

Attachment C

**Planning Agreement - Public Benefit Offer -
56-60 Pitt Street and 3 Spring Street, Sydney
- dated 4 July 2024**

4 July 2024

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

Dear Ms Barone,

**Letter of Public Benefit Offer
Pitt and Bridge Street Planning Proposal**

Dexus CPA Pty Ltd (Dexus) has prepared this Public Benefit Offer (PBO) to accompany a request for a Planning Proposal relating to land at 56 Pitt Street, 58 Pitt Street, 3 Spring Street and 60 Pitt Street, Sydney (commonly known as Pitt and Bridge Street). In accordance with the *Guideline for Site Specific Planning Proposals in Central Sydney*, Dexus has prepared this PBO with the intent to enter into a Voluntary Planning Agreement (VPA) with the City of Sydney (City) for the purposes of section 7.7(3) of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The Planning Proposal supports the Pitt and Bridge Street project, being Dexus's proposal for a forward-thinking green and global premium grade office tower, constituting a vertical exchange of finance, knowledge sharing, innovation, education, sustainability and wellness. Dexus's vision for the project is to provide a home for the green finance sector, providing the infrastructure to attract green businesses and talent which are aligned with global sentiment around addressing climate change and resilience and which can engage with the emerging global green economy. The proposal will lead the way in meeting world-class sustainability objectives and contribute to Sydney's role as a future leader in the global green economy.

Dexus recognises that as this area of Central Sydney continues to grow, it is critical that there is investment in new and upgraded local infrastructure to meet the needs of the people who live and work in the vicinity of the development. Accordingly, Dexus has prepared a PBO which includes a mix of contributions in the form of community infrastructure, public open space and project specific initiatives. The PBO has been developed following detailed discussions with the City prior to lodgement of the Planning Proposal.

As set out within this formal offer letter, **Dexus's total PBO constitutes a value of approximately \$16,700,000**, which is comprised of:

- \$2,500,000 of works in kind plus dedication of land to deliver new public open space via the proposed Bridge Street Plaza.
- \$3,500,000 of works in kind to deliver a new mid-block, publicly accessible through-site link.



- \$1,700,000 of works in kind and operational contributions to deliver and operate a Logistics Hub, being a communal loading dock, contained within the basement of the development.
- A public art budget equating to 0.75% of EDC (estimated at \$9,000,000) for delivery of public art in the development.
- Sustainability project certifications and commitments in the development to deliver a world leading sustainable office tower.

A detailed breakdown of the value of the PBO is summarised in this letter. It is worth noting that nothing within this offer seeks to offset or limit the applicable affordable housing levies or heritage floor space requirements of the development.

1.0 Proposed land and development to which the PBO relates

This PBO applies to land identified as 56 Pitt Street, 58 Pitt Street, 3 Spring Street and 60 Pitt Street, Sydney. The site comprises six (6) properties, legally identified in **Table 1**. It is noted that 58 Pitt Street consists of 33 strata lots within SP57509. Dexus CPA Pty Ltd owns all lots within SP57509. Prior to finalisation and registration of the VPA on title, landowners consent on behalf of SP5709 will be provided in accordance with the relevant legislative requirements (unless the Strata Plan is dissolved prior).

The PBO relates to a formal Planning Proposal submitted to the City in May 2024. The purpose of the Planning Proposal is to introduce new maximum building height and maximum floor space ratio (FSR) controls for the site to accommodate a new commercial office building. The proposed planning envelope associated with the Planning Proposal constitutes:

- A maximum height of RL 310; and
- A maximum Floor Space Ratio (FSR) of 27.4:1 equating to a total gross floor area (GFA) of 90,000m² across the site, including office premises and retail premises floor space.

Table 1 – Property title description

Lot	Address
Lot 1 in DP 222751	56 Pitt Street
Lot 1 in DP 558106	3 Spring Street
Lot 1 to 33 in SP 57509	58 Pitt Street
Lot 3 in DP 192236	60 Pitt Street
Lot 4 in DP 192236	60 Pitt Street
Lot 5 in DP 192236	60 Pitt Street

2.0 Public Benefit Offer

Dexus's proposal seeks to provide the following public benefits, to be formalised via a VPA with the City.



Works in Kind

Public Open Space

- **Bridge Street public plaza:** Design and construction of a public plaza within the site along Bridge Street, delivered prior to the Occupation Certificate for the building. The land, being a stratum lot (to an agreed height and depth), will be dedicated to the City of Sydney for its civic use as public open space. The plaza will be approximately 245m² in size (subject to final survey), located at the most northern end of the block with an uninterrupted frontage to Bridge Street. The specific details of the Public Plaza will form part of the future Design Competition Brief and will be subject to detailed design development and the principles outlined within the DCP, including having regard to the City's established palette of materials for public domain.
- **Pedestrian Through-Site Link:** Construction of a pedestrian through-site link to facilitate a new east-west connection, linking Bent Street and Pitt Street. This through-site link will be secured via an easement registered on the land title for unrestricted public access but will remain in private ownership. This structure will ensure its upkeep remains the responsibility of the owner without creating further burden on the City's resources. 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 of this works in kind contribution.

Logistics Hub:

- The Logistics Hub is envisioned as a communal loading dock designed to offer a centralised loading/servicing facility for public use. It will address the shortfall in nearby on-street loading due to the closure of Spring Street, as identified by the City North Public Domain Plan, and thereby remove six existing on-street loading zone spaces within the immediate vicinity of the site.
- The Logistics Hub is considered to offer a benefit to the City in the long term by:
 - Facilitating the reduction of on-street parking, enabling the pedestrianisation of Spring Street, including opportunities for outdoor dining/seating.
 - Minimising on-street loading activities and reducing driveway crossovers, therefore promoting pedestrian and cyclist safety.
 - Maintaining the future viability of neighbouring ground level commercial and retail offerings that may be disadvantaged by the future arrangement of on-street loading infrastructure.
 - Enabling adjacent laneways and rear courtyards to be adapted from service lanes to future outdoor public amenity.
- The Logistics Hub will consist of seven (7) loading bay spaces (2 SRVS + 5 vans) that are independent of, and in addition to the determined quantum of loading/servicing requirements at the time of detailed DA stage. Loading hours will be in line with Council's current arrangement with a system to accommodate bookings and access implemented by Dexu, including a process to manage afterhours access as required.
- The Logistics Hub will be secured via suitable dealings on title such as a public positive covenant under s88E of the Conveyancing Act and will be linked to the conditions of the final Development Approval. The Covenant will reflect the following principles:
 - Number of bays: 7 loading dock bays (2 SRVs + 5 vans).



- Loading arrangements will be in line with Council's existing conditions on Spring Street being 6:00am to 6:00pm Monday to Friday and 7am to 10am Saturdays, with a maximum 30-minute duration of stay to encourage turnover.
- Charges for use will be equivalent to and no more than the Council's charges for on street loading within the City North CBD area.
- 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 a future loading dock management plan to be prepared and its intended use, including completing any required security details to manage access.
- The upkeep of the Logistics Hub remains the responsibility of the owner without a burden of City of Sydney resources.

Public Art

- The project will support the continued application of the City of Sydney's *Public Art Strategy & Policy* through the offer and commitment to a public art, delivered in the form of on-site public art.
- The project will establish a total public art budget equivalent to 0.75% of EDC (approximately \$9,000,000). This represents an additional 0.25% (\$3,000,000) above the base requirement of 0.5% of EDC as a public art budget.

Sustainability Commitments

- In accordance with the Planning Proposal, Dexus is committed to delivering a future development which incorporates the following:
 - 5.5 star NABERS Energy Base Building Rating (Commitment Agreement).
 - 6-star NABERS Base Building Energy Base Building (Target).
 - 4.5-star NABERS Whole Building Water Rating (Target).
 - 4-star NABERS Waste (Target).
 - 6-star Green Star Buildings v1 certified rating.
 - WELL Core Premium (Target).
 - 100% renewable energy in operation.
 - 100% electric.
 - 100% carbon neutral in operation.
- It is noted that the project has adopted additional sustainability targets beyond the above commitments as detailed in the ESD Strategy submitted with the Planning Proposal.

Public Benefit Offer Terms

This formal offer has had regard to:

1. 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.



2. The *Central Sydney Infrastructure Plan 2020* which identifies specific essential infrastructure (including precinct solutions) and community infrastructure.
3. The *Central Sydney Development Contributions Plan 2020* which levies future development through a development contribution of 3% of the total cost of development.
4. The *Sydney Local Environmental Plan 2012* (Sydney LEP) with regards to Part 7, Division 3 Affordable Housing clauses and Part 3, Subdivision 3 Heritage Floor Space clauses.
5. The City's objectives, actions and relevant requirements as set out in both the *Public Art Strategy & Policy* and the *Interim Guidelines for Public Art in Private Development*.

It is noted that contributions and levies will apply in respect of the above legislation and guidelines and will be considered in subsequent project stages.



Figure 1 - Artists impression of future Bridge Street Plaza



3.0 Summary of public benefit offer

A summary of the relevant details of the Public Benefit Offer offered by Dexus is set out in the **Table 2** below.

Table 2 – PBO summary

Public Benefit Commitment	Value	Timing & Delivery	Additional Details
Bridge Street Plaza	\$2,500,000 works in kind plus value of the land	On or before the date of issue of the relevant Occupation Certificate applicable to the part of the Land on which the Bridge Street Plaza is constructed.	<ul style="list-style-type: none"> - Creation of a publicly accessible new plaza fronting Bridge Street and dedication of a stratum lot (limited in height and depth to be agreed) to secure the public ownership of the new plaza. It will be fully owned and managed by the City of Sydney as the landowner.
Pedestrian through-site link	\$3,500,000 works in kind	On or before the date of issue of the relevant Occupation Certificate applicable to the part of the Land on which the through site link is constructed.	<ul style="list-style-type: none"> - Construction of a publicly accessible through site link to continue, in principle, Abercrombie Lane through the site, at street level, connecting Pitt Street to Spring Street. - 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 site-specific DCP. It will be supported by an easement plan clearly outlining the parameters.
Logistics Hub	\$1,700,000 works in kind	<p>To be constructed by Occupation Certificate and be ready for operation within 12 months of the Occupation Certificate for the new development.</p> <p>To be secured via a development consent condition as</p>	<ul style="list-style-type: none"> - The provision of public loading dock facility comprising 7 x spaces (2 SRVS + 5 vans) 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 via suitable dealings on title such as a public positive covenant under s88E of the Conveyancing Act and linked to the conditions of the final Development Approval. - These 7 spaces are independent of and in addition to the determined quantum of loading/servicing requirements at the time of detailed DA stage.





		part of a future Development Application.	<ul style="list-style-type: none"> - The provision of this facility is classified under 'loading and servicing' in Table 3 – Community Infrastructure in the Central Sydney Infrastructure Plan 2020.
Public Art	0.75% of EDC	On or before the date of issue of the final Occupation Certificate for the development.	<ul style="list-style-type: none"> - A total budget of \$9,000,000 for the delivery of public art within the site. - Represents an additional \$3,000,000 (0.25% of EDC) above the base requirement (0.5% of EDC) <p>The project is therefore consistent with and goes above the relevant objectives and actions of <i>Sustainable Sydney 2030-2050 Continuing the Vision</i>, the City's <i>Public Art Strategy & Policy</i> and <i>Interim Guidelines for Public Art in Private Development</i>.</p>
Sustainability Commitments	In kind	Through the delivery of the development within 12 months after issuing of the final Occupation Certificate.	<ul style="list-style-type: none"> - 5.5 star NABERS Energy Base Building Rating (Commitment Agreement) - 6-star NABERS Base Building Energy Base Building (Target) - 4.5-star NABERS Whole Building Water Rating (Target) - 4-star NABERS Waste (Target) - 6-star Green Star Buildings v1 certified rating - WELL Core Premium (Target) - 100% renewable energy in operation - 100% electric - 100% carbon neutral in operation

4.0 Conclusion

Dexus has prepared this Public Benefit Offer to accompany a request for a Planning Proposal relating to the Pitt and Bridge Street project. This offer seeks to deliver significant public benefits to a total value of approximately \$16,700,000 which clearly demonstrates our commitment through sustainability initiatives and works-in-kind to support the needs of the people who live and work in the vicinity of the site, and achieve the strategic objectives of the applicable City of Sydney policies and frameworks.

With the benefits of this proposal in mind, and with the desire to realise the objectives and key moves of the CSPA, we are seeking to formalise this offer through a VPA that will accompany the Planning Proposal for the site. Should you require any additional information, or should you have any queries about this matter, please do not hesitate to contact the undersigned.



Executed on behalf of Dexus CPA Pty Ltd (ABN 90 160 685 156) by its attorney dated 17 December 2021. By executing this document, the attorney states that it has received no notice of revocation of the power of attorney.	
	
Signature of Attorneys	
Roger Ian Clarke	James Matthew Hough
Name of Attorneys (print)	

CC:

Mr Graham Jahn AM, Director of City Planning, Development & Transport, City of Sydney
Sally Peters, Manager Central Sydney Planning, City of Sydney
Daniel Thorpe, Specialist Strategic Planner, City of Sydney