust	8 Spring Street, Sydney	Lot 2 DP172068	537.7
TOP AssetCo Pty Limited as trustee for TOP Asset Trust and The Trust Company (Australia) Ltd as trustee for the Pearl ZB 2016 Trust	10 Spring Street, Sydney	Lot 1 DP74923	620.8
		Lot 1 DP176768	496.4
TOP AssetCo Pty Limited as trustee for TOP Asset Trust and The Trust Company (Australia) Ltd as trustee for the Pearl ZB 2016 Trust	16 Spring Street, Sydney	Lot 1 DP724946	460.5
TOP AssetCo Pty Limited as trustee for TOP Asset Trust and The Trust Company (Australia) Ltd as trustee for the Pearl ZB 2016 Trust	17 O'Connell Street, Sydney	Lot 2 DP74923	388.2
TOP AssetCo Pty Limited as trustee for TOP Asset Trust	19-21 O'Connell Street, Sydney	Lot 1 DP131917	560.4
TOP AssetCo Pty Limited as trustee for TOP Asset Trust	23 O'Connell Street, Sydney	Lots 4, 7-8, 10-12, 14 and 17 in SP63932	
TOP AssetCo Pty Limited as trustee for TOP Asset Trust and The Trust Company (Australia) Ltd as trustee for the Pearl ZB 2016 Trust	23 O'Connell Street, Sydney	Lots 1-3, 6, 9, 13, 15-16, 18- 27 in SP63932	
The Owners – Strata Plan No. 63932	23 O'Connell Street, Sydney	CP63932	462.4
		TOTAL AREA	6737.4

The PBO relates to a site-specific Planning Proposal request submitted to the City. The purpose of the Planning Proposal is to introduce new maximum building height and FSR development standards for the Site to accommodate a new commercial office building. The proposed planning envelope associated with the Planning Proposal constitutes:

- A maximum height of 309.2m (RL 319.1) ; and
- A maximum Floor Space Ratio (FSR) of 23:1 (including a design excellence bonus) across the entire Site.

Public Benefit Offer Terms

This formal offer has regard to:

1. The Central Sydney contributions framework which levies future development through a development contribution of 3% of the total cost of the development.
2. The Sydney Local Environmental Plan 2012 (Sydney LEP) with regards to Division 3 Affordable Housing clauses and Subdivision 3 Heritage Floor Space clauses.
3. The endorsed *Guideline for Site Specific Planning Proposals in Central Sydney*, which details the need for any site-specific Planning Proposal request to be accompanied by a PBO and consideration given to the provision of community infrastructure.
4. The *Central Sydney Infrastructure Plan 2020* which identifies specific essential infrastructure (including precinct solutions) and community infrastructure.

Public Benefit Offer

The Owners' proposal seeks to provide the following benefits to be formalised via a planning agreement with the City of Sydney.

Proposed Works

1 Logistics Centre

The Logistics Centre is envisaged as a communal loading dock, specifically designed to offer a centralised loading facility for the public, particularly for those situated in the immediate precinct. This facility will address the lack of sufficient loading facilities in the area due to the heritage characteristics of the surrounding built form and the presence of other road infrastructure including cycleways and pedestrianised areas.

The Logistics Centre will provide shared loading facilities to the precinct and will benefit the City in the long term by:

- Minimising on-street loading activities and reducing driveway crossovers, therefore promoting pedestrian and cyclist safety.
- Increasing the future retail viability of new retail offerings that are currently constrained by inadequate loading infrastructure.
- Facilitating the removal of kerbside parking, enabling the extension of footpaths for pedestrians and space for outdoor dining/ seating.
- Enabling adjacent laneways and rear courtyards to be adapted from service lanes to future outdoor public amenity.

The Logistics Centre will consist of 8 dedicated bays (2 MRV + 5 SRVs + 1 van) and will be accessed via Bent/Spring Street entrance. Managed by Lendlease, users will be able to transport goods from Bent/Spring Street via a goods lift. Loading hours will be in line with Council's current arrangement with a system to accommodate bookings and access implemented by Lendlease, including a process to manage after-hours access as required.

The Logistics Centre will be secured via a public positive covenant under s88E of the Conveyancing Act and will be linked to the conditions of the final Development Approval. The public positive covenant will be registered on title in favour of the City. The Covenant will reflect the following principles:

- Number of bays: 8 dedicated loading dock bays (2MRV + 5 SRVs + 1 van)
- Loading arrangements will be in line with the Council's existing conditions on surrounding streets being 6am to 6pm weekdays, 7am to 10am Saturday with maximum 30-minute duration of stay to encourage turnover.
- Charges for use will be equivalent to or no more than Council's charges for on street loading on surrounding streets from time to time.
- A system will be provided by the owner to accommodate bookings and access, including a process to manage after-hours access if required.
- Spatial requirements including vertical clearance of the loading bays will meet requirements of Section 3.11.13 of the Sydney DCP.
- Sufficient space will be provided to each bay for the purpose of providing temporary set down areas for the duration of stay.
- Drivers must adhere to the requirements of the loading dock management plan and its intended use, including completing any required security details to manage access.
- The upkeep remains the responsibility of the owner

Attributed Capital Value \$1.55M

2 Pedestrian Through Site Link

The Owners will provide a 6m wide Through Site Link connecting O'Connell Street and Spring Street. The Through Site Link will be publicly accessible and protected by an easement on title. The design will ensure that the public can easily identify that it is a publicly accessible link connecting the two streets. The Through Site Link will be open to the general public 24 hours per day, 7 days a week.

The area between 19 O’Connell St and the Radisson Hotel will be designed to create an open space of which will incorporate the minimum width for pedestrian use as noted below.






The minimum width available for pedestrian use will be 6m wide. Additional width over and above the 6m could accommodate ancillary uses including seating associated with retail (food and beverage) to activate the space.

The specific details of the pedestrian through-site link will be subject to detailed design development and the principles outlined within the DCP, which will be supported by an easement plan outlining the parameters.

Attributed Capital Value: \$4.95M

Sustainability Commitments

The Proposed Development is being designed to be capable of meeting the City of Sydney’s net zero energy targets and the commitment to best practise environmental sustainability will be recognised via the key commitments and ratings:

	New Development	1 O’Connell Street (existing building)
 <p>Operational Energy</p>	<ul style="list-style-type: none"> Fossil fuel free building with electrified space heating, hot water, and cooking 5.5 Star NABERS Energy 100% powered by renewables Climate Active carbon neutral certified in operation 	<ul style="list-style-type: none"> Fossil fuel free building with electrified space heating, hot water, and cooking 5.5 Star NABERS Energy 100% powered by renewables Climate Active carbon neutral certified in operation
 <p>Upfront Carbon and Resource Use</p>	<ul style="list-style-type: none"> 40% reduction in embodied carbon Climate Active carbon neutral certified product in construction (A1-A5) Reporting life cycle carbon impacts of demolishing existing buildings and rebuilding with new 	<ul style="list-style-type: none"> Climate Active carbon neutral certified product in construction (A1-A5)
 <p>Operational Water</p>	<ul style="list-style-type: none"> 4 Star NABERS Water and being capable of 5 Stars if a city / utility non-potable water supply is made available 	<ul style="list-style-type: none"> 4 Star NABERS Water and being capable of 5 Stars if a city / utility non-potable water supply is made available
 <p>Green Star</p>	<ul style="list-style-type: none"> 6 Star Green Star Buildings v1b with focus on high Indoor Environmental Quality (IEQ) and Amenity for occupants 	<ul style="list-style-type: none"> 6 Star Green Star Performance
 <p>WELL</p>	<ul style="list-style-type: none"> Platinum Shell & Core 	<ul style="list-style-type: none"> N/A

Delivery of the 1 O’Connell Street commitments will be progressive and will follow completion of the new development and associated infrastructure. On-floor refurbishment and associated services upgrades will be performed following expiry of tenant leases.

Other public benefits arising from the planning proposal and subsequent development

The following public benefits will also be delivered as part of the project but will not be subject to a future planning agreement.

1 Public Art

The Owners will contribute an amount equivalent to no less than 0.5% of Capital Investment Value Allowance, which is approximately \$5,900,000 (inclusive of fees for professional services to deliver the artwork), towards publicly owned artwork at agreed location(s) within the Proposed Development.

2 Affordable Housing Levy – Section 7.13 Contributions

The Owners will make a monetary contribution of an amount equivalent to approximately \$15,500,000 calculated in accordance with City of Sydney Affordable Housing Program (adopted August 2020).

3 Section 7.12 Contributions

The S7.12 contributions (3% of development cost, approximate value \$35,200,000) will be provided as a cash contribution.

Summary of Public Benefit Offer

A summary of the value of the PBO offered by the Owners is set out in the table below. The table summarises the public benefits that will be delivered and other project specific initiatives.

Component of PBO	Timing	Additional details
Works in Kind		
Logistics Centre	To be ready for operation no later than 12 months following issue of the Occupation Certificate for the new development. To be secured via a development consent condition as part of a future Development Application.	The provision of public loading dock facility comprising 8 loading spaces (2 MRV + 5 SRVS + 1 van) which will be fully owned and managed by the owner and available for use in line with the principles set out above. This arrangement will be documented by way of via a public positive covenant under s88E of the Conveyancing Act and linked to the conditions of the final Development Approval. The provision of this facility is classified under 'loading and servicing' in Table 3 – Community Infrastructure in the <i>Central Sydney Infrastructure Plan 2020</i> .
Pedestrian Through-Site Link (easement for public access)	On or before the date of issue of the last Occupation Certificate for the Development applicable to the part of the Land on which the through-site link is constructed.	Creation of a pedestrian through-site link connecting O’Connell Street to Spring Street in accordance with the site-specific Development Control Plan. The through-site link will be secured by an easement for public access registered on the land title, with the through site link remaining in private ownership. The specific details of the through-site link will be subject to detailed design development and the principles contained within the DCP. It will be supported by an easement plan clearly outlining the parameters.




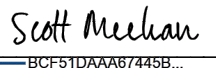
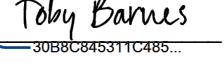
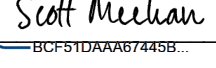
Project specific initiatives

Sustainability commitments	Through delivery of the development	See sustainability commitments above.
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Conclusion

We submit the abovementioned offer for the City’s consideration as a framework for a future VPA to support the Planning Proposal. We trust that this offer clearly demonstrates our commitment through monetary contributions, sustainability initiatives and proposed works to support the needs of a global growing city. The Owners would like to thank the City for the opportunity to engage in the process of delivering critical infrastructure for Central Sydney.

Should you require any additional information, or should you have any queries about this matter, please do not hesitate to contact the undersigned.

Date	
Signed by Pearl	<p>Executed on behalf of The Trust Company (Australia) Limited as trustee for Pearl Spring ZB 2016 Trust under power of attorney dated 16 September 2014</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  _____ Signature of attorney James McNeil Senior Client Manager _____ Name of attorney </div> <div style="text-align: center;">  _____ Signature of attorney Alexander Gray Client Manager _____ Name of attorney </div> </div>
Signed by Top	<p>Executed by TOP AssetCo Pty Limited as trustee for TOP Asset Trust in accordance with section 127 of the Corporations Act 2001</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>DocuSigned by:</p>  <small>30B8C845311C485...</small> Signature of director Toby Barnes _____ Name of director (print) </div> <div style="text-align: center;"> <p>Signed by:</p>  <small>BCF51DAAA67445B...</small> Signature of director Scott Meehan _____ Name of director </div> </div>
Signed by HeadCo	<p>Executed by 1 O’Connell HeadCo Pty Limited as trustee for 1 O’Connell Head Trust and in accordance with section 127 of the Corporations Act 2001</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>DocuSigned by:</p>  <small>30B8C845311C485...</small> Signature of director Toby Barnes _____ Name of director (print) </div> <div style="text-align: center;"> <p>Signed by:</p>  <small>BCF51DAAA67445B...</small> Signature of director Scott Meehan _____ Name of director </div> </div>

Limitation of Liability – Pearl

The Trust Company Limited (**Trustee**) enters into this document in its sole capacity as trustee of the Pearl Spring ZB 2016 Trust (**Trust**).

The liability of the Trustee to you for any liability, loss, expense or damage suffered or incurred by you in connection with this document (whether in contract or tort or under statute or otherwise) is limited to the extent the Trustee is actually indemnified, or would, if it exercised its entitlement to be indemnified, actually be indemnified, out of the assets of the Trust.

However, the limitation of the Trustee's liability does not apply to the extent that the liability of the Trustee to you is not recoverable because the entitlement of the Trustee to be indemnified out of the assets of the Trust is reduced as a result of its gross negligence, fraud or breach of trust.

Limitation of Liability – Top

TOP AssetCo Pty Limited (**Trustee**) enters into this document in its sole capacity as trustee for TOP Asset Trust (**Trust**).

The liability of the Trustee to you for any liability, loss, expense or damage suffered or incurred by you in connection with this document (whether in contract or tort or under statute or otherwise) is limited to the extent the Trustee is actually indemnified, or would, if it exercised its entitlement to be indemnified, actually be indemnified, out of the assets of the Trust.

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Limitation of Liability – HeadCo

1 O'Connell HeadCo Pty Limited (**Trustee**) enters into this document in its sole capacity as trustee of the 1 O'Connell Head Trust (**Trust**).

The liability of the Trustee to you for any liability, loss, expense or damage suffered or incurred by you in connection with this document (whether in contract or tort or under statute or otherwise) is limited to the extent the Trustee is actually indemnified, or would, if it exercised its entitlement to be indemnified, actually be indemnified, out of the assets of the Trust.

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