

Minutes

meeting **Macquarie Park Landowners Forum**

date: 3 April 2008 – 3pm to 6pm

Venue: Stamford Grand Hotel (Board Room), cnr
Epping & Herring Road, Macquarie Park

Chair: Mike Whittaker, General Manager, City of Ryde

Attendees

AMP Capital Investment	Peter Hunt, Project Director, Macquarie Centre
Goodman International	Collin Rockliff, National Manager Planning & Design
Australand	Michael Kuhn, Development Manager
Winten	Anthony Otto, CEO
DB RREEF (now Dexus)	Scott Hayward, Asset Manager
ING	Robert Mackay, Director Industrial Development
Stockland	Michael Yiend, Development Manager
Investa	Linda Hobson, Development Manager
Macquarie University	Robert Kelly, Director Office of Facilities Management
TIDC	Carolyn Riley, Senior Manager Planning
Hill PDA	Martin Hill, Managing Director
KJA	Kathy Long, CEO
CoR	Jo Smith, Communications Manager Sue Weatherley, Lexie Macdonald, Paul William-Smith, Nick Chapman

Apologies

TIDC	James White
Property Council	Angus Nardi

1. Welcome/Introductions (Chair)

Mike Whittaker welcomed all present .

2. Draft Minutes of last Forum meeting on 6 March

Minutes confirmed. Nick will circulate a selection of slides from Martin Butterworth's ppt presentation to the 6 March Forum meeting. We have requested a copy of Energy Australia's ppt presented at the same meeting and this will also be circulated.

3. Branding & Marketing Working Group – Visioning Workshop

As agreed at the last Forum meeting, Branding and Marketing Group consultants KJA have been invited to facilitate a 1 hour “Visioning Workshop” with Forum members to inform stage 1 of their consultancy.

Stage 1 consists of analysis and consultation, including tonight’s workshop, some follow-up one on one interviews with key stakeholders and a focus group discussion with some “generation Y” young people from the Macquarie Centre.

Stage 2 will consist of the development of a Communications Strategy.

Stage 3 will involve the development of Branding and Marketing options and delivery mechanisms for consideration by the Branding and Marketing Working Group and/or Forum.

Kathy Long of KJA Consultants outlined the workshop agenda:-

- Discussion/confirmation of objectives
- A review of the catalysts for new development at Macquarie Park
- A visioning exercise
- Conclusions & next steps.

A summary of the outcomes of the workshop is attached.

4. Forum Updates

4.1 Macquarie Park DCP

Nick provided a brief update as follows:-

- The public exhibition of the Draft DCP finished on 25 March.
- Over 30 submissions have been received and some late submissions are anticipated.
- Thanks to those Forum members who have made submissions eg Goodman, Property Council, TIDC, Macquarie Centre, University.
- Submissions are being reviewed and we aim to have the report prepared for Council’s consideration (and hopefully adoption) in May.
- Our aim is to finalise the DCP for posting on CoR’s website in June/July.

At this early stage, some key issues emerging in the submissions include:-

- General support for the DCP’s vision and strategic objectives and for the necessary upgrades to community facilities, infrastructure, open space and public domain to support Macquarie Park’s future growth in a sustainable fashion.
- Concern that the 5 star green rating requirement is too ambitious/costly.
- Some of the special precinct controls appear to be too prescriptive.
- Clarification is required about how the FSR incentives work, in relation to the existing roads and parks allocation in the LEP.
- The \$600sqm developer contribution for incentive FSR is too high.
- Ceiling heights of 3.3m are too high and will compromise environmental performance.

5. Developer contributions/rates for incentive FSR

As agreed at the last Forum meeting, Council's economics consultant, Martin Hill of Hill PDA has been invited to address today's Forum meeting about the rationale behind the incentive FSR contribution rate of \$600 sqm proposed in the Draft DCP.

Martin provided a brief introduction to the approach adopted in the DCP which was informed by an analysis of current market values and FSR in Macquarie Park, as illustrated on the attached slide. In Martin's opinion, the rate proposed in the DCP is an attractive offer, based on his analysis of market conditions.

Various comments were made in the discussion which followed, summarised as follows:-

- There was some support for the principle of the incentive system.
- The \$600sqm incentive FSR contribution rate is too high, because Macquarie Park commercial rents are in the low \$300's per sqm.
- Viability for developers is dependent on commitment from tenants.
- Is there an opportunity for a "marriage rate" ie developers and Council splitting the cost of the incentive FSR 50:50?
- Perhaps some of the proposed roads can't be constructed, nor some of the community benefits realised?
- Does Council have an inventory of infrastructure works/facilities which will be funded by the incentive FSR scheme?
- Over-reliance on "independent advisory panels" is not preferred by many in the development community.

The CoR has taken account of some realities in its development of the proposed FSR incentive scheme, summarised as follows:-

- Public infrastructure and community facilities costing in the region of \$500million are required to support Macquarie Park's future growth.
- Council needs to factor in construction and, more importantly, operating costs to maintain the public infrastructure in perpetuity.
- Only a proportion of the cost of this infrastructure can be funded through s94 and VPA contributions, leaving another component to be funded from other sources yet to be identified/confirmed eg consolidated revenue, design outcomes.
- Analysis by CoR last year confirmed that if all the necessary works and improvements were to be funded through a traditional s94 levy, then the levy rate applicable in Macquarie Park would be prohibitive. Hence the need to develop a complimentary VPA scheme.

Some general principles are being taken into account by the CoR during its development of the FSR incentive scheme, for example:-

- VPA contributions from Macquarie Park developments will be mainly focussed on public infrastructure needs and community facilities in Macquarie Park, not elsewhere in Ryde.
- It is likely that the cost of incentive FSR rates will change over time, as works are completed and/or additional infrastructure needs are identified.
- VPA's may identify certain developer works as "in kind" contributions, in addition to (or instead of) cash contributions. Cost savings may result from such "in kind" contributions.
- The CoR's s94 plan was based on an inventory of public infrastructure works and community facilities required. This body of work informed the development of the \$600sqm

FSR contribution rate and will be used by CoR to develop an inventory of infrastructure works and community facilities required in Macquarie Park.

- The CoR envisages that FSR and height incentives might be incrementally staged, in return for developers offering agreed public infrastructure/community facilities and/or recognised best practise environmental and design excellence in certain parts of Macquarie Park. As a general rule, incentive FSR contributions are expected to be in addition to standard s94 contributions for Macquarie Park.
- CoR recognises that the 5 star Green Building Council rating is an ambitious target.
- CoR envisages that most major developments will be the subject of a VPA.
- CoR is in the process of drafting a developer contributions/VPA policy and VPA template to inform the use of VPAs.

It was agreed that:-

- Forum members provide any further feedback (on the 'phone or in writing) to Sue, Nick or Lexie by 11 April.
- At the next Forum meeting on 1 May there will be another opportunity to discuss the important issues of incentive FSR contributions and VPAs.

6. Other business

There was no other business.

7. Next meeting

Thursday 1 May from 4pm to 6pm.

A visit to Macquarie University Station is proposed, followed by a short walk around the University's development precinct. The regular Forum meeting will follow at the Stamford Grand or another venue nearby.

Details will be confirmed closer to the time.