
10 AMP OFFER TO ENTER INTO A VOLUNTARY PLANNING AGREEMENT IN ASSOCIATION WITH THE CONCEPT DEVELOPMENT APPLICATION FOR MACQUARIE CENTRE, 197 TO 223 HERRING ROAD, MACQUARIE PARK

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

Report prepared by: Development Contributions Coordinator
File No.: VPA2015/655/2 - BP16/1288

REPORT SUMMARY

Council has received a letter of offer, dated 14 October 2016 (**ATTACHMENT 1**) from AMP Capital to enter into a Voluntary Planning Agreement (VPA) in relation to the Development Application 2015/655 for 197 to 233 Herring Road Macquarie Park (Macquarie Centre), seeking a concept plan approval for the redevelopment of Macquarie Centre.

AMP Capital has lodged an application in the Land and Environment Court in respect to LDA2015/655 to preserve their Appeal rights, as there is a time limit for doing such things. Therefore, should the JRPP not make a favorable determination on 10 November 2016, AMP Capital may proceed to appeal the decision in the Land and Environment Court. However, should the JRPP make a favorable determination on 10 November 2016, AMP will likely discontinue the appeal case as it will no longer be necessary.

A concept approval, as sought by LDA2015/655, under Part 4 Division 2A of the Environmental Planning and Assessment Act 1979 (EPA Act) sets out concept proposals for the development of the site, for which detailed proposals for separate parts of the site are to be the subject of subsequent development applications. Therefore LDA2015/655, which is scheduled to be reported to the JRPP on 10 November 2016 (noting the deadlines for reports for this JRPP meeting are 27 October 2016), if approved, will set development standards such as building heights, building envelopes and Gross Floor Areas (GFA) for the redevelopment of Macquarie Centre, that future staged development applications will need to adhere to.

Whilst the full terms of the VPA offer from AMP Capital are contained in **ATTACHMENT 1**, they are nevertheless summarised as follows:

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- Delivery of a 5,000sqm Library and Creative Hub as part of the future expansion of Macquarie Centre under the Concept DA (LDA2015/655) under a 99 year peppercorn lease (\$1 per year) agreement.
- The delivery of the Library and Creative Hub will offset the Section 94 liability for Gross Floor Area (GFA) of 148,000sqm and maximum building heights approved by LDA2005/655 up to \$25,000,000.
- Any future proposed developments beyond 148,000sqm GFA will be liable for Section 94 or S94A, whichever plan is in place at time of approval.
- AMP Capital are required to deliver the 5,000sqm Library and Community Hub space (cold shell) to Council within 12 years from the issuing of the first Construction Certificate that issues approval to commence construction on any of the 148,000sqm's of GFA approved under LDA2015/655 or the issuing of the first Occupation Certificate for the fourth tower in completing their staged development, whichever is the earlier.
- Securities will be in the following form:
 - Bank guarantee of \$500,000 for use on any enforcement costs
 - Caveatable Interest on the title of the Land
 - Right to compulsorily acquire a leasehold interest in accordance with the terms of the VPA
 - Pay Council the Section 94/94A contributions which would have been payable (as indexed) for each development consent authorising GFA issued prior to the sunset date (end of 12 year period), should the Library and Creative Hub not be delivered to Council by the sunset date. It should be noted that should the facility be near completion Council may elect to take a bank guarantee for the said outstanding S94/94A's until the facility is delivered.

As discussed in detail in the body of the main report, demand for a regional Library facility in Macquarie Park by year 2031 is justified, based on future population projections (refer to Figure 2). Macquarie Centre, especially in its future redeveloped form will be more pedestrian friendly than it is currently and will provide exceptional exposure with frontage to Herring Road. The Statement of Environmental Effects (SEE) accompanying the LDA2015/655 states that a study by ARUP found that more than 1,700 pedestrians currently utilise the pedestrian mid-block crossing on Herring Road during the lunch time peak hour (12.30pm -1.30pm). This will only increase over time with residential towers being constructed in Macquarie Centre; future development of Macquarie University; and upgrading of the Macquarie Park rail link and stations.

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There is essentially no compelling reason for AMP Capital to enter into such a Planning Agreement, other than being a ‘*good corporate citizen*’. The reasons for this are:

- The Concept Development Application is not seeking any uplift in the development controls, as it is staying within the FSR and height limits imposed by the Herring Road UAP;
- Council’s Development Control Plan only requires a 3,000sqm Library and Creative Hub Space in Macquarie Centre. Hence AMP Capital is foregoing 2,000sqm in leasable rental space to Council for 99 years at a peppercorn rent (\$1 per year);
- The construction value of the space is substantially greater than the Section 94 liability for the entire Concept Approval sought.

Hence, AMP Capital could just seek to provide a 3,000sqm space and pay the standard Section 94 liability.

Nevertheless, to ensure Council was receiving reasonable outcome via the proposed VPA offer Hill PDA was engaged to examine the offer and provide an independent third party opinion. Hill PDA’s report is included as **ATTACHMENT 3** and *inter-alia* concludes that the VPA is a “*fair deal for Council to enter into*”.

As such it is recommended that Council resolve to accept the letter of offer and enter into negotiations with AMP Capital regarding drafting the final terms of the VPA.

RECOMMENDATION:

- (a) That Council accept the letter of offer as detailed in **ATTACHMENT 1** dated 7 October 2016 from AMP Capital to enter into a Voluntary Planning Agreement in relation to the Development Application 2015/655 for 197 to 233 Herring Road Macquarie Park (Macquarie Centre). The Voluntary Planning Agreement will require the Applicant to provide a public benefit as summarised below:
 - (i) Delivery of a 5,000sqm Library and Creative hub as part of the future expansion of Macquarie Centre, pursuant to LDA2015/655 for 148,000sqm of additional Gross Floor Area (GFA).
 - (ii) The Library and Creative Hub will be delivered by offsetting the required Section 94 contributions, including local road improvements to the value of \$25 million.

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- (iii) In the event that additional GFA is in excess of 148,000sqm via a future staged Development Application, AMP Capital will be required to pay Council any applicable Section 94 or Section 94A for the exceeding GFA.
 - (iv) The 5,000sqm Library and Creative Hub will be delivered to Council in the form of a 99 year peppercorn lease (\$1 per year) arrangement.
 - (v) The Library and Creative Hub space will be delivered to Council in the form of a cold shell for fitout by Council.
- (b) That Council delegate authority to the General Manager to negotiate the specific terms of the Voluntary Planning Agreement as outlined in **ATTACHMENT 1** by AMP Capital taking into account the concerns raised by Hill PDA, and to subsequently exhibit a draft of the Voluntary Planning Agreement in accordance with the relevant provisions of the Environmental Planning and Assessment Act 1979;
- (c) That Council delegate authority to the General Manager to:
- (i) Authorise any minor changes to the draft Voluntary Planning Agreement, following its public exhibition, provided that those changes do not diminish the value or nature of the public benefits to be delivered as identified in (a) above;
 - (ii) Subsequently enter into the Voluntary Planning Agreement on behalf of Council.

ATTACHMENTS

- 1 14 October 2016 - Letter to City of Ryde - Proposed VPA for Macquarie Centre - Updated - CONFIDENTIAL - **CONFIDENTIAL ATTACHMENT - for the information of Councillors**
- 2 10 October 2016 - Letter to City of Ryde - Macquarie Centre Public Benefits - CONFIDENTIAL - **CONFIDENTIAL ATTACHMENT - for the information of Councillors**
- 3 AMP VPA Public Benefit Review 2016 - Final - CONFIDENTIAL - **CONFIDENTIAL ATTACHMENT - for the information of Councillors**

Report Prepared By:

David Matthews
Development Contributions Coordinator

Report Approved By:

Council, dated 18 January 2019, submitted on 25 October 2016.

ITEM 10 (continued)

Liz Coad
Acting Director - City Strategy and Planning

ITEM 10 (continued)

History

On 18 December 2015 a Staged Development Application LDA2015/655 was lodged with Council under Part 4 Division 2A of the Environmental Planning and Assessment Act 1979 (EPA Act) seeking a concept plan approval for the redevelopment of Macquarie Centre, which if approved would establish:

- Building envelopes and design parameters for the future development on the site, including the proposed uses within the podium and tower components;
- The distribution of floor space across the site; and
- Future connections to the site.

Figure 1 provides an artist's impression of how the redeveloped Macquarie Centre is likely to look.

Figure 1 – Artist's Impression of Macquarie Centre Redevelopment (Herring Road frontage)



According to the Statement of Environmental Effects (SEE) submitted with LDA2015/655 the project will:

- *Incorporate a quality retail, lifestyle and leisure offering;*

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- *Will create a night time destination for Macquarie Park, with increased dining and entertainment options;*
- *Introduces commercial and residential components on the site, which will support the delivery of the vision for Macquarie University Station (Herring Road) Priority Precinct of being a transit-oriented mixed use precinct;*
- *Can deliver civic and community uses;*
- *Creates a series of interconnected, active, high quality public and publicly accessible plazas;*
- *Provides much needed improved pedestrian permeability and activation along Herring Road and to the wider surrounding precinct and Macquarie University, with up to two new entries to the Street;*
- *Will result in streetscape improvements to the existing bus interchange;*
- *Improves integration with public transport, with improved connections to the Herring Road Bus Interchange and the Macquarie University Railway Station;*
- *Reduces pedestrian and vehicle conflict (with consolidated loading docks); and*
- *Facilitate delivery of any future bus interchange.*

In respect to the dot point above “Can deliver civic and community uses” Council’s Development Control Plan for Macquarie Centre has the following requirement:

Provide community space of not less than 3,000sqm within the Macquarie Park Shopping Centre (which may include a branch library or other function in accordance with the Social and Cultural Infrastructure Framework). The community space must be directly accessible from the public domain and within a short walk of the station and bus interchange. Community space must be discussed with City of Ryde prior to the lodgment of a Development Application.

To meet the above requirement AMP Capital submitted a draft letter of offer to Council, dated 26 May 2016, to enter into a Voluntary Planning Agreement (VPA) to provide the City of Ryde community with a Library and Creative Hub within the Macquarie Centre redevelopment. Since that time, Council via the Office of the Acting General Manager, has been in negotiations with AMP Capital in respect to the Terms of the VPA.

On 14 October 2016 Council received a formal letter of offer (**ATTACHMENT 1**) from AMP Capital based on the outcome of the negotiations. The terms of the VPA offer from AMP Capital are the subject of this report.

Terms of the Voluntary Planning Agreement

Whilst the full terms of the VPA offer from AMP Capital are contained in **ATTACHMENT 1**, they are nevertheless summarised as follows:

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- Delivery of a 5,000sqm Library and Creative Hub as part of the future expansion of Macquarie Centre under the Concept DA (LDA2015/655) under a 99 year peppercorn lease (\$1 per year) agreement,
- The delivery of the Library and Creative Hub will offset the Section 94 liability for Gross Floor Area (GFA) of 148,000sqm and maximum building heights approved by LDA2005/655 up to \$25,000,000,
- Any future proposed developments beyond 148,000sqm GFA will be liable for Section 94 or Section 94A, whichever plan is in place at time of approval,
- AMP Capital are required to deliver the 5,000sqm Library and Community Hub space (cold shell) to Council within 12 years from the issuing of the first Construction Certificate that issues approval to commence construction on any of the 148,000sqm's of GFA approved under LDA2015/655 or the issuing of the first Occupation Certificate for the fourth tower in completing their staged development, whichever is the earlier.
- Securities will be in the following form:
 - Bank guarantee of \$500,000 for use on any enforcement costs
 - Caveatable Interest on the title of the Land
 - Right to compulsorily acquire a leasehold interest in accordance with the terms of the VPA
 - Pay Council the Section 94/94A contributions which would have been payable (as indexed) for each development consent authorising GFA issued prior to the sunset date (end of 12 year period), should the Library and Creative Hub not be delivered to Council by the sunset date. Note should the facility be near completion Council may elect to take a bank guarantee for the said outstanding S94/94A contributions, until the facility is delivered.

Plans of the location of the Library and Creative Hub are included in **ATTACHMENT 1**. These Plans provide two scenarios, one being with the new Herring Road Bus Interchange being in place; and the second being the current Herring Road status quo being in place. In each scenario the location of the facility remains the same, however changes occur in the facilities relative level to the street frontage.

Based on the plans contained in **ATTACHMENT 1**, Figure 2 points out the approximate location in the Artist's impression.

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Figure 2 – Approximate location of Library and Creative Hub on Herring Road



AMP Capital have also provided a letter (**ATTACHMENT 2**) dated 10 October 2016 outlining the scope of public benefits, including the Library and Creative Hub; The following table is an excerpt from the letter that summarises the value of the works:

Infrastructure Works/Benefit	Estimated Value of Works	\$Value of Section 94 Obligations
Macquarie Centre Library and Creative Hub	\$25M	Estimate \$18.5M - \$21.5M
Herring Rd Streetscape including improvements to existing bus interchange	\$1.74M	
Waterloo Streetscape	\$1.46M	
Station Plaza Streetscape	\$0.77M	
Public Art	\$2.1M	
Underground Station Link	\$11.98M	
TOTAL	\$43.05M	
Other Benefits		
Satisfactory Arrangements – State Public Infrastructure	TBC	

As stated in the letter (**ATTACHMENT 2**) AMP Capital are entering into a separate VPA with the Department of Planning and Environment (DPE) for the State Public Infrastructure for which an estimated value of works has not been provided in the table. In respect to the other public benefits listed, namely streetscape works, AMP Capital is not seeking for these items to be included in the VPA with Council for the Library and Creative Hub. These items are to be approved as part of the landscape plans for concept approval with greater detail to be lodged in the subsequent staged development applications.

ITEM 10 (continued)**Third Party Review of Planning Agreement Offer**

Council engaged Hill PDA to assess the value of the offer from AMP Capital regarding the Library and Creative Hub space in Macquarie Centre. The following points *inter-alia* are taken from the Hill PDA report (**ATTACHMENT 3**):

- *AMP estimate the capital value of the public benefit as a freehold asset is \$55m in current dollars (2016). This based on a capital value of \$11,000 per sqm of Gross Floor Area (GFA). This is a reasonable market value if the title was freehold and stratum was not restricted to community uses and a non-compete clause. Hill PDA estimate of the freehold value for a restricted community use is \$5,500 per sqm, reducing to \$5,000 per sqm for a 99-year leasehold. The ascribed public benefit we estimate therefore is \$25m to Council in current dollars (2016).*
- *In current value terms, Hill PDA estimate the public benefit to Council is \$25m. This is greater than the cost offset of Section 94 charges at \$18 to \$21 million.*
- *We understand under Council's DCP for the Centre there is a requirement to provide 3,000sqm of community space in the Centre's redevelopment. AMP proposal is for 5,000sqm of community space which is an additional 2,000sqm over the DCP requirement. The cost to AMP of this additional area (revenue foregone) we suggest is $2,000 \times \$11,000/\text{sqm} = \22 million. The delivery cost to AMP of the 3,000sqm commitment is approximately \$5,000 per sqm (\$4,000/sqm in build + \$1,000 in land) which equates to \$15 million. An alternative measure of public benefit value is the cost to AMP which can be estimated as \$37 million.*
- *The delivery of Council's assets by AMP has a current sunset date of 12 years. The start date for the 12 years is set from the issue of the construction certificate for additional GFA. This is not 2016, as existing retail has to be demolished an access to the Station has to be established prior to construction of any additional GFA. Based on discussions with AMP this puts the start date to either late 2019 or early 2020 and hence a likely sunset date of late 2031 or early 2032 to Council.*
- *Conceivably AMP could construct the Council floor space earlier but under the terms of the VPA they are not obliged to hand over until the sunset date.*

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Essentially Hill PDA's main concern with the VPA offer is the sunset date and the possibility that Council will not receive the facility until 2031 or 2032. The revised offer from AMP Capital allows for Council to receive the Library and Community Hub space 6 months after the issuing of any Occupation Certificate for the fourth tower or 12 years from the issue of the first Construction Certificate for additional GFA; whichever occurs first.

Further, there is also the issue of funding the fitout of the Library and Creative Hub, which in today's dollars is estimated to be \$16 million. These funds can be raised under a new Section 94 Plan, which will need time to accrue funds from predicted development in Macquarie Park and the remainder of the LGA, as the Library and Creative Hub in Macquarie Centre will be of regional significance. Therefore a reasonable amount of time is required to enable Council to raise sufficient funds to fit out the facility, which with the progression of time and changes in technology is likely to evolve several times.

In closing, Hill PDA inter-alia made the following comments in support of the proposed offer:

"Based on our analysis AMP is offering a fair value return in its trade to offset the Section 94 charges to Council.

We do however have concerns about the terms of the sunset date being linked to the granting of the lease. We appreciate the project can be delayed and it is dependent upon market demand. The 12 year sunset date can remain but the handover of the lease we would encourage not be linked to that date.

AMP should be very pleased to have Council's library and hub as anchor tenants in its Centre. Council's Library and Creative hub will be a significant added attraction to the Centre's visitors and should add shopper appeal. We also would like to add that the location for such a community uses is also ideal for Council as the Centre is community focal point for the residents of the City of Ryde."

Following the advice from Hill PDA, staff negotiated a revised letter of offer from AMP Capital which has addressed this issue raised by Hill PDA. The sunset date is now earlier of;

- (a) 12 years from the issue of the first Construction Certificate for additional GFA; and
- (b) The date which is 6 months after the issue of the first Occupation Certificate for the fourth tower to be constructed above the retail podium.

ITEM 10 (continued)**Demand of the Library and Creative Hub in Macquarie Park**

In May 2014 Council endorsed *Libraries for Ryde 2014 – 2024*, a plan for the future of City of Ryde libraries. The plan acknowledged a number of factors that would impact on future decisions about library development. These included changes to demographics and community priorities, possible council amalgamations, a future role as a social hub, and the accelerating rate of technological change. The Plan identified possible scenarios for new libraries, and these included the development of a substantial library in Macquarie Park.

The State Library of NSW provides tools for establishing the size of a new library. Population based tools utilise projections for local area population (resident and worker) as well as the total number of residents in the local government area. The likely catchment for the proposed Library and Creative Hub is 55,000 residents and 93,000 workers by 2031. A further 15,000 – 20,000 residents could arise from the Macquarie Park Strategic Investigation Area. There is also need to acknowledge the significant catchment of the Macquarie Centre as a regional retail centre. The suggested size of a new library ranges from 5,800sqm to 6,800sqm, depending upon the populations used.

Figure 3 shows the proposed library catchments with projected populations. It should be noted that the Macquarie Park area currently has no public library and as the area's population grows there will be significant demand for a substantial public library within the precinct.

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Figure 3 – Library Catchment for City of Ryde LGA



By comparison, Ryde Library (Top Ryde) is 2,031sqm, including approximately 200sqm dedicated to library administration and back of house processes. Ryde Library opened in 2011 and introduced an innovative approach to library design. The success of the library is undoubted, with average visitation of over 1,000 persons per day. On many days during peak periods this figures exceeds 1,200 persons per day. Library visitors use Ryde Library for more than just borrowing books. It is used as a place to attend a meeting or event, to undertake private study, to use technology, or simply as a safe, comfortable place to share with others. Modern public libraries are sometimes called the ‘lounge room of the city’. The ground-breaking Danish Model for Public Libraries identifies four key spaces that are integral to a public library, being spaces for:

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- learning;
- meeting;
- performance; and
- inspiration.

The proposed Macquarie Library and Creative Hub offers the opportunity for Council to provide an outstanding facility in the commercial heart of Macquarie Park. The proposed location is excellent, and complies with the *Libraries for Ryde* requirement of a high visibility and high traffic area that is close to public transport and parking. Whilst the proposed 5,000sqm is lower in area than those previously mentioned above for the size of the catchment, it is however still of sufficient size to provide a great opportunity for the future, especially considering the rate at which technology is changing how libraries are used.

Specific detail of the hub's design and inclusions will follow the acceptance of the proposed VPA. In the meantime there is an expectation that the facility will feature a broad range of spaces ranging from an exciting children's area, to quiet study spaces, meeting spaces that are both formal and informal, creative spaces and workshop areas, technology that meets current needs as well as an overall capacity to evolve and change into the future.

Financial Implications

Whilst the value of the VPA offer is greater than the estimated Section 94 liability for the proposed development in both terms of the construction cost for the cold shell and the 99 year term lease, Council must still take on the responsibility of fitting out the Library and Creative Hub; and subsequently meet ongoing costs.

In today's dollars the estimated cost of the fit out is in the vicinity of \$16 million dollars. Hence, Council must commit to ensuring that it has the financial capability of delivering the fitout of the Library and Creative Hub in Macquarie Centre at the appropriate time in the future. The fitout cost for the Library and Creative Hub can be raised by a new Section 94 Developer Contributions Plan, as there is significant development proposed in Macquarie Park and the greater LGA of the City of Ryde over the next decade and beyond.

Nevertheless, it would be prudent for Council to reserve some funds raised under the current contributions plan, when it is repealed and replaced by a new S94 Plan, for the future fitout of the Library and Creative Hub to reduce any risk of needing to borrow funds in the future.

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In terms of ongoing costs, Council's current budget for running and maintaining its suite of Libraries, including Top Ryde is \$865,000 per annum. These costs include:

- Insurance costs;
- Land Rates;
- Strata Levies;
- Power;
- Water;
- Ordinary Salaries and Wages;
- Contractors – Building Cleaning
- Contractor – Security; and
- Maintenance – Materials, Electrical, Locksmiths, Plumbing, Furniture Repair, Mechanical Services, Fire Protection etc.

This budget will need to be increased accordingly when Council takes on the Library and Creative Hub in Macquarie Centre. The cost to Council for operating the Library and Creative Hub in Macquarie Centre is to be negotiated with AMP Capital and can form an addendum to the VPA. Notwithstanding, Hill PDA in their assessment of the offer on behalf of Council, have provided the likely ongoing cost to Council for running and maintaining the facility at approximately \$750,000 annually. Hill PDA indicated that these costs are not unreasonable for the size of the proposed Library and Creative Hub. It also should be noted that the offer from AMP Capital is proposing to separate the Library and Community Hub space from how other parts of the Centre are treated, to enable Council only to be charged for outgoings based on actual usage. Therefore, the estimate for ongoing operational costs is projected to be less than the estimate provided by Hill PDA.

Nevertheless, with significant growth in both worker and residential populations expected in Macquarie Park region over the next two to three decades, the additional ratable floor space in the locality should assist Council in meeting the additional costs to Council annually for providing such a facility.

Options

Council has two options available as follows:

1. Not accept the VPA offer and require the developer to pay Section 94 contributions commensurate with each staged development consent; OR
2. Accept the offer by AMP Capital.

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It is recommended that Council accept Option 2 as follows:

1. That Council accept the letter of offer (**ATTACHMENT 1**) dated 7 October 2016 from AMP Capital to enter into a Voluntary Planning Agreement in relation to the Development Application 2015/655 for 197 to 233 Herring Road Macquarie Park (Macquarie Centre) due to the significant community benefit being offered by AMP Capital.

The Voluntary Planning Agreement will require the Applicant to provide public benefits as summarised below:

- a. Delivery of a 5,000sqm Library and Creative hub as part of the future expansion of Macquarie Centre, pursuant to LDA2015/655 for 148,000sqm of additional Gross Floor Area (GFA).
- b. The Library and Creative Hub will be delivered by offsetting the required section 94 contributions, including local road improvements to the value of \$25 million.
- c. In the event that additional GFA is in excess of 148,000sqm via a future staged Development Application, AMP Capital will be required to pay Council any applicable S94 or S94A for the exceeding GFA.
- d. The 5,000sqm Library and Creative hub will be delivered to Council in the form of a 99 year peppercorn lease (\$1 per year) arrangement.
- e. The Library and Creative Hub space will be in the form of a cold shell for fitout by Council.

ATTACHMENT 1



14 October 2016

Roy Newsome
Acting General Manager
City of Ryde
Level 1, Building 0, Binary Centre,
3 Richardson Place, North Ryde NSW 2113

Attention: Liz Coad, Acting Director, City Strategy and Planning
By email: lcoad@ryde.nsw.gov.au

Private & Confidential

Dear Roy

Stage 1 DA for Mixed use redevelopment of Macquarie Centre Local Development Application No: LDA2015/0655

Proposed Voluntary Planning Agreement

1 Introduction

- 1.1 We refer to our recent meetings in relation to AMP Capital's (**AMPC**) proposed redevelopment of the Macquarie Centre at 197-223 Herring Road, Macquarie Park. The Stage 1 development application LDA 2015/0655 for the proposed development concluded the public notification phase on 18 March 2016 (**DA**).
- 1.2 We refer also to our meetings held on the 9th, 21st and 29th September 2016 and 6th October 2016 to progress discussions on the proposed Library and Creative Hub and to address the outstanding matters relating to AMPC's Stage 1 for Macquarie Centre.
- 1.3 AMPC notes that clause 6.10(3) of the *Ryde Local Environmental Plan 2014* (**Ryde LEP**) applies to the site and to the DA. Under clause 6.10(3), the Secretary of the Department of Planning and Environment (**DPE**) must certify to the consent authority that satisfactory arrangements have been made to contribute to the provision of 'designated State public infrastructure' in relation to development for the purposes of residential accommodation.
- 1.4 AMPC is in discussions with the Minister for Planning to document and secure AMPC's contribution towards the provision of designated State public infrastructure, to enable the certification under clause 6.10(3) of the Ryde LEP to be provided.
- 1.5 Separately, AMPC is prepared to offer to enter into a VPA with Council in connection with the DA. The purpose of this letter is to set out the key terms of the offer that AMPC is prepared to make to Council.
- 1.6 As discussed, AMPC and Council agree to target the end of 2016 for the finalisation of the draft VPA, with exhibition in early 2017 subject to endorsement from Council, and execution by April 2017.

2 Offer

- 2.1 AMPC is prepared to enter into a VPA with Council that provides for the delivery of a 5,000m² Library and Creative Hub as part of the future expansion of Macquarie Centre, pursuant to the DA, on the key terms set out below.
- 2.2 It is proposed that the Library and Creative Hub will be delivered by offsetting the required s94 contributions including local road improvements.
- 2.3 To understand the likely commercial arrangements for the Library and Creative Hub at the concept stage, AMPC estimated the likely s94 contributions based on full build-out of the retail podium and a range of possible tower usages it was considering as part of the future development. The amount of s94 contributions payable ranged from \$18.5M - \$21.5M. AMPC is willing to adopt a figure of \$25M to guide its negotiations for the provision of a Library and Creative Hub with Council and the preparation of this offer, based on an estimated additional gross floor area (above existing gross floor area) of 148,000m² as part of the proposed development.
- 2.4 In the event that additional gross floor area in excess of 148,000m² is authorised as part of AMPC's proposed development, AMPC acknowledges that it will be required to pay to Council any applicable s94 contributions limited to the amount of gross floor area in excess of the currently proposed 148,000m².

3 Parties

- 3.1 The parties to the VPA will be AMP Macquarie Pty Limited as trustee for AMP Capital Retail Trust and AMP Capital Funds Management Limited as trustee for AMP Capital Shopping Centre Fund and AMP Capital Diversified Property Fund (**Landowners**), and the City of Ryde (**Council**).

4 Land

- 4.1 The land to which the VPA will apply is Lot 100 in DP 1190494 (**Land**).

5 The development to which the VPA will apply

- 5.1 The VPA will apply to the development as described in the DA including later stages to be approved pursuant to subsequent development applications (**Development**).

6 Landowners' Works

- 6.1 The Landowners will provide a material public benefit comprising 5,000m² of Gross Floor Area (**GFA**) at Macquarie Centre for the use of a Library and Creative Hub as described in, and on the key terms set out in, the Schedule to this letter (**Landowners' Works**).
- 6.2 Subject to paragraph 2.4 of this letter, the provision of the Landowners' Works will fully satisfy any obligation to make contributions or levies which would otherwise be payable by the Landowners pursuant to conditions imposed under s94 or 94A of the *Environmental Planning & Assessment Act* NSW 1979 (**EP&A Act**). Accordingly the VPA will provide that the agreement wholly excludes the application of sections 94 and 94A of the EP&A Act (as required pursuant to s93F(3)(d) of the EP&A Act) in respect of the Development.

7 Timing of delivery of Landowners' Works

- 7.1 Once a construction certificate has been issued for any part of the Development authorising the construction of additional GFA on the Land (being GFA over and above the currently existing GFA on the Land), the Landowner is bound to:

- (1) complete the Landowners' Works by the **Sunset Date** which is the earlier of:
 - (a) 12 years from the issue of that construction certificate; and
 - (b) the date which is six months after the issue of the first occupation certificate for the fourth tower to be constructed above the retail podium; and
- (2) grant a lease to Council in accordance with the terms set out in the Schedule on the Sunset Date.

7.2 The terms of the lease will provide that the Landowner is entitled to request relocation of the Library and Creative Hub to a comparable location within the Macquarie Centre, and Council must act reasonably in considering any such request. In the event that relocation is agreed, the Landowner will be responsible for all of Council's costs associated with the relocation. Any decision regarding relocation will be at Council's discretion acting reasonably.

8 Form of VPA

8.1 The proposed VPA will generally conform with Council's VPA Policy and will be prepared using Council's VPA template, other than where amended by the proposed terms in this letter.

9 Security

9.1 Security:

- (1) **Security** in the form of a bank guarantee for \$500,000 will be provided by the Landowners upon execution, as security for Council's costs of enforcement of the VPA.
- (2) **Caveat:** the Landowners will acknowledge in the VPA that Council has a caveatable interest and consent to the registration of a caveat on the title to the Land promptly following the grant of any consent to the Stage 1 DA and execution of the VPA by both parties. The VPA will contain a provision to enable the Landowners to register "business as usual" dealings on the title such as leases, transfers of leases and variations of leases; easements and other interests being registered on title by the Landowners, and will require Council to withdraw the caveat for these purposes provided that the interests are not inconsistent with the Landowners' ability to deliver the Library and Creative Hub in accordance with the VPA. The Landowners will pay Council's reasonable costs associated with the administration of the caveat to a capped sum of \$1,000 for each request by the Landowners for Council to withdraw the caveat.
- (3) **Right to compulsorily acquire a leasehold interest:** In the event that a lease to Council for the Library and Creative Hub is not granted by the Sunset Date, Council will have the right to compulsorily acquire for an agreed value of \$1 a leasehold interest in the Land for the purposes of the Library and Creative Hub. The VPA will set out the terms of the leasehold interest to be acquired by agreement in accordance with the terms detailed in the attached Schedule.
- (4) **Election:** In the event that a lease to Council for the Library and Creative Hub is not granted by the Sunset Date, Council may elect, in its absolute discretion, to require that the Landowners either:
 - (a) provide to Council security in the form of a bank guarantee for the total value of the s94 contributions that would have otherwise been payable by

the Landowners in relation to the works that have been completed as part of the Development at that date (calculated in accordance with the contributions plan in force at the date the relevant development consent was issued, as indexed). The bank guarantee is to be returned by Council to the Landowners upon either:

- (i) Council exercising its right to compulsorily acquire a leasehold interest pursuant to paragraph 9.1(3); or
 - (ii) the Landowners granting a leasehold interest to Council for the Library and Creative Hub pursuant to paragraph 6.1; or
- (b) pay to Council the s94 contributions which would have otherwise been payable (as indexed) for each development consent authorising GFA issued prior to the Sunset Date as if the contributions plan applicable at the time of granting each such consent applied and a condition requiring payment of such contributions had been imposed in each such consent. In this event:
- (i) the Landowners will have discharged their obligations under the VPA; and
 - (ii) the provisions of the VPA which exclude the operation of s94 shall no longer apply and the consent authority shall be entitled to impose conditions pursuant to s94 on any development consent subsequently granted by council for the Development, in accordance with the applicable contributions plan.

9.2 No registration on title

- (1) The VPA will not be registered on the title to the Land.

10 Deferred commencement consent

- 10.1 AMPC anticipates that any consent granted to the Development will be subject to a deferred commencement condition which provides that the Council must be satisfied that the VPA has been entered into by all parties before the consent can operate.

11 Dealing with the land

- 11.1 The VPA will provide that the Landowners may sell or deal with the Land, subject to providing to Council such documents that are reasonably necessary to demonstrate the acquiring party's financial capacity to perform the obligations under the VPA. The VPA will contain a mechanism to enable the agreement to be novated in favour of a purchaser of the Land so that the Landowners are released from, and the purchaser assumes, all of the Landowners' obligations in respect of the land the subject of the dealing. The VPA will include an agreed form of Deed of Novation.
- 11.2 The Landowners agree to notify Council at least 20 business days' prior to dealing with the Land by sale or transfer.
- 11.3 The VPA will also provide that Council must consent to leases, transfers of leases and variations of leases, easements and other interests being registered on title by the Landowners provided that the interests are not inconsistent with the Landowners' ability to deliver the Library and Creative Hub in accordance with the VPA.

12 Additional terms

- 12.1 **Trust limitation of liability:** the VPA will contain standard trust limitation of liability clauses.
- 12.2 **Dispute resolution:** The VPA will contain a dispute resolution mechanism.
- 12.3 **Council's costs:** AMPC will agree to pay the Council's reasonable costs of preparing, negotiating, exhibiting and executing the VPA capped at \$40,000.
- 12.4 **Non-binding:** This is a non-binding offer which is subject to the approval of the Landowners and the parties entering into formal documentation.

As discussed at our meeting on 21st September 2016, AMPC will undertake its best endeavours with Council to finalise a draft Planning Agreement by the end of the year, with the intent to exhibit the Planning Agreement in early 2017, and execute by Q2 2017.

Yours sincerely

Jeff Peers
HEAD OF ASSET CREATION
AMP CAPITAL

Schedule: Landowners' Works

Key terms:

Area	5,000 m ² GFA
Location	Generally as shown on the attached drawing set entitled "Community Facility Study Council" dated 13 September 2016
Tenure	Leasehold interest to be granted to Council for a lease term of 99 years from the commencement of the lease.
Rent	\$1 per year
Car spaces	The lease will entitle Council to 6 car spaces for the exclusive use of Council in connection with the Library and Creative Hub
Construction standard	<p>The Landowners must construct and deliver the Library and Creative Hub to "cold shell" fitout standard, defined to mean unfinished concrete structure with services to a point or to an open plan layout for air-conditioning and fire sprinklers.</p> <p>Access to loading and open space on upper floors to be considered during detailed design phases.</p> <p>External façade treatments including glazing will be confirmed during detailed design development of the podium.</p>
Fitout	Council to be responsible for the fitout of the facility
Outgoings	<p>Council will be responsible for standard outgoings associated with the Library and Creative hub facility, excluding capital expense and structural work.</p> <p>It is intended that the facility will have its own range of outgoings which will be separate to the outgoings associated with the shopping centre. Indicatively we expect these to be in the order of \$150/m² in 2016\$.</p> <p>Outgoings may include the following:</p> <p><u>Statutory Charges</u></p> <ul style="list-style-type: none"> • Land tax on a single holding basis • General municipal rates • Water rates <p><u>Other Charges</u></p> <ul style="list-style-type: none"> • Heating, ventilation and air conditioning • Building & energy management systems • Fire protection • Insurance • Lift and escalators • Cleaning and refuse removal • Management Costs • On site operations • Pest control • General repairs and maintenance • Common area energy • Security • Telephone
Hours of operation of	Opening and closing hours to be at Council's discretion but within the

the Library and Creative Hub	Macquarie Centre trading hours (currently 6:30am -12:30am Monday – Sunday).
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Attachment to offer letter: Drawing set entitled “Community Facility Study Council” dated 7 October 2016

ATTACHMENT 2



10 October 2016

Roy Newsome
Acting General Manager
City of Ryde
Level 1, Building 0, Binary Centre,
3 Richardson Place, North Ryde NSW 2113

Attention: Liz Coad, Acting Director, City Strategy and Planning
By email: lcoad@ryde.nsw.gov.au

Private & Confidential

Dear Roy

Stage 1 DA for Mixed use redevelopment of Macquarie Centre Local Development Application No: LDA2015/0655

Proposed Public Benefit Offer

We refer to our on-going discussions in relation to the above project and the finalisation of the proposed public benefit offer for Council's formal consideration.

The purpose of this letter is to provide a synopsis of the overall public benefits that are proposed to be delivered as part of the redevelopment of the Macquarie Shopping Centre.

Estimated S94 Contribution Obligations and Proposed Library and Creative Hub at Macquarie Centre

Council has expressed a strong desire to achieve the delivery of a Library and Creative Hub as part of the redevelopment of Macquarie Centre and for such development to be delivered as an off-set of section 94 contributions.

AMPC has modelled the likely s94 contributions payable based on full build-out of the retail podium and a range of possible tower usages it was considering as part of the future development under the Stage 1 DA. The amount of s94 contributions payable ranges from \$18.5M - \$21.5M and is based on an estimated maximum gross floor area (GFA) of 148,000m² as part of the proposed development.

The need for a library facility within the Macquarie Park Corridor is identified within the *City of Ryde Development Contributions Plan 2007 Interim update (2014)*. However, there is a requirement within the *City of Ryde Development Control Plan 2014: Part 4.5 Macquarie Park Corridor* to provide a community space of not less than 3,000m² within Macquarie Centre.

AMPC has provided a letter of offer to Council for 5,000m² of lettable GFA within the proposed retail podium along Herring Road at Macquarie Centre. This space will cater for a Library and Creative Hub that will be designed, fitted-out, operated and managed by Council. A 99 year lease at a peppercorn rental forms part of this offer.

The value of this public benefit offer that we propose to form the basis of a Voluntary Planning Agreement (VPA) is estimated at **\$25M**, which represents an approximate 20% premium on the value of s94 contributions payable under the current contributions plan.

Additional Works and Benefits

The redevelopment of Macquarie Centre will encompass a number of important public domain outcomes that are public benefits in addition to the works to be committed under the VPA. These additional works include:

Herring Road Streetscape including improvements to existing bus interchange

- Street upgrades, paving and kerb realignment.
- Activation of street including landscaping.
- Improved signage.

Waterloo Road Streetscape

- This includes paving, new footpaths and street tree planting.

Station Plaza Streetscape

- A significant public space will be created on the corner of Herring and Waterloo Roads.
- This space will be fully embellished in terms of hard and soft landscaping, street furniture and the like.
- While managed by AMPC it will be a public space in terms of its character, appearance and function.

Public Art Streetscape

- A range of public art will be delivered throughout the development to enhance the experience of public spaces.

Underground Station Link

- A direct underground connection will be created between the existing railway station portal and the shopping centre.
- This connection will significantly enhance pedestrian amenity and connectivity, addressing existing DDA issues, and further leverage this important public transport node.

The cost estimates for these items are outlined in the table on the following page. The figures have been provided by our cost consultants WT Partnerships, and are priced in 2016\$.

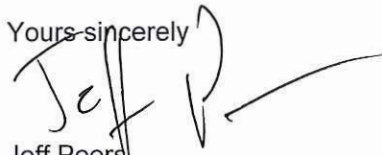
In addition to the above, it should be noted that a separate Planning Agreement is under negotiation between AMPC and the Department of Planning and Environment. This agreement addresses AMPC's obligation to provide satisfactory arrangements towards State Public Infrastructure – a condition imposed at the time that the *Macquarie University Station (Herring Road) Priority Precinct* was gazetted in 2015.

Summary of Cumulative Public Benefits to be delivered

Infrastructure Works/Benefit	Estimated Value of Works	\$ Value of Section 94 Obligations
Macquarie Centre Library and Creative Hub	\$25M	Estimate \$18.5M - \$21.5M
Herring Rd Streetscape including improvements to existing bus interchange	\$1.74M	
Waterloo Streetscape	\$1.46M	
Station Plaza Streetscape	\$0.77M	
Public Art	\$2.1M	
Underground Station Link	\$11.98M	
TOTAL	\$43.05M	
Other Benefits		
Satisfactory Arrangements – State Public Infrastructure	TBC	

We trust that this summary is of assistance to Council in the assessment of our public benefit offer and please do not hesitate to contact the undersigned with any questions.

Yours sincerely



Jeff Peers
**HEAD OF ASSET CREATION
 AMP CAPITAL**

ATTACHMENT 3



A Level 3, 234 George St
Sydney NSW 2000

T 02 9252 8777

W hillpda.com

ABN: 52 003 963 755

Liz Coad
Director City Strategy
City of Ryde
1 Pope Street
Ryde NSW 2113

10 October 2016

Dear Liz,

**Subject: AMP Ryde Macquarie Shopping Centre LDA
2015/0655 VPA Public Benefit Test**

HillPDA was requested to undertake a financial assessment of a planning proposal prepared by AMP to the City of Ryde (Council) dated the 11th October 2016.

The planning proposal seeks to enter into a Voluntary Planning Agreement (VPA) for a Stage 1 Development Approval (DA) for the expansion of the Macquarie Centre (Centre). The expansion includes increased retail floor space and four towers over a podium. The towers include a mix of residential and commercial uses.

It is understood that the VPA seeks to offset any required Section 94 contribution charges for the future expansion of the Macquarie Centre. AMP plans to achieve this by granting a long term lease to Council for use as a Library and a Creative Hub. The lease to Council would be for 99 years based on a peppercorn rental of \$1 per annum for the allocated space. The space would be delivered as a cold shell with Council responsible for all the fit out and ongoing internal maintenance required.

In addition, Council would be liable for its share of outgoings over the lease period. The estimated outgoings by AMP are in the order of \$750,000 per annum (\$150/m²) in \$2016. This amount would escalate overtime.

For our assessment, we are to assume that Council has identified the need for this community space in this location and any alternative proposal would require Council to lease or build a similar facility in close proximity.

The key financial aspects of the offer as follows:

Section 94 Liability

- The DA is a stage 1 development approval and consequently the design concepts for the multi staged development are preliminary. The design detail and layout would likely vary overtime with subsequent DA submissions. Notwithstanding the likely changes in design overtime, the maximum floor space sought by AMP is 148,000sqm over the existing GFA.
- We understand AMP is seeking no bonus FSR above its permissible FSR allowance or height limits.
- Clause 2.4 of AMP's planning proposals acknowledges "*In the event that additional gross floor area in excess of 148,000sqm is authorised as part of AMPC's proposed development, AMPC acknowledges that it will be required to pay to Council any applicable s94 contributions limited to the amount of gross floor area in excess of the currently proposed 148,000m2.*"
- The base design scheme for the future expansion is a retail podium and four towers above it. A number of alternative floor areas and land uses remain under investigation by AMP. Options include the towers consisting all residential or a mix of commercial and student accommodation.
- This change in areas and mix of uses varies the amount of Section 94 charges to be paid. We have peer reviewed a spreadsheet provided by AMP that estimates the Section 94 contributions due for the difference schemes. Their low estimate for Section 94 is \$18.629m and their high is \$21.592m. These are based on rates indexed to August 2016.
- These section 94 charges would not be levied immediately as the AMP redevelopment is to be staged. Discussions with AMP suggest a staging programming dependent upon the Metro Upgrade (Oct 2018 to March 2019) and subsequent market demand for sale of residential in the towers. The first stage would be in line with the Metro upgrades, including the construction of additional car parking and a breakthrough connection from the stations entrance along Waterloo Road. Thereafter say around 2020, the retail podium would start construction. The construction of the towers would be staged based on market demand. The likely construction timeframe of the towers is two to three years per tower. The construction of

the towers could be overlapped but if staged consecutively then the development period is likely to be 10 - 12 years.

- Council's Section 94 charges are capped at \$20,000 per dwelling as set by the State Government. It is likely overtime this cap will be removed and consequently Section 94 charges before 2020 might see a significant increase over and above the annual CPI indexation. AMP is hence future-proofing against such increases. It should also be noted that AMP's cost to deliver the public benefit will increase as building prices increase overtime.
- AMP estimate of the capital value of the public benefit as a freehold asset is \$55m in current dollars (2016). This is based on a capital value of \$11,000 per sqm of Gross Floor Area (GFA). This is a reasonable market value if the title was freehold and stratum was not restricted to community uses and a non-compete clause.
- Hill PDA estimate of the freehold value for restricted community use is \$5,500 per sqm of GFA but this reduces to \$5,000 per sqm of GFA for a 99-year leasehold. The ascribed public benefit we estimate therefore is \$25m to Council in current dollars (2016).
- We understand under Council's DCP for the Centre there is a requirement to provide 3,000sqm of community space in the Centre's redevelopment. AMP proposal is for 5,000sqm of community space which is an additional 2,000sqm over the DCP requirement. The cost to AMP of this additional area (revenue forgone) we suggest is $2,000 \times \$11,000/\text{sqm} = \22m . The delivery cost to AMP of the 3,000sqm commitment is approximately \$5,000 per sqm (\$4,000/sqm in build + \$1,000 in land) which equates to \$15m. An alternative measure of public benefit value is the cost to AMP which can be estimated as \$37m.
- The \$25m value of the 99 year lease is commercial value benefit to Council while the \$37m value is an alternative public benefit value.
- The delivery of Council's assets by AMP has a sunset date of 12 years. The start date for the 12 years is set from the issue of the construction certificate for additional GFA. This is not 2016, as existing retail has to be demolished and access to the Station has to be established prior to construction of any additional GFA. Based on discussions with AMP this puts the start date to either late 2019 or early 2020 and hence a likely sunset date of late 2031 or early 2032 to Council.

- Clause 7.1.2 states "*grant a lease to Council in accordance with the terms set out in the Schedule on the Sunset Date*". Conceivably AMP could construct the Council floor space earlier but under the terms of the VPA they are not obliged to hand over until the sunset date. Before the hand-over sunset date presumably they could lease that space at a market rent. This means that there is no incentive for AMP to hand over the floor space earlier in the current proposal. It is recommended Clause 2 be amended with granting of lease be linked to the start of Tower Two construction or similar. Sunset date is only a provision if AMP does not proceed to complete the development.
- AMP will acknowledge Council interest in the VPA through a caveat on title. Council will also have the right to compulsory acquire a leasehold interest if the asset is not delivered by the sunset date. The details of this right are not defined in the current proposal and would require legal review as to its effectiveness and enforcement.
- If Council does not receive its assets by the sunset date it can seek to be reimbursed for the Section 94 charges owing to date. The proposal mentions indexing the rates to the date of their due payment but does not mention indexing past that date to the date Council receives payment. Given the development is staged there will be series of payments that should have been paid to Council if the VPA was not in place. At worst Council should be compensated for the loss in interest earned if they had banked those funds. This needs further legal clarification.
- AMP is requesting Council pay outgoings on the property they lease. This would apply also if AMP had dedicated the property to Council. Outgoings include statutory fee (council rates, water and sewer, land tax) and operating expenses including a global share of insurance, repairs and maintenance, power, lifts and car parking. The indicative rate of \$150/sqm we have benchmarked to the PCA Regional Shopping Centre average outgoing charge and the Top Ryde Shopping Centre outgoings in 2015. The rate is comparable to a range of \$154/sqm to \$180/sqm per annum. Note that outgoing charges are higher for shopping centres because of their associated amenities and services. Outgoings in a standalone purpose built complex would be \$80 to \$120/sqm. Considering the library's location the outgoings are not unreasonable but they need to be appropriately indexed and charged on user usage basis.

- The exact location of the Council community asset is not defined but indicative locations have been identified. It is suggested that a more definitive site selection policy be in place that determines not only the floor spaces areas and shape but also location relative to levels, access to transport and parking. In short it needs to be a prominent and efficient space for a highly trafficked public use.
- Not mentioned in the VPA but discussed in my interview with AMP is a non-compete clause for the lease of the space. Permitted uses include a library space and community gathering space. However rental of community space as offices or inclusion of a café may breach the non-compete clause. AMP suggested a kiosk for the library and hiring of rooms for community meetings is likely to be permissible. It recommended further clarification of the clause be explored and series of permitted uses and charges be agreed so Council can reduce its operating costs over time.
- Not mentioned in the planning proposal but discussed in our interview with AMP was the provision for a demolition clause. This would be a typical clause for a long term lease but the notice period, relocation costs and replacement of fit-out needs to be negotiated and documented.
- HillPDA have prepared a cash flow model where it has assumed a staged development with a series of section 94 contribution charges being paid as follows:
 - 2020 - Retail Podium - \$4.39m
 - 2021 - Tower 1 Commercial -\$6.209m
 - 2021 - Tower 2 Student - \$5.373m
 - 2024 - Tower 3 Residential - \$2.869m
 - 2026 - Tower 4 Residential -2.749m
 - 2032 - 99 year lease Grant to Council \$25m
- The modelling was conducted in constant dollars \$2016. Adopting a discount rate of 4% the Net Present Value (NPV) the result was a positive \$304,966. At 5% or higher the NPV result was negative.
- The 4% discount we consider appropriate as there is no commercial risk in construction costs to Council and no funds invested other than the Section 94 charges offset. As a safeguard, if the asset is not delivered, then Council is reimbursed the Section 94 contribution charges that were due. The 4% discount

rate is therefore reflective of an opportunity cost to invest those funds.

The AMP planning proposal has a number of matters that require further clarification and/or modification before Council should contractually agree to the AMP proposal. Notwithstanding these limitations highlighted above, in commercial terms, the planning proposal would be in the public interest as the benefit gained by Council for the public is greater than the benefit offset by Council. Based on our analysis AMP is offering a fair value return in its trade to offset Section 94 charges to Council.

We do however have concerns about the terms of the sunset date being linked to the granting of the lease. We appreciate the project can be delayed and it is dependent upon market demand. The 12 year sunset date can remain but the handover of the lease we would encourage not be linked to that date.

AMP should be very pleased to have Council's library and hub as anchor tenants in its Centre. Council's Library and Creative Hub will be a significant added attraction to the Centre's visitors and should add shopper appeal. We also would like to add that the location for such community uses is also ideal for Council as the Centre is community focal point for the residents of the City of Ryde.

In addition to above benefits of the planning proposal AMP have identified a number of other public benefits that will result with the redevelopment scheme. These include:

- Improvement to Herring Road Streetscape including improvements to existing bus interchange
- Improvement to Waterloo Road Streetscape including new footpaths and street tree planting
- New Station Plaza Streetscape with significant public space created on the corner of Herring and Waterloo Roads. This space will be fully embellished in terms of hard and soft landscaping, street furniture and the like.
- Range of Public Art will be delivered throughout the development to enhance the experience of public spaces.
- A direct underground Station connection will be created between the existing railway station portal and the Centre. This connection will significantly enhance pedestrian amenity and connectivity to further leverage this important public transport node.

Cost estimates of these work by WT Partnership in \$2016 is \$18.05m.
The Station linkage alone is \$11.98m.

We understand also under Section 6.10 of Ryde LEP, AMP also has to
make satisfactory arrangements with State Public Infrastructure as to
complete other public works to roads and access. This is an
equivalent state infrastructure contribution to the area.

Should you require any further information or clarification please do
not hesitate to contact me on 02 9252 8777.

Yours sincerely



MARTIN HILL

*M.Real Estate (UNSW), M.Property Development (UTS), BSc (Hons),
Certified Practising Valuer (Unrestricted), FAPI, MRICS*

Director

Martin.Hill@hillpda.com