

EXPLANATORY NOTE PURSUANT TO REGULATION 25E OF THE ENVIRONMENTAL PLANNING AND ASSESSMENT REGULATION 2000

50 BRIDGE STREET, SYDNEY

Development Application No. D/2015/929/B

Background

On 12 April 2018 the City entered into a Planning Agreement in relation to a development at 50 Bridge Street, Sydney (**Land**).

The Planning Agreement provides for the allocation of Heritage Floor Space (HFS) or a monetary contribution to the Heritage Conservation Fund.

The parties to the Planning Agreement have agreed to vary the Planning Agreement to amend the fixed date elements of the Due Date and Call Date.

The purpose of this explanatory note is to provide a summary to support the notification of a Deed of Variation to a Planning Agreement, under Section 7.4 of the *Environmental Planning and Assessment Act 1979* (**Act**).

This explanatory note has been prepared jointly by the parties as required by Reg 25E of the *Environmental Planning and Assessment Regulation 2000* (**Regulation**).

This explanatory note is not to be used to assist in construing the Deed of Variation of Planning Agreement.

1. Parties to the Deed of Variation of Planning Agreement

The parties to the Deed of Variation are QQT Investment 1 Pty Limited as trustee for the QQT Investment Trust 1 and QQT Investment 2 Pty Limited as trustee for the QQT Investment Trust 2 (**Developer**), and the Council of the City of Sydney (**Council**).

2. Background to the Deed of Variation of Planning Agreement

On 19 November 2015, a consent was granted for the partial retention and substantial redevelopment of the existing office tower.

A condition of the consent requires confirmation that 16,556sqm of Heritage Floor Space is allocated (purchased and transferred) to the development.

An amount of 7,920sqm has been allocated and the balance of 8,636sqm has been secured through a Planning Agreement and bank guarantee under the Alternative Heritage Floor Space Scheme.

The Planning Agreement requires the developer to procure outstanding HFS by the earlier of 31 August 2020 or the one month prior to the first Occupation Certificate. This is known as the Due Date.

The Planning Agreement permits the City to call on the guarantee for any outstanding HFS that has not been purchased by the earlier of 30 September 2020 or the date of the first Occupation Certificate. This is known as the Call Date.

3. Summary of the Objectives, Nature and Effect of the Deed of Variation

The objective of the Deed of Variation is to vary the Planning Agreement to amend the fixed date elements of the Due Date and Call Date.

The nature of the Deed of Variation is to amend to Due Date to 31 August 2021 and the Call Date to 30 September 2021. The component of the Due Date and Call Date relating to Occupation Certificate remains unchanged.

4. Assessment of the Merits of the Proposed Agreement

(a) How the Deed of Variation of Planning Agreement promotes the public interest and one or more of the objects of the Act

In accordance with Section 7.4, the Deed of Variation promotes the public interest by allowing Council to secure the Developer's obligations and ensure they are satisfied.

The Deed of Variation promotes the objects of the Act, in particular objects identified in Section 1.3(f) of the Act which is to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage). The agreement supports the objectives of the City's Heritage Floor Space Scheme.

(b) How the Deed of Variation of Planning Agreement promotes the elements of the Council's charter

The Planning Agreement promotes a number of elements of the Council's charter under section 8 of the *Local Government Act* 1993 (NSW). In particular:

- (i) exercise community leadership;
- (ii) properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development; and
- (iii) engage in long-term strategic planning on behalf of the local community;

(c) The impact of the Deed of Variation of Planning Agreement on the public or any section of the public

The Heritage Floor Space Scheme allows owners of heritage buildings to be awarded Heritage Floor Space after completing conservation works on the building and then selling that Heritage Floor Space to developers who, as a condition of using accommodation floor space, are required to allocate Heritage Floor Space to their development. The Deed of Variation of Planning Agreement will benefit the public and local community as it will either secure a deferred Heritage Floor Space allocation, or funds to the Heritage Conservation Fund.

(d) Whether the Deed of Variation of Planning Agreement conforms with Council's capital works program

Yes. The Deed of Variation of Planning Agreement conforms with Council's capital works program.

(e) The planning purpose or purposes of the Deed of Variation of Planning Agreement

The Deed of Variation of Planning Agreement will serve the planning purpose of securing Heritage Floor Space allocation in accordance with Council's Heritage Floor Space Scheme.

The Heritage Floor Space Scheme is set out in the Sydney Local Environmental Plan 2012 and the Sydney Development Control Plan 2012. The objectives of the scheme

are to establish a framework for the transfer of development potential from the site of a heritage building to another site in Central Sydney and to provide an incentive for the conservation and ongoing maintenance of heritage buildings in Central Sydney.

(f) Compliance of certain requirements prior to issue of construction, occupation or subdivision certificates.

The following requirements of the Deed of Variation of Planning Agreement must be complied with before:

- (i) A construction certificate is issued:** Nil
- (ii) An occupation certificate is issued:** Allocation of Heritage Floor Space.
- (iii) A subdivision certificate is issued:** Nil.