

CityOne Wynyard – Concept Plan

MP09_0076

Response to the Preferred Project Report (PPR)

Submission to the Department of Planning and Infrastructure 16 May 2011



CITY OF SYDNEY 
city of villages



City of Sydney

ABN 22 636 550 790

GPO Box 1591 Sydney NSW 2001 Australia

Town Hall House 456 Kent Street Sydney NSW 2000 Australia
Phone +61 2 9265 9333 Fax +61 2 9265 9222 TTY +61 2 9265 9276

council@cityofsydney.nsw.gov.au
www.cityofsydney.nsw.gov.au

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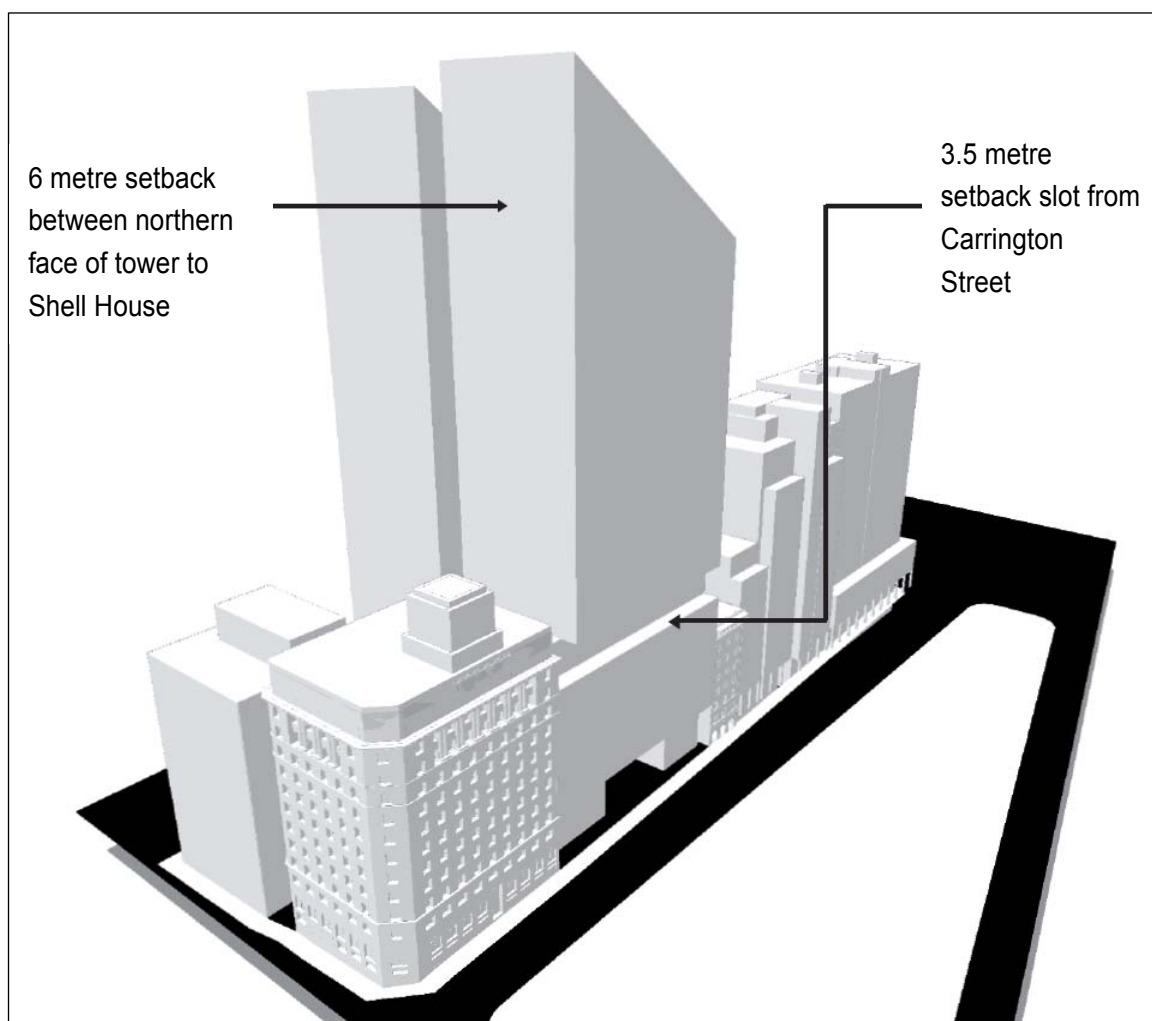


Fig 1. CityOne Wynyard – Massing Envelope as amended by Proponent at PPR Stage – May 2011

1.0 Executive Summary

The Council of the City of Sydney (the City) is committed to the high quality, sustainable development of Sydney. The City is at the forefront of thoughtful high quality urban renewal and has been acknowledged for its recent contributions by being awarded the highest number of professional peer landscape and architecture awards of any government agency in Australia in 2010.

The commercial redevelopment of Wynyard should not be progressed as a project application under Part 3A. This has given the Proponent expectations of significant relaxation of development standards for shared gain with the NSW Government which are contrary to the *Sydney Local Environmental Plan 2005 (SLEP 2005)*. It is the City of Sydney's request that the amended Concept Plan for the redevelopment of the Railcorp holdings above Wynyard not be approved in its current form, and that its consideration is effectively premature. The amended Concept Plan proposed in the PPR does not provide for an acceptable development for the site, particularly in relation to issues of excessive car parking, inadequate setback from Wynyard Park along Carrington Street, and low public benefit, despite clear guidance provided by the City of Sydney in its previous submission. Much of this guidance has been disregarded in favour of simply maximising the development on the site on the basis of anticipated support stemming from former NSW Government pre-submission meetings in 2010. The design is also based on a defective calculation of site area, which if agreed to by the Department of Planning and Infrastructure (DoPI), will create a poor precedent for development in Central Sydney.

It is recommended that any Concept Plan approval must require significant design changes as set out in the City's previous submission, as well as additional issues raised in this submission.

1.1 Recommendations Outline

1. That the calculation of site area be recognised as 4033 m² and be the basis for assessing satisfaction of development standards; that 20.9:1 and 84,478sqm GFA be recognised as the development measures;
2. That the public benefit offer be fully quantified prior to any approval and be appropriately secured (equivalent to on title), and;
3. That the application in its current form be required in any approval to have:
 - reduced car parking numbers to 80;
 - significant setbacks to Carrington Street (the proposed setback to Carrington Street as a flush slot is entirely unacceptable);
 - architectural design competition, and;
 - no overshadowing of Wynyard Park or GPO at Martin Place.

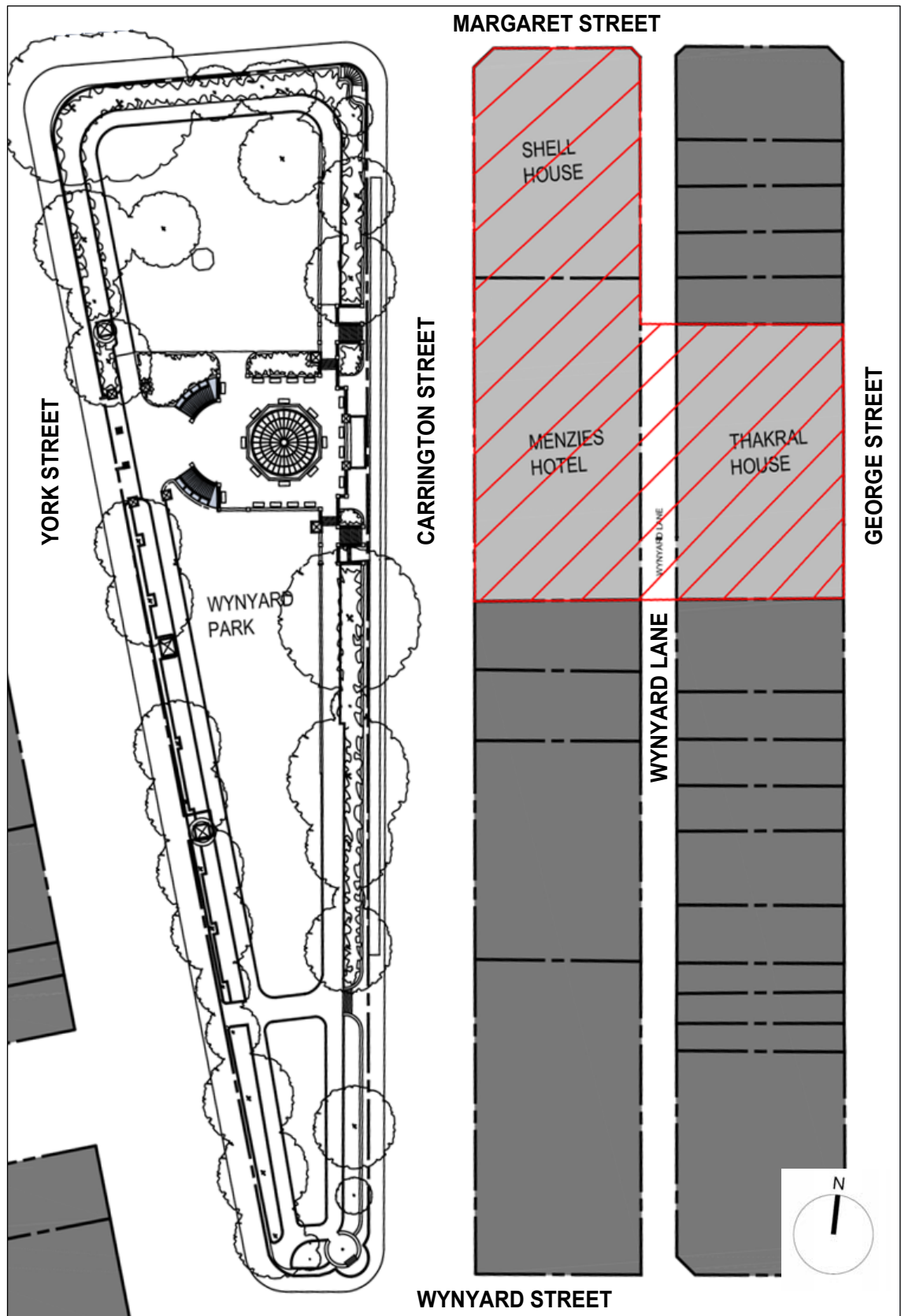


Fig 2. CityOne Wynyard – Site Map – PPR Stage – May 2011

2.0 Concept Plan ‘site area’

In assessing the Concept Plan for determination, it is important that the DoPI clearly outline the key facts of the proposal so that the determining authority can give proper consideration to the level of non-compliance proposed, as well as assessing the value of the public benefit proposed. To this end, it is misleading for the Proponent to quote a site area greater than what would normally be considered by the City under the SLEP 2005 in order to regularise substantial breaches of controls. By claiming a larger site area, the Proponent is attempting to moderate their level of non-compliance in terms of height, floor space and car parking numbers. This issue is covered in the City’s primary submission.

It would be inappropriate for the DOPI to legitimise or endorse this approach when reporting the Concept Plan for determination. To clarify the correct interpretation of site area under the SLEP 2005 please note the following:

- Clause 58 of the SLEP 2005 defines site area and includes provisions to assist in identifying practices of manipulative site area calculations;
- Clause 58(2) of the SLEP 2005 details that *development* must be proposed on the site in question in order for that site to be included in site area calculations;
- to date no development, even at a conceptual level has been detailed for the ‘site’ west of Carrington Street;
- to date no land owners consent has been provided by the land owner for the ‘site’ west of Carrington Street.

Section 75M(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act) requires a Concept Plan application to ‘outline the scope of the project and any development options’. For this and other reasons, it is the City’s contention that the Proponent has failed to outline any scope or development options for the site west of Carrington Street and as such the area west of Carrington Street cannot form part of the Concept Plan. Whilst works funded as a result of a development (e.g. public domain upgrade works presented in a Voluntary Planning Agreement) can be taken into consideration when addressing the public benefit, the land in question (e.g. the public domain in the example given) never forms part of the applicants defined ‘site area’.

Recommendation 1:

- that the land west of Carrington Street be excluded from the Concept Plan in both conceptual terms and site area terms
- that a site area of 4033sqm be adopted as the true *site area* for the development
- that an FSR of 20.9:1 and a GFA of 84,478sqm be adopted as the proposed FSR and GFA

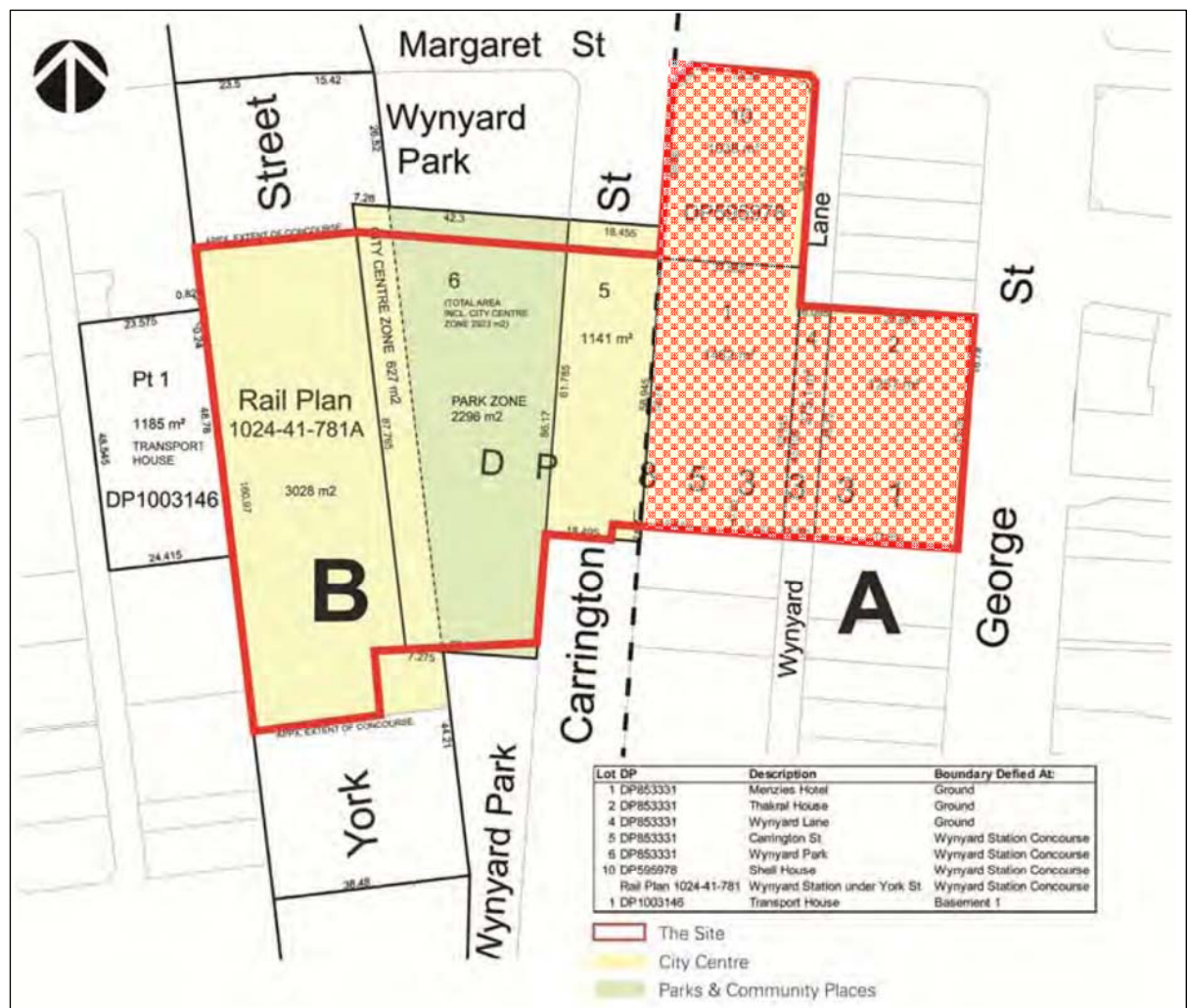
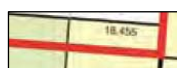
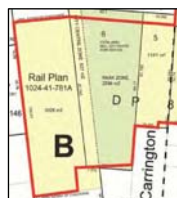


Fig 3. CityOne Wynyard – Proponents Site Map with notations – PPR Stage - May 2011

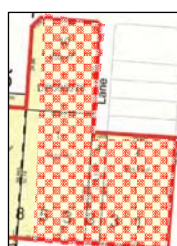


Site boundary as marked by Proponent (JBA Planning, EA, January 2011)



'Site' west of Carrington Street

- no scope provided
- no development options provided
- no land owners consent provided
- no development proposed



'Site' east of Carrington Street

- 'the Site' as per SLEP 2005
- site area of 4,033sqm
- Concept Plan proposed: commercial tower envelope, publicly accessible concourse area, adaptive works to Shell House, 177 car parking spaces, an FSR of 20.9:1 (84,478sqm GFA).

3.0 Public Benefit

The following concern in relation to Public Benefit is reinforced from the City's submission to the Proponents Environmental Assessment (EA), dated 3 March 2011 (page 9):

For a Concept Plan application to be reliant on the provision of a 'contribution' or public benefit in order to justify statutory non-compliances (despite the liberties of the Part 3A process), the public benefit must be clearly demonstrated. This is needed so that the benefits and the resultant impacts of the proposal can be understood. It is the City's conclusion that this application cannot be approved without the public benefit being secured by publicly exhibited deed or planning agreement which is:

- *documented as either a schedule of works, monetary contribution or both;*
- *considered to be of appropriate value for the public given the excess development potential granted in comparison to other sites; and only provided that*
- *development potential over and above the maximum is not at an unacceptable environmental cost, is detrimental to the landscape, built form or heritage values of Carrington Street, George Street, Wynyard Park or Martin Place, or sets an unacceptable precedent.*

The City included three Recommendations in its submission, required as a minimum for the Proponent to adequately demonstrate the public benefit being offered. The three Recommendations included:

Recommendation 1

That a quantified and documented 'contribution' or public benefit offer be submitted for public exhibition and consideration by the City of Sydney prior to determination of the Concept Plan.

Recommendation 2

If deemed appropriate for approval (following Recommendation 1), that any public benefit offer is legally binding prior to determination of the Concept Plan (or predicate activation, at any scale, of the Concept Plan to finalisation of the public benefit offer).

Recommendation 3

If the transit hall between George Street and Carrington Street is part of any Public Benefit schedule of works, the upper commercial foyer should be removed to ensure that the space lives up to the promise of a world class unobstructed transit volume.

3.1 Public benefit offer and the public interest

In addition to fundamental planning concerns, the City submits that the CityOne Wynyard Concept Plan is premature and cannot be supported given the level of public benefit proposed and potentially inadequate legal agreements arranged to ensure their delivery. The Concept Plan proposes approximately 30,000 m² of floor space area greater than that currently permissible under SLEP 2005. The strategic justification for such a significant departure from SLEP 2005 is based on a 'public benefit' contribution in the form of public infrastructure works provided in Wynyard Station.

In addition, an unspecified monetary contribution has been proposed for future works West of Carrington Street. Following the City's comments at EA stage, the Proponent in the PPR has attempted to address the issue of public benefit by expanding on previously stated terms in an Economic Appraisal Table (page 1, Appendix C, PPR – Public Benefit Offer), which estimates the economics benefits of the proposal at approximately \$60 million.

In order to better understand the relationship between the increased development potential and the public benefits offer, the City commissioned the firm Preston, Rowe, Paterson to undertake a valuation of the site. The site valuation (provided at Appendix A) quantifies the development potential that is available to the Proponent by virtue of existing planning controls and compares this to the value of the proposal should it be approved in its current form and alternative scenarios. A summary of the findings in Table 1 below:

	Scenario 1 ¹ LEP DCP compliant (30m on Carrington Street, 8m on George Street)	Scenario 2 15m upper level set back to Carrington Street	Scenario 3 8m upper level set back to Carrington Street	Scenario 4 Concept Plan as proposed
Land value	\$67,000,000	\$82,000,000	\$114,000,000	\$119,000,000
Difference in comparison to Scenario 1	n/a	\$15,000,000	\$47,000,000	\$52,000,000

Table 1. Site Valuation Report Findings, Preston, Rowe Paterson (as adapted by the City of Sydney) 2011

¹ Applicable development contributions, as well as the required purchase of heritage floor space (HFS) under SLEP 2005, have been factored into development Scenario 1. It is assumed that, should the proposal be approved in its current form, that the requirement for HFS and development contributions would be avoided by the Proponent. The City values the circumvention of these requirements at approximately \$19 million (\$16 million in HFS and in excess of \$3 million in development contributions).

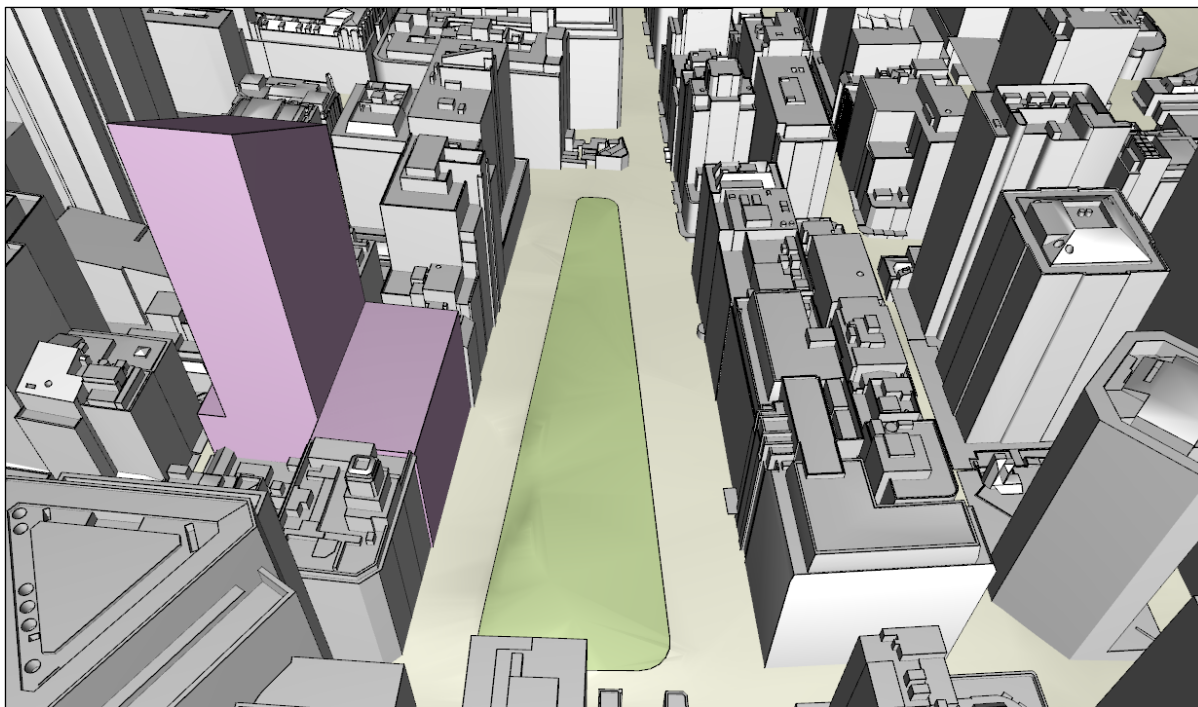


Fig 4. Scenario 1 - LEP DCP compliance – City of Sydney, 2011

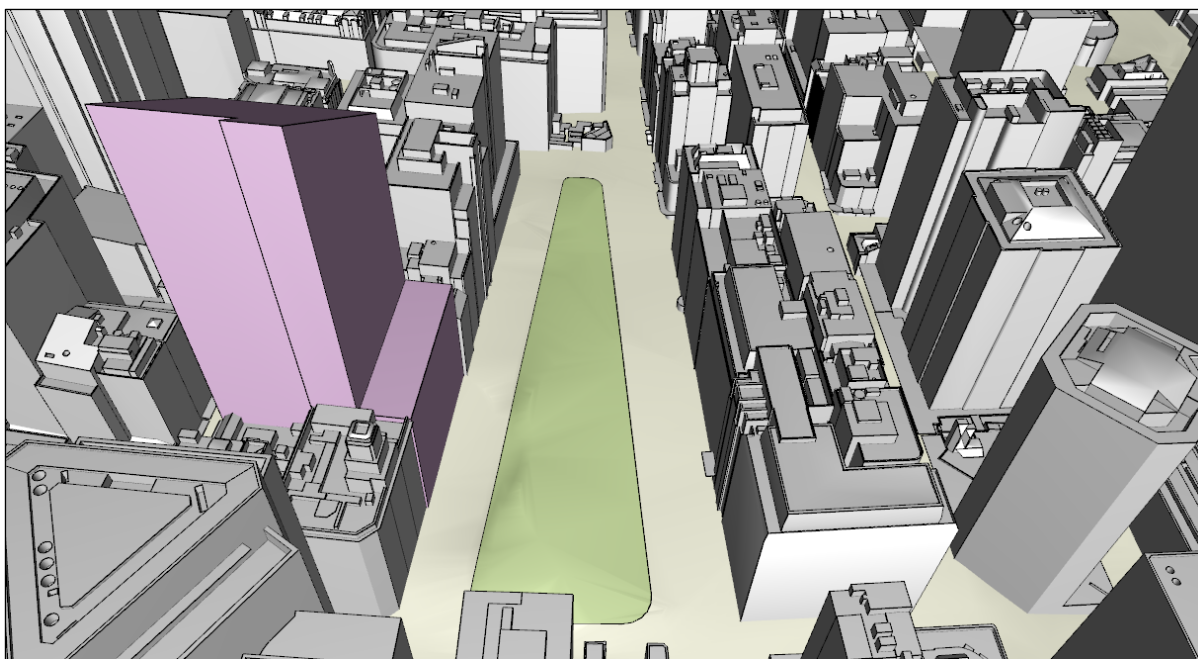


Fig 5. Scenario 2 – 15m setback to Carrington Street nil to George Street – City of Sydney, 2011

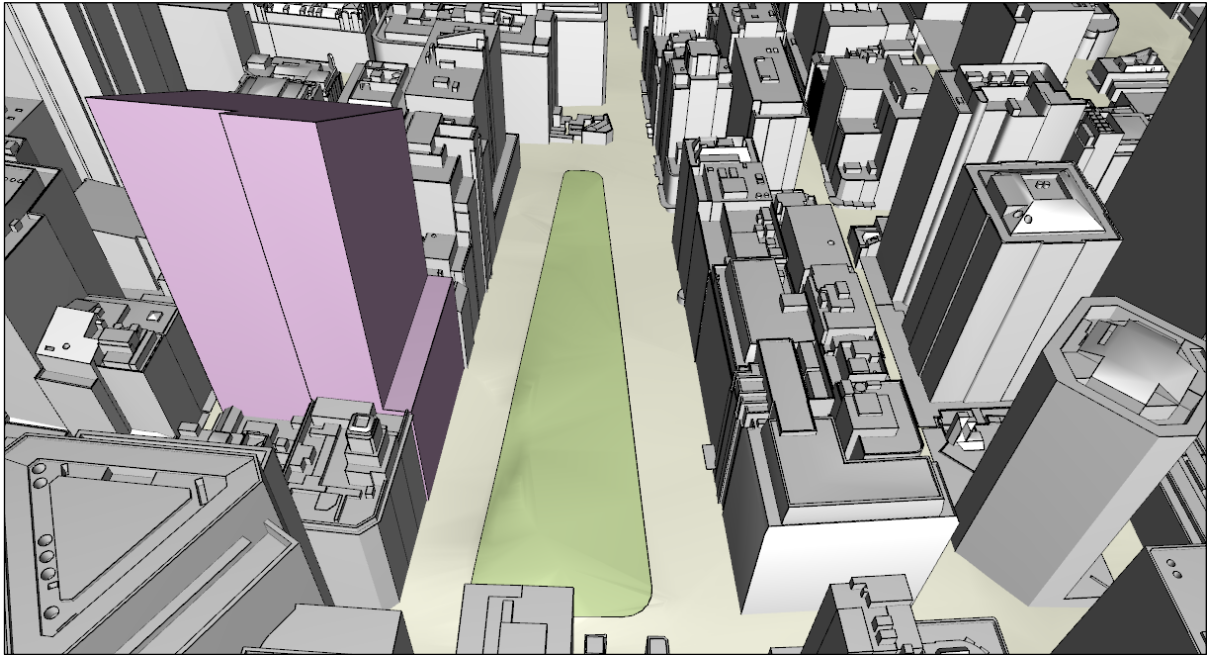


Fig 6. Scenario 3 – 8m setback to Carrington Street nil to George Street – City of Sydney, 2011

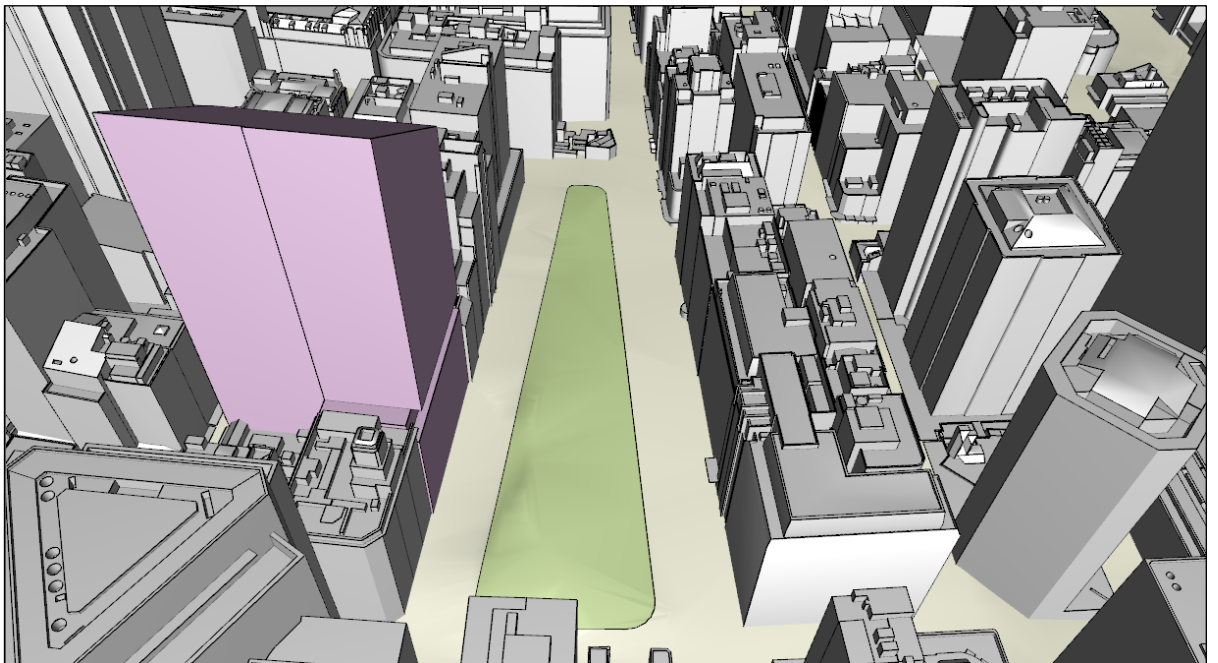


Fig 7. Scenario 4 – Concept Plan as proposed – City of Sydney, 2011

With regards to the quantum of the public benefit offer, the City undertook a high-level analysis of the public benefits package, including the unspecified monetary amounts payable to Transport NSW for future works west of Carrington Street, the \$20 million public infrastructure offer, and the economics appraisal detailing the 'quantifiable' public benefits of the proposal. The City raises the following concerns that the:

- amount of monetary contribution to be provided to Transport NSW for infrastructure West of Carrington Street has not been specified. It is not reasonable or defensible that the City or the Department could make any informed comments as to the appropriateness of the quantum of public benefit if its full value is not stated;
- number of 'public benefits' associated with the public infrastructure offer will also be of benefit to the proponent themselves, potentially to the extent that they would outweigh the cost forecast to the Proponent. In addition, the public benefits package fails to consider the inherent 'disbenefits' of the proposal, such as:
 - increased car parking and associated congestion impacts;
 - potential increase in overshadowing of the heritage listed GPO and Martin Place;
 - no requirement to undertake a design competition, potentially resulting in lower design quality reduced exposure to design options and alternatives;
 - setbacks that would significantly impact on the character of the public domain, in particular Wynyard Park;
 - potential traffic and access impacts on Wynyard Lane;
 - reduced certainty associated with Central Sydney's robust land use planning framework and the associated land economics of the Central Business Districts, in particular the calculation of site areas, the Heritage Floor Space (HFS) scheme, and its design excellence provisions, and potentially creating a dangerous expectations for future development in the City; and
 - a missed opportunity to provide a truly worthy civic scale public entry and appropriate visual connection to Wynyard Station from George Street
- validity, reasonableness and accuracy of the purported \$60 million in economic benefits is questionable. The calculations rely on the amalgamation of a number of improvements which offer negligible benefit in themselves, which are subsequently extrapolated over a period of 30 years to reach a tangible final figure. The calculations have been prepared by placing a dollar value on reduced travel times, station access, improved amenity such as fittings and finishes, reduced congestion and increased patronage for RailCorp which are highly subjective, not well justified, and are likely to change over such a lengthy timeframe. Consequently the figures add little to the argument in support of the proposal;

- level of commitment by Transport NSW to the proposed public infrastructure offer as well as the monetary contribution offer is uncertain. It is not apparent to the City that Transport NSW has requested, or agreed with, the Proponent's proposed contribution. The lack of evidence supplied in the PPR in relation to the status of the negotiations between the Proponent and Transport NSW is of particular concern. It is the City's view that this application can not be approved without the public benefit being clearly articulated;
- proposed Project Delivery Agreement (PDA) is not an appropriate mechanism to secure the delivery of public benefit. No details have been provided as to the commitments required of the proponent, timing or staging of the PDA. The City is concerned about the apparent disconnection between the land and the project itself, that is, that such an agreement would not transfer through title to any future owners or lessees of the land, and that once approved, the increased development potential may be realised with no enforceable obligation to provide public benefit. The proposal can not be approved until such time that the public benefit offer, in whatever form it eventuates, is appropriately secured; and
- lack of control over the crucial redevelopment that is required at Wynyard Station. An agreement of this nature would result in the delivery of the upgrades being dependent on the timing and staging of the development.

In addition to the above, the City has significant concerns with the lack of detail that has been made available to the public about the public benefits package being offered by the proponent. The City agrees that where substantial value increases are gained by virtue of increased development potential and where a development proposal is supportable on sound planning grounds, that a contribution by any beneficiary of that increased potential towards the wider public benefit may be appropriate; however, it is the firm view of the City that any proposed public benefit contribution must be subject to public comment so that it can be understood in balance with the proposal.

It is therefore the City's conclusion that this application can not be approved until such time that a more detailed and supported public benefits package is made available for comment to stakeholders and the public and is amended by condition or design change. In addition, the application can not be approved until the public benefit package, in its full measure, is appropriately quantified and secured.

Recommendation 2:

- that the public benefit offer be fully quantified and made available for public comment and for consideration by the City of Sydney prior to determination of the Concept Plan
- that the Concept Plan not be approved until such time as the public benefit package, in its full measure, is appropriately secured.

3.2 Actual public benefit - George Street to Carrington Street through-site link

The Proponent incorrectly asserts that the City believes *no public benefit at all that can be associated with the provision of the transit hall due to the existence of the proposed foyer space*. This is sensationalising the issue raised. The City in their submission appropriately point out that the best outcome for the George Street to Carrington Street through-site link would be to achieve a transit hall clear of visual obstructions.

The 20m internal width of the public area connection between George Street and Carrington Street is strongly supported. This is an essential aspect of the proposal and cannot be compromised. There are three areas however that need to be further addressed by the Department in their assessment of the Concept Plan:

- the CityOne proposal presents a once in a lifetime opportunity to provide a civic scale public entry to Wynyard Station from George Street. From Sydney's premier main street to one of its busiest and iconic rail stations. It also provides the opportunity for a grand visual connection to be opened up between George Street and Wynyard Park. The view to Wynyard Park from the internal public areas of the proposal is crucial to their amenity and in establishing a memorable and delightful experience for people. The proposal needs the following essential refinements to achieve these aspirations:
 - provide an opening view from George Street to Wynyard Park by deleting/relocating the western upper foyer (see figure 8). The figure shows the minimal view proposed (A) compared to a more expansive view that is considered essential to achieve (B). The central row of columns on the east-west alignment need to be removed.
 - provide a view from the rail concourse under Carrington Street to George Street (see figure 9). It is crucially important to achieve a view to daylight from the concourse. Such a view gives people a sense of orientation, a sense of the outside and a sense of openness. There are several obstructions to this view. The eastern part of the upper foyer needs to be removed/relocated, Wynyard Lane needs to be removed (a slender walkway with minimal visual obstruction is acceptable), the escalators from Carrington St to the concourse need to be to one side of the void not on the centreline, and the centre row of columns on the east-west alignment need to be removed.
- for better public amenity the George Street underpass (shown on architectural Drawing SK-05) to the Hunter Connection should be re-aligned to be perpendicular to George St and lined with retail.

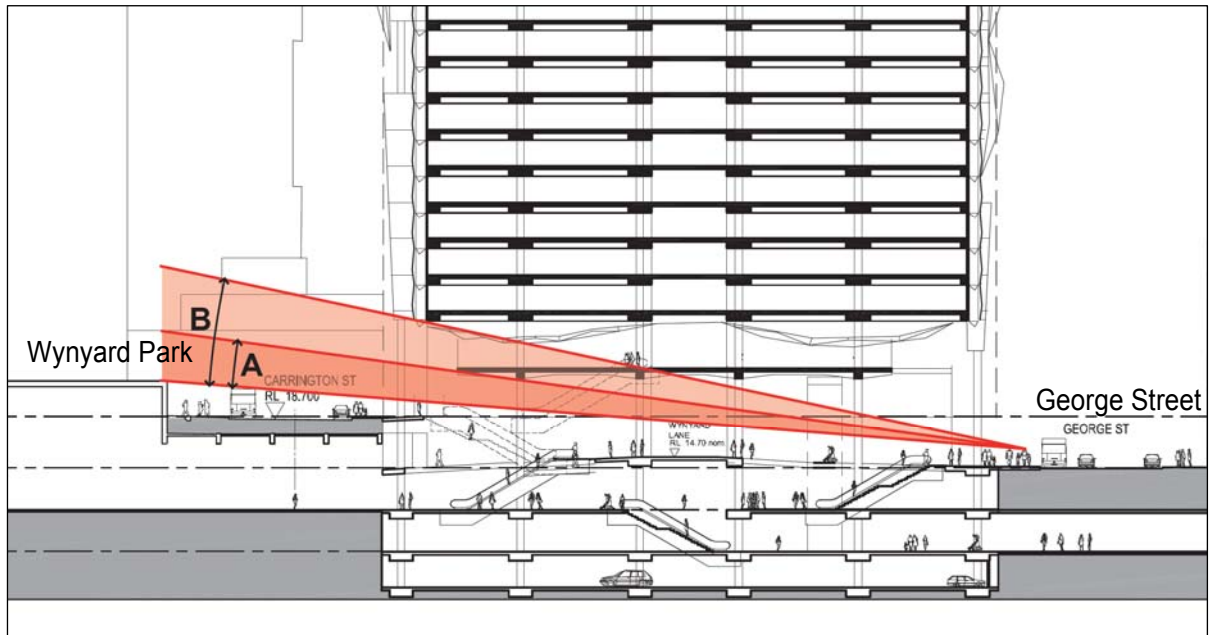


Fig 8. View angle from George Street to Wynyard Park – City of Sydney, 2011

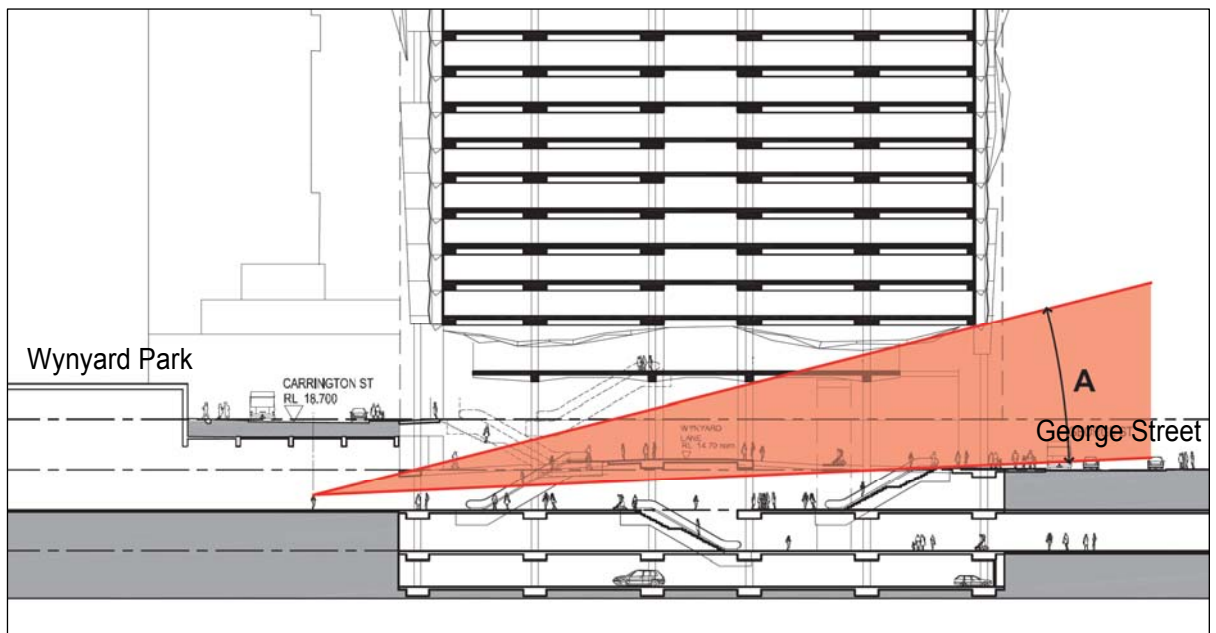


Fig 9. View angle from concourse to George Street – City of Sydney, 2011

- the vertical scale of the internal public space should be commensurate with its width to give the space a civic presence. This means that ideally at a 1:1 proportion: the height of the public space should be about 20m from the rail concourse level given the width is 20m. The proposed public space height is 13.5m to the underside of the office foyer from the concourse level. If the upper foyer level for the offices was relocated to the first office level or occurred to the sides of the public space void, then the public space height would be about 18m. This is considered the minimum acceptable to achieve the objective of a civic scale entry and is consistent with an appropriate visual connection between George Street and Wynyard Park as discussed above.

The George Street to Carrington Street through-site link is presented by the Proponent as part of their public benefit offer. It must be recognised however that the provision of the link also has some certain commercial benefits for the Proponent in terms of commercial and retail exposure.

If the Department is serious in considering the George Street to Carrington Street through-site link as an item of public benefit then it should seek to ensure that the space achieved is truly of significant public benefit and that its 'value' is understood in balance with the commercial value that such an improvement creates for the Proponent. It is inappropriate, as the Proponent indicates, for this issue to be resolved at detailed Project Application stage.

When weighing up the benefits of the scheme versus the clear non-compliances, the public benefits must be secure. In this case, the spatial dimensions and character of the George Street to Carrington Street through-site link is paramount. To defer such detailed consideration of the through-site link with the imposition of design statements and objectives to be addressed and implemented at Project Application stage would be contrary to the public interest.

Recommendation 3:

- if the transit hall between George Street and Carrington Street is part of any Public Benefit schedule of works, that the eastern part of the upper foyer needs to be removed/relocated, Wynyard Lane needs to be removed/redesigned, the escalators relocated and the centre row of east-west columns deleted

4.0 Wynyard Lane

The following statement is reiterated from the City's submission to the Proponents EA, dated 3 March 2011 (page 12):

A commitment by the Proponent to resolve this issue at detailed Project Application Stage or any conditional requirement that the issue be resolved at detailed Project Application Stage will not be acceptable to the City of Sydney.

Notwithstanding the above requirement, the Proponent has proposed to not respond but rather to defer the resolution of issues associated with Wynyard Lane to Project Application Stage. Whilst the proponent has presented 2 potentially acceptable options (see Figures 10 and 11) for the treatment of Wynyard Lane, issues such as swept paths, entry/exit points, intersection performance, parking, loading, turning areas, carriage way width and the lanes capacity to accommodate two-way traffic remain unaddressed.

These critical issues must be resolved prior to any Concept Plan approval being issued. Both of the Wynyard Lane options will have a significant impact on adjoining properties, the portion of the lane owned by the City of Sydney, the performance of the City's streets and its public transport network. Any development or change to Wynyard Lane would require a referral to Local Cycling, Pedestrian and Traffic Calming Committee and approval by City staff.

Of the options presented, it is considered that Option 2 is more effective, particularly if the public car park use ceases its parking function and permits the former tram tunnel to be used in the future for alternate public transport. In this instance, it would maintain service vehicle access for the buildings that currently use the lane for servicing.

Recommendation 4:

- that the Concept Plan be amended or refused for failure to adequately address the local and regional traffic and access impacts associate with the Proposal
- alternatively, that a decision of the Concept Plan be deferred until such time as the remaining issues have been resolved and that a solution has been agreed with by the City and the Local Cycling, Pedestrian and Traffic Calming Committee

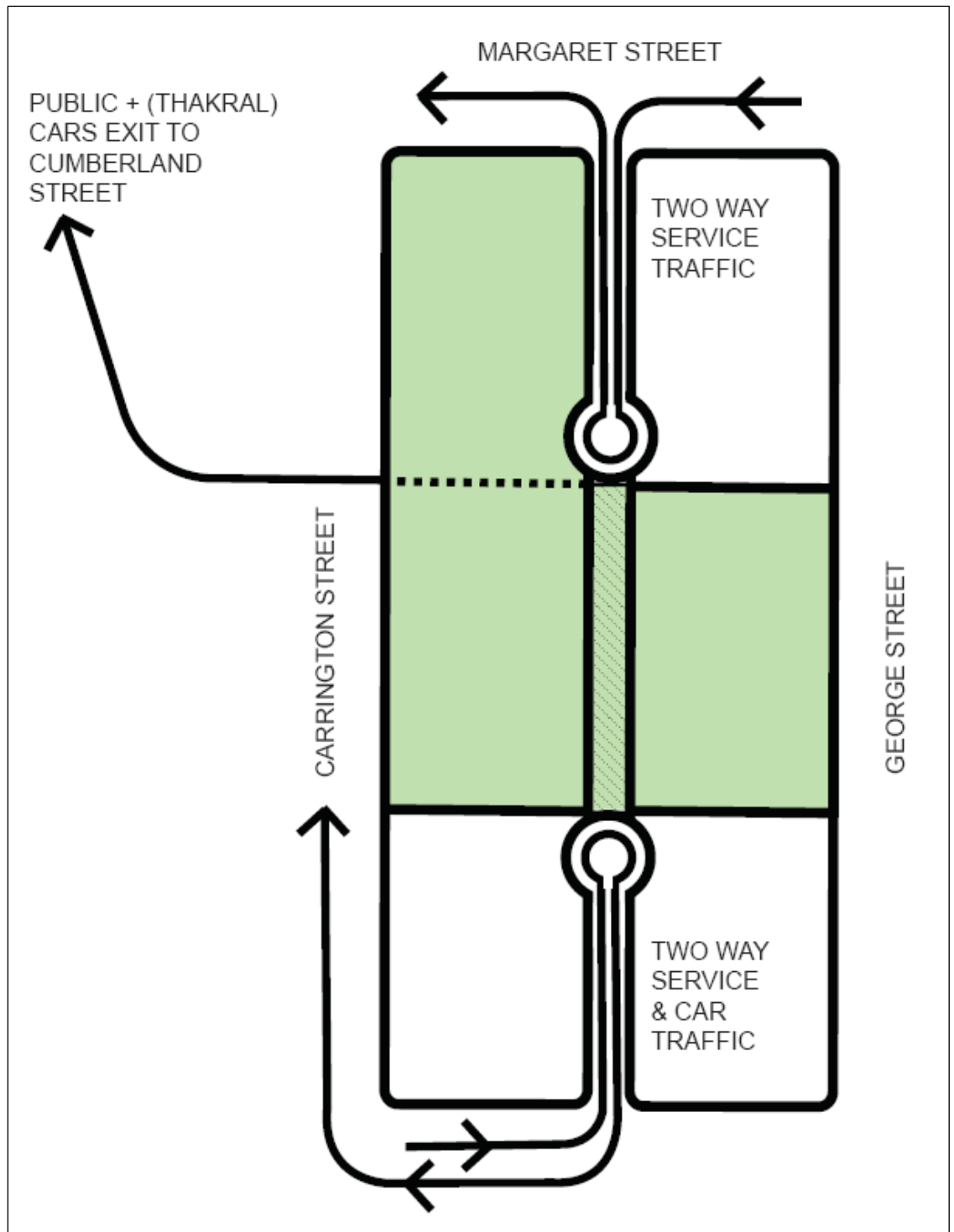


Fig 10. CityOne Wynyard – Option 1 traffic arrangement – PPR Stage - May 2011

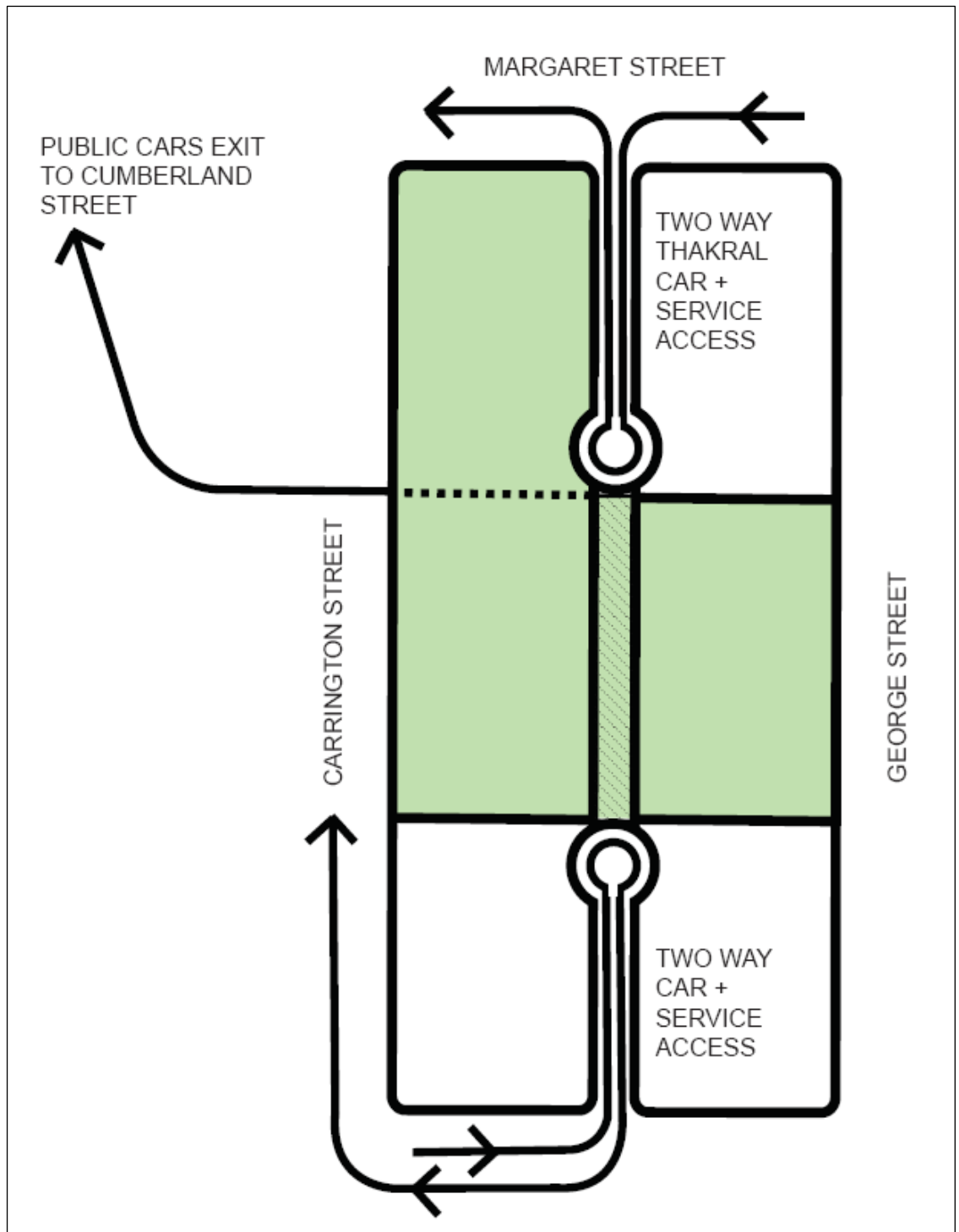


Fig 11. CityOne Wynyard – Option 2 traffic arrangement – PPR Stage - May 2011

5.0 Wynyard Park / Wynyard Station

The benefit of including Wynyard Park and Wynyard Station in the Concept Plan from a public authority perspective has always been that the upgrade provides more certainty for an integrated outcome. From the Proponent's perspective, the benefit accrues justification for proposed built form and car parking non-compliances against the perceived public benefits of monetary contributions and works in kind.

The City included the following as a minimum requirement for the Concept Plan to adequately ensure that the public benefits that the Proponent was proposing would be delivered:

That the Concept Plan includes clear principles for the proposed design of Wynyard Park and Wynyard Station entrances in consultation with the City and Transport NSW (provided there is no detrimental effect on the park). The concepts should include a sketch design and could include written objectives for the items, as well as a statement regarding the future flexibility of the design given the timing, monetary and methodology constraints of these infrastructure projects. The following items should form principles for the future design of the station and park west of Carrington Street:

- *relocation of station entry points to the north and south off site extremities at Margaret Street and Wynyard Street (as shown in Figure 7);*
- *increase in soft landscape area and protection of trees;*
- *exceptional permeability and legibility focusing on commuter and user projection figures into the future;*
- *design full integration with public assets; and*
- *as an alternative to location off park extremities, a new entry canopy of exceptional beauty with daylight in the current location*

Following the City's submission to the Proponents EA, dated 3 March 2011, the City is not aware of any further consultation between the Proponent, Transport NSW or the City in relation to a conceptual plan and/or design principles relating to Wynyard Park or Wynyard Station. Whilst the Proponent has expended on previously stated design principles in their PPR, no scope, development options, sketches or any tangible concept has been presented that the City or the DoPI so that they might be confident in can actually being delivered. As such, it is the City's view that the land identified west of Carrington Street, which includes Wynyard Park and Wynyard Station, cannot be considered as part of any concept approval as per Section 75M(2) of the *Environmental Planning and Assessment Act 1979*. Until such time as a concept is presented for Wynyard Park and Wynyard Station, the City is of the view that it would be contrary to the public interest to trade

benefits of public infrastructure upgrades for any non-compliant height, floor space and car parking.

Recommendation 5:

- that the land west of Carrington Street be excluded from the Concept Plan in both conceptual terms and site area terms
- alternatively, that a decision of the Concept Plan be deferred until such time as the remaining issues have been resolved and agreed with by the City and Transport NSW.

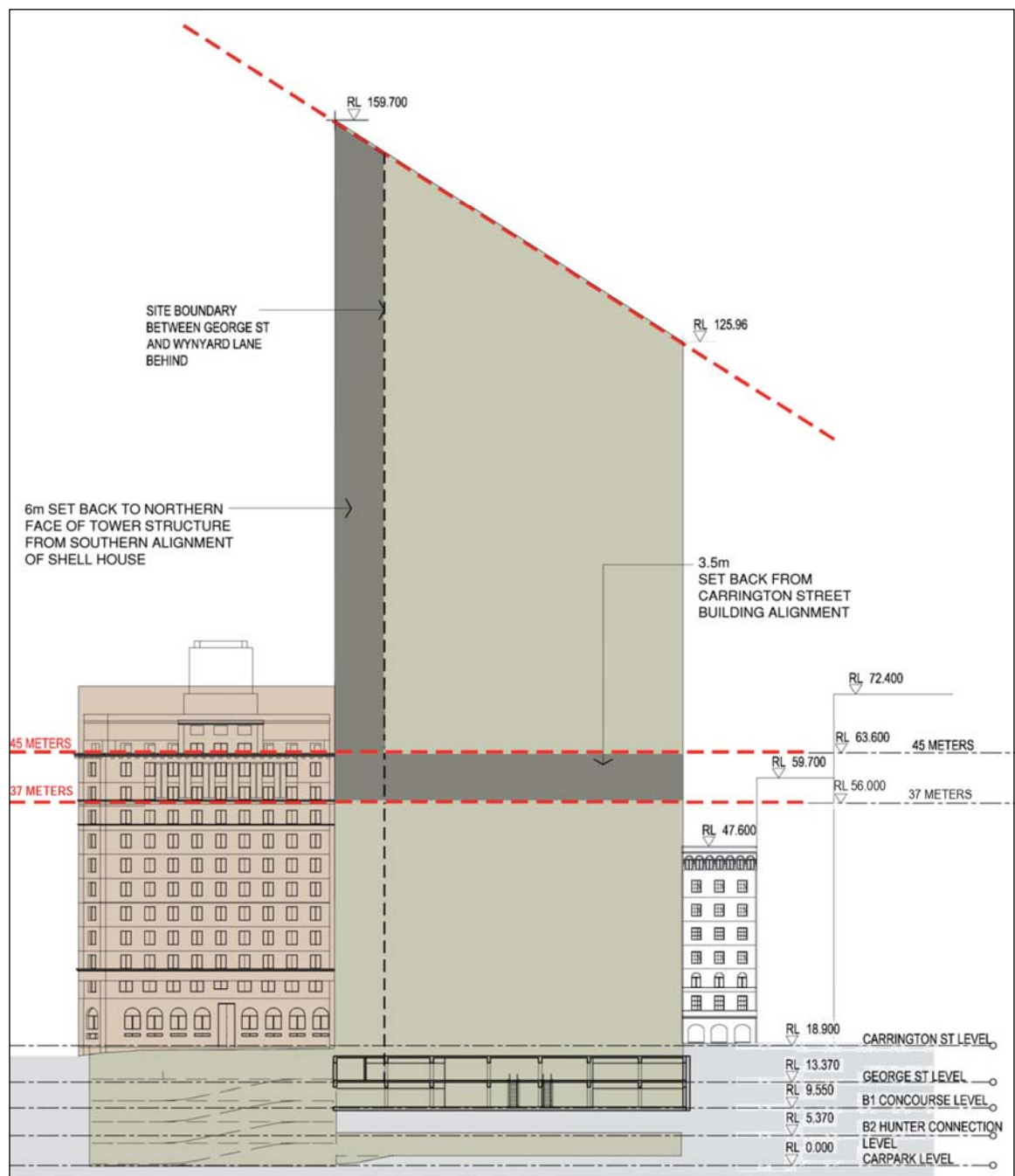


Fig 12. CityOne Wynyard – West Elevation – PPR Stage – May 2011

6.0 Wynyard Park Special Area – street wall and tower setback

In response to the City's request to provide a street frontage height to RL62 (to match Shell House) and an absolute minimum weighted average tower setback of 8 metres on to Wynyard Park side and a tower setback to Shell House, the Proponent has adopted the envelope as depicted in Figure 12 opposite. The amended envelope presents a revised tower building envelope that incorporates a 6 metre setback from the southern boundary of Shell House, a 3.5 metre deep slot on Carrington Street at street frontage height, with a nil boundary setback maintained for the tower above. The urban design rationale provided by the Proponent is that a recessed slot at street frontage height appropriately address the existing Carrington Street wall. This is rejected and is contrary to longstanding urban design controls for the site.

The rationale provided is flawed and fails to address the issues raised in the City's EA submission. The intention of the Wynyard Park Special Area built form controls is to ensure that the park remains the focal point of the locality. This is achieved by maintaining a sense of enclosure for the park by providing a clearly defined street wall height and generous tower setbacks.

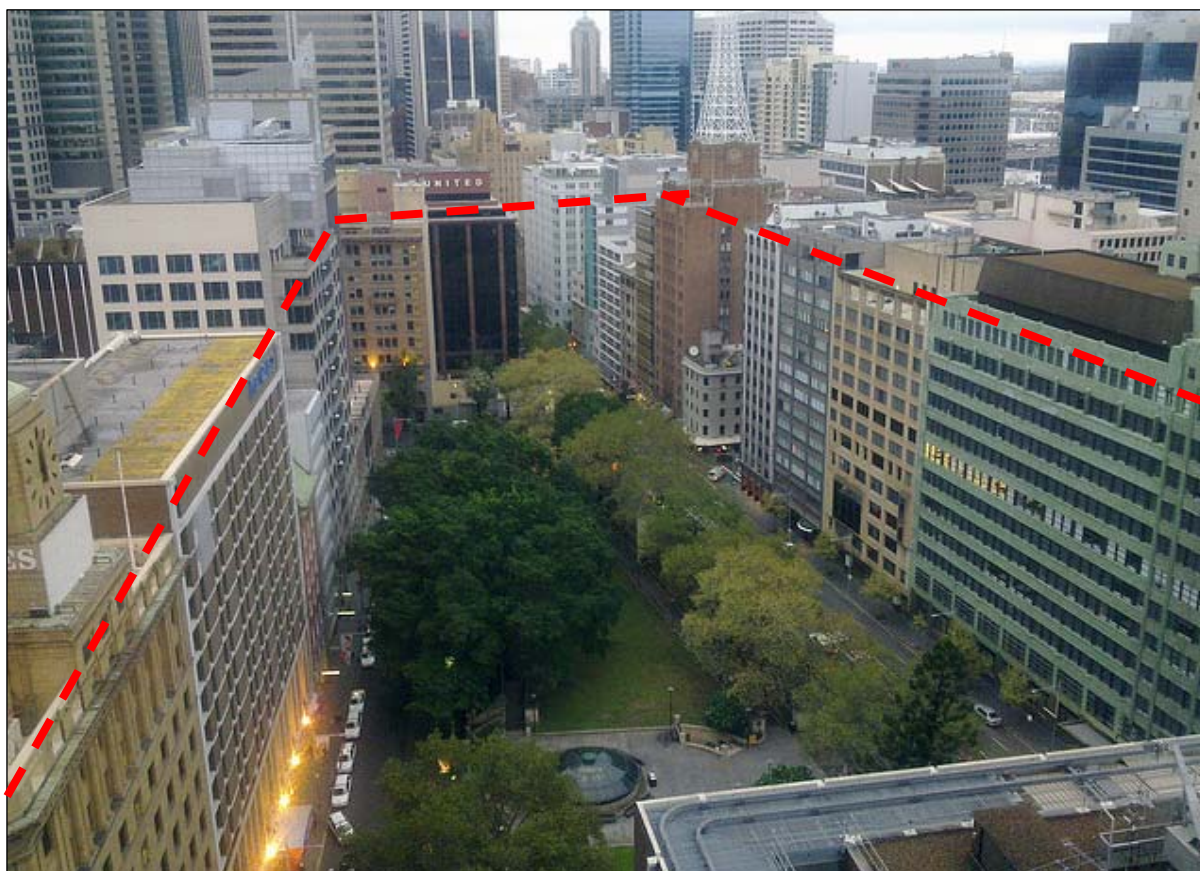


Fig 13. Wynyard Park – Important street wall defining envelopes established by existing Special Area controls

By addressing the Wynyard Park Special Area controls at a localised street wall height scale (see Figures 14 and 15), the Proponent is deflecting from the actual impacts of the proposal in the wider context.

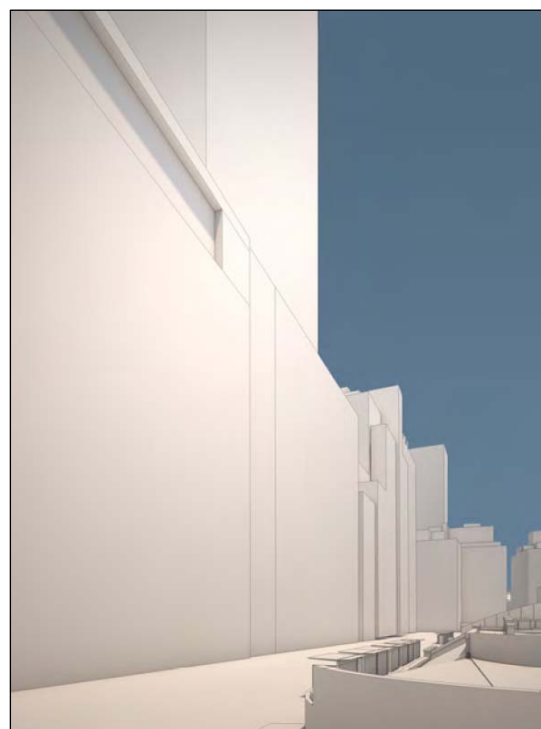
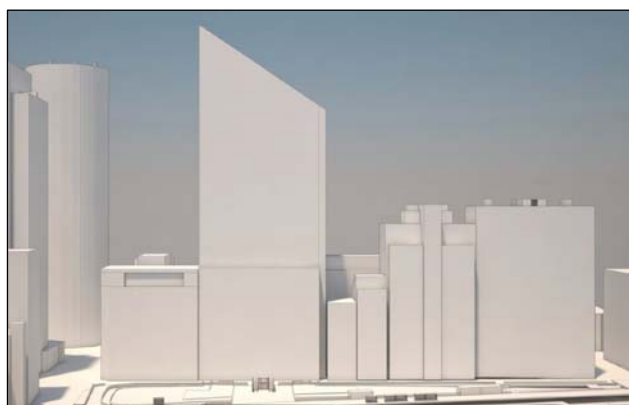


Fig 14. CityOne Wynyard – Proponents visual analysis of tower envelope with 6 metre setback to Carrington Street – PPR Stage - May 2011

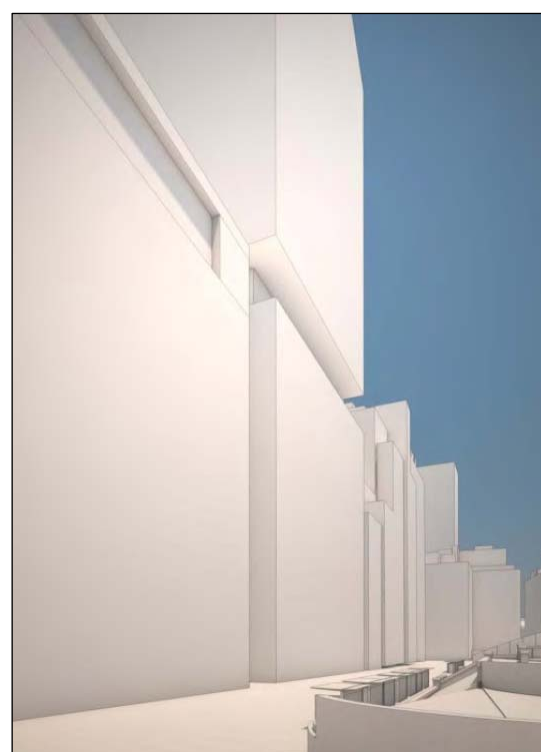


Fig 15. CityOne Wynyard – Proponents visual analysis of tower envelope with slot treatment to Carrington Street– PPR Stage - May 2011

The City has undertaken a 3D visual study to depict the impacts of two of the envelope scenarios in terms of podium heights and tower setbacks. This analysis takes into consideration Wynyard Park as a whole, rather than just the localised Carrington Street analysis undertaken by the Proponent.

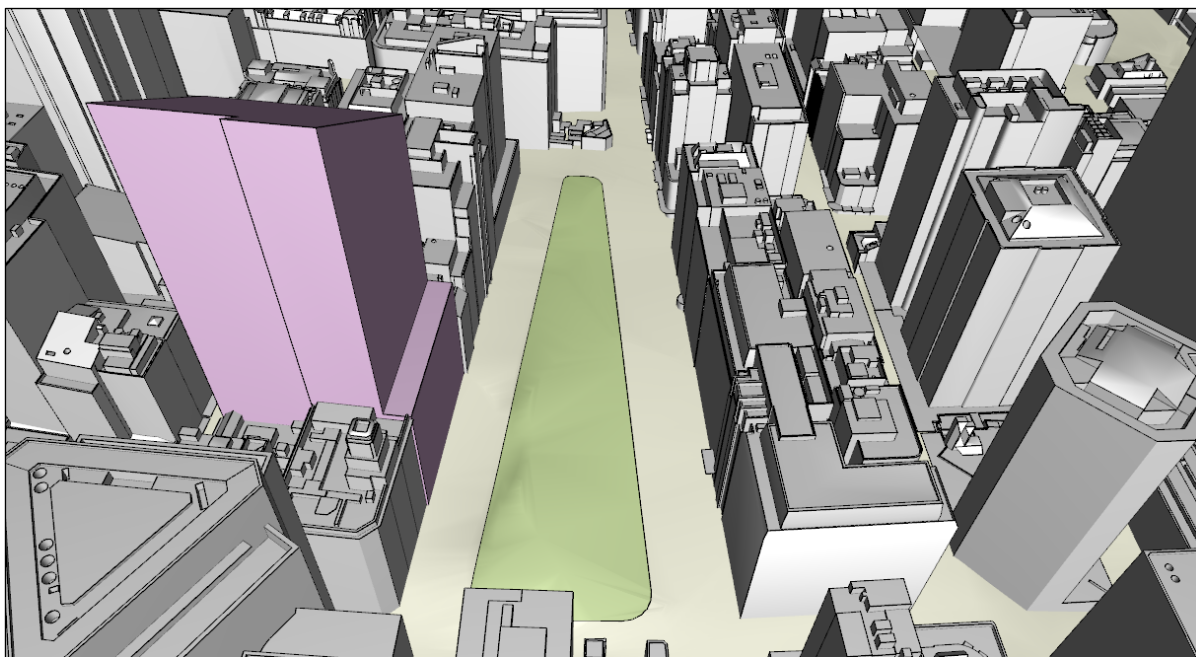


Fig 16. Visual analysis – 8 metre tower setback to Carrington Street – view from north– City of Sydney, 2011

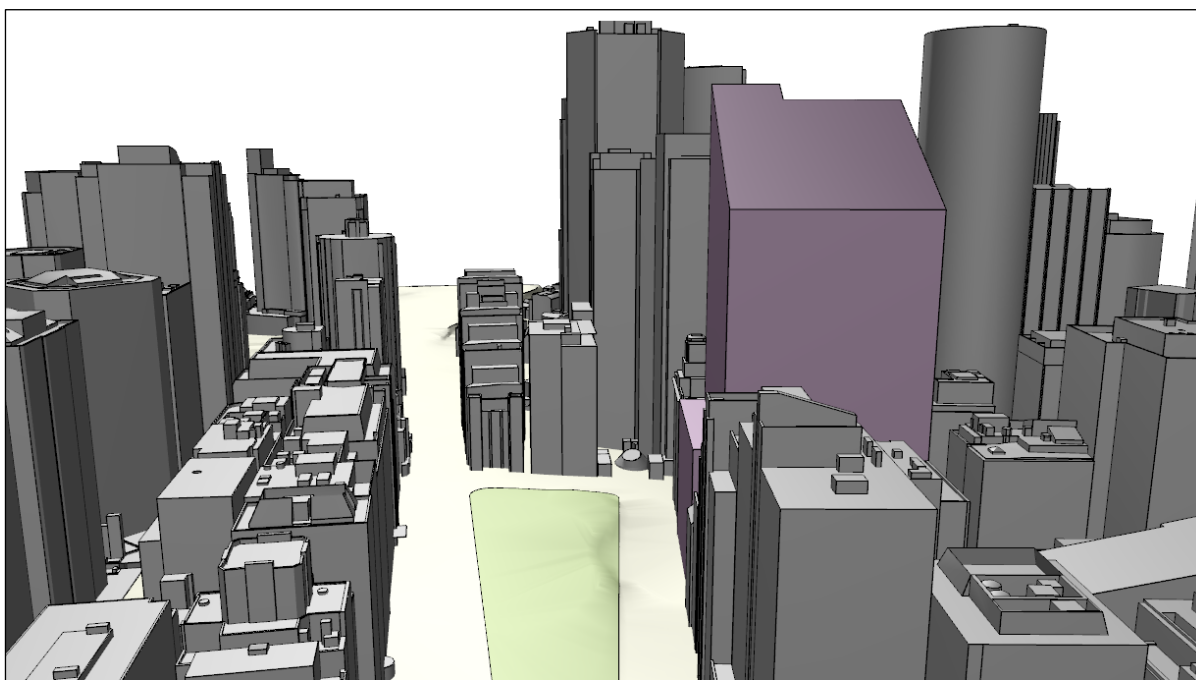


Fig 17. Visual analysis – 8 metre tower setback to Carrington Street – view from south – City of Sydney, 2011

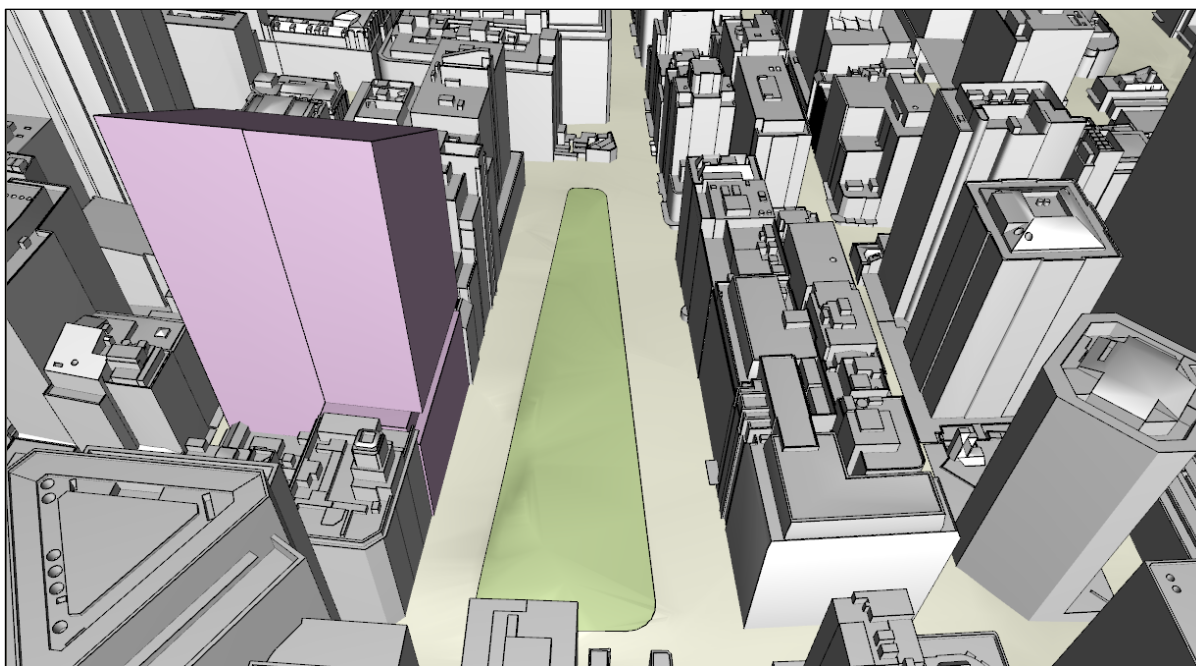


Fig 18. Visual analysis – Proposed slot to Carrington Street – view from north– City of Sydney, 2011

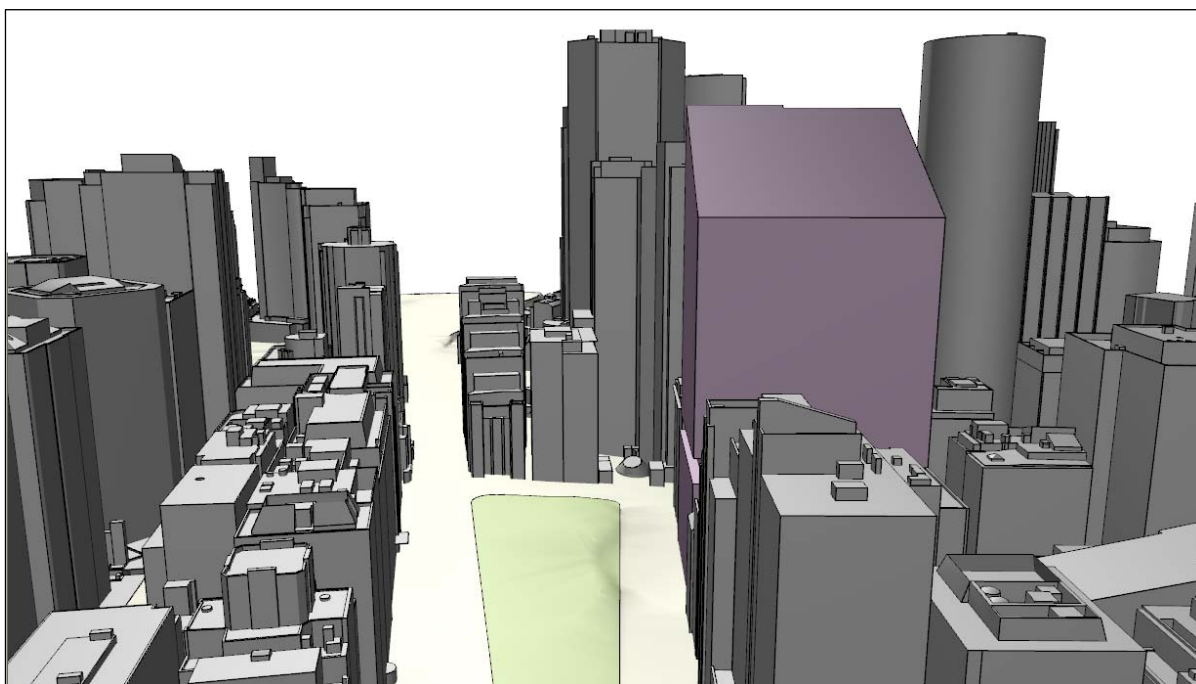


Fig 19. Visual analysis – Proposed slot to Carrington Street – view from south– City of Sydney, 2011

Council reiterates Recommendation 6, 7, 8, 9 and 10 of their submission to the Proponent's EA. The above visual studies show that a tower setback to Carrington Street ensures the visual impact of the proposed tower is reduced. If approved with a nil tower setback to Carrington Street as proposed by the Proponent, the setting and character of

Wynyard Park will be significantly compromised, with the Park becoming a forecourt to the tower and the tower dominating the locality.

7.0 Overshadowing

In response to the City's request to provide a more detailed sun shadow model it is acknowledged that the Proponent has submitted a detailed model that depicts no additional overshadowing of the heritage listed GPO facade or steps in Martin Place. Council reiterates Recommendation 11 of their EA submission.

Recommendation 6:

- that the Proponent be required to ensure absolutely no overshadowing of the heritage listed GPO facade or steps in Martin Place.

8.0 Design Excellence

In response to the City's request for the detailed design of the project to be subject to a design competition, in accordance with the provisions of the LEP 1996 and Part 112 of the DCP, the Proponent has committed to a Design Review Panel being established. The City notes that this process is similar to that employed for Barangaroo.

The City reiterates Recommendation 12 of their EA submission. CityOne and Barangaroo are not comparable projects or sites. The City's design excellence provisions are tried and tested as successful in achieving design excellence for both Part 4 and Part 3A approvals.

Recommendation 7:

- in accordance with SLEP 2005, the Proponent be required to undertake a design competition, in accordance with the provisions of the LEP 1996 and Part 12 of the DCP.
- the City be enabled to nominate members on any competition jury or review panel.

9.0 Car Parking

The City in their EA submission stated that no net increase in the number of parking spaces should be provided for on site for either commercial car parking or tenant parking over existing supply. This advice related to 'the site' as defined by the City and did not include any currently leased land that may contain car parking spaces owned by the Proponent outside of 'the site'. Based on the City's interpretation of site area, a maximum

of around 80 car parking spaces could be provided for on site. Notwithstanding this, given the sites unrivalled access to public transport the Department should consider imposing a much lower maximum.

Recommendation 8:

- that there be no net increase in the number of parking spaces be provided for over the existing supply on site (east of Carrington Street). The number of cars allocated to the development should be 80. Parking should not be provided for the retail portion of this building.

End of Response



Appendix A

Independent Site Valuation, Preston, Rowe, Paterson, 6 May 2011



**Preston
Rowe
Paterson**

National Property Consultants

6 May 2011

Ms Tamara Bruckshaw
Manager, Strategic Planning
City Plan Development Unit
City of Sydney
456 Kent Street
SYDNEY NSW 2000

Transmitted to Email: tbruckshaw@cityofsydney.nsw.gov.au &
nperkins@cityofsydney.nsw.gov.au

Number of Pages: 6

Dear Ms Bruckshaw,

RE: CITY 1 – THAKRAL SITE AT WYNYARD, SYDNEY NSW 2000

Following your recent instructions, we write to confirm that we have now considered the land value of the Wynyard Centre site, based on five development scenario outcomes as follows:-

1. A development which is LEP/DCP compliant with a 30-metre setback on the Carrington Street side and 8-metre setback on the George Street side;
2. A development with a 15-metre setback to Carrington Street on the Carrington Street side only at upper levels;
3. A development with an 8-metre setback to Carrington Street at the upper levels on the Carrington Street side only;
4. The scheme as currently proposed by the development proponent without any setbacks; and
5. A scheme based on an additional option with an 8-metre upper level setback to Carrington and George Streets.

Directors & Associate Directors

Dary J. Preston B.Com, Ass.Dip.Val, FAPI
18 622 400
dpreston@prpns.com.au

Dary C. Rowe B.Bus, FAPI (P + M)
1 191 179
drowe@prpns.com.au

Greenwood BSc.(Hons), MRICS, AAPI
Smith AAPI
El Cooper B.Com (Prop Econ), AAPI
Cole Ass.Dip.Val, AAPI
Mason Adv.Dip.Val, Grad.Dip.Prop, AAPI

The site area which we are to consider is set out in the table below:-

ANALYSIS OF DEVELOPMENT VALUE - ADDITIONAL FSA									
THE WYNYARD CENTRE, GEORGE, CARRINGTON AND MARGARET STREETS, SYDNEY, NSW,2000.									
PREPARED FOR THE CITY OF SYDNEY COUNCIL									
BY PRESTON ROWE PATERSON NSW PTY LIMITED									
Date:	06-May-11								
Time:	12:10 PM								
Reference:	C:\Datafile\Temporary Files 2011\[389570 - Wynyard Centre.xlsx] Summary								
(A) Land Particulars (NB Surface Lands):									
Address:	Cityscope Reference Map:	Cityscope Reference No.:	Name:	Lot:	DP:	Land Area Per DP M2:	Current Built Form:	Main Frontage (LM):	Heritage Notes:
2-12 Carrington Street (37-39 Margaret Street)	9	1	Former Shell House (All Seasons Menzies Hotel)	10	595978	1,038.00	12 story building built in 1938 and refurbished late 1999. Part of the Menzies Hotel	34.66 (Carrington Street) and 23.36 (Margaret Street) and 36.57 (Wynyard Lane)	Recorded by the National Trust; Also facades listed on the Central Sydney LEP 1992 as Conservatio n of a Heritage Item.
14-28 Carrington Street	9	5	All Seasons Menzies Hotel	1	853331	1,462.00	14 Story four star hotel hving total of 446 rooms (inc. Shell House) built in 1963 and refurbished in 1999.	52.7 - (Carrington Street)	N/A
289-307 George Street	9	7	Thakral House	2	853331	1,257.00	15 Level office building completed in 1962 and refurbished in 1994 - Includes tunnel link to Wynyard Rail Station	45 (George Street)	N/A
Wynyard Lane				4	853331	275.10			
Sub Total:						4,032.10			

We note that the site area, in the aggregate, comprises approximately 4,032.1 square metres. This includes 2-12 Carrington Street; 14-28 Carrington Street; 389-407 George Street; and the land above Wynyard Lane.

As instructed, we have assumed this land area for the purpose of calculating Floor Space Ratios and Floor Space Area, as it represents the surface land areas of the development, which form the basis of calculation of Floor Space Ratio and Floor Space Area in the meaning of the current Local Environment Plan. Any subterranean stratum areas have been specifically excluded from these calculations.

We have prepared our analysis based on the Gross Floor Area calculations provided by you with one exception. We have amended, as previously discussed, the LEP scenario such that the total Floor Space Area equates to a Floor Space Ratio of 13.75:1, being made up of:-

1. The maximum Floor Space Ratio of 8:1, as depicted in Clause 54 of the Local Environment Plan 2005;

2. Plus the increase of an additional 4.5:1 Floor Space Ratio for commercial uses, in accordance with Clause 55(ii)(a) of the LEP; and
3. Plus an additional 10%, based on the provisions set out in Clause 10 of the LEP – Waiver of Certain Development Standards.

Before referring to the approach that we have undertaken to consider the analysis, we note that we are specifically instructed to consider the uplift in value of the land to the development proponent in the event that the land is developed (in scenarios 2 through to 5) above that which is permissible under the current Local Environment Plan.

In considering the development, assuming it is conducted in accordance with the LEP, we are also to assume the following:-

- That development contributions under the City's Section 61 Development Contribution Plan are payable at 1% of the cost of the development;
- Transferrable Heritage Floor Space calculation in accordance with the current Local Environment Plan.; and
- Car parking is to be provided in the LEP scenario at 80 bays

In contrast in considering Scenarios 2 through to 5 inclusive, we are to:-

- Assume that the development proponent will not be required to acquire Transferrable Heritage Floor Space in accordance with the LEP;
- The Developer will not be required to pay the Section 61 Development Contributions;
- The Developer will, in Scenario 4, be permitted to construct 177 basement car bays; and
- In the cases of Scenarios 2, 3 and 5, we have pro rata adjusted the 177 bays put by the development proponent in Scenario 4 to the Gross Floor Area or FSA, based on its relativity to the FSA and car parking in Scenario 4.

Given the foregoing, we have then considered the value of the land based on each development scenario to benchmark each of Scenarios 2 through to 5 against the LEP Scenario 1.

The resultant land value uplift in Scenarios 2 through to 5 versus Scenario 1 would then demonstrate the benefit to the development proponent if it is successful in its Part 3 application, based on the assumptions outlined above.

To consider the estimates of land value in the circumstances, we believe it is appropriate to prepare feasibility study/residual land value calculations based on each of the development scenarios.

To do this, we have firstly considered the Gross Floor Areas provided by you (Schedule of which is annexed hereto at **Appendix A**).

We have then, from these Gross Floor Areas, estimated Net Lettable Areas) based on our experience and usual ratios between Gross Floor Area and Net Lettable Areas). It is necessary for us to consider Net Lettable Areas to calculate rentals from the office components. In the case of the retail areas, we have assumed that Gross Floor Area would be the same as Gross Leasable Area for the purpose of assessing rentals.

Apropos the Gross Building Areas for purposes of estimated construction costs, we have grossed up the Gross Floor Areas/Floor Space Areas by 5% to account for lift over runs and the like.

Having considered the Gross Floor Areas, Net Lettable Areas and Gross Building Areas, we have then estimated market rentals on a net basis for each of the five development scenarios.

At this juncture, it is noted that the Shell House component of the development, as well as the subterranean retail concourses and the podium of the main office tower do not change in each of the development scenarios.

It is only the upper levels (above Level 11) of the main office tower which is impacted by the variations from scenario to scenario based mainly on setbacks for overshadowing.

Having ascribed rents to the individual components of the development in each scenario, we have then aggregated the total rental from the entire development for each scenario.

Before considering the value as if complete, we have then calculated the required Transferrable Heritage Floor Space in the case of the LEP Scenario 1 only. We note that we are instructed to exclude the cost of acquiring Transferrable Heritage Floor Space in the case of Scenarios 2 through to 5 inclusive. Notwithstanding the fact that we are to exclude the cost of the THFS from scenarios 2-5 inclusive we have shown the saving to the proponent in the summary table below that would flow that proponent if it is not required to acquire THFS.

To consider the calculation of the Transferrable Heritage Floor Space, we have calculated it in accordance with the provisions of the LEP. This represents a development cost later in our feasibility analysis for scenario 1 but not the other scenarios.

In addition to the office and retail rents, we have added rentals for the car parking (based on the number of bays in each scenario), as well as an estimate of naming right/signage right income.

From the aggregated total rental we have then deducted outgoings, added back recoveries and deducted an ongoing vacancy factor to arrive at an estimate of net maintainable income, as if fully leased. We then capitalised this amount to arrive at a fully leased estimate of value.

From this we have then deducted letting up costs including office lease incentive allowances (not included for retail leases), letting up allowances, leasing fees and Lessor's legal fees on lease preparation to arrive at an estimate of value. These items are offset against the capitalised value as if fully leased on completion.

We have then considered the gross realisation in each scenario on a rate per square metre basis to benchmark this against available market transaction evidence.

Having estimated the likely gross realisation upon completion of each scenario, we have then estimated construction costs. In preparing a feasibility study/residual land value we have brought forward the gross realisation and deducted selling expenses. We have then deducted a profit and risk allowance, as well as development costs including interest, holding charges and the like and acquisition costs to arrive at a residual value in each case.

It is noted that included the Section 61 contributions in the LEP scenario as a development cost, however excluded this from Scenarios 2 through to 5, as instructed.

Our feasibility calculations and residual land value calculations for each scenario are set out in the schedule annexed hereto at **Appendix B**.

A summary of our analysis is set out in the table below.

Land Value Differential Analysis Based Various Setbacks										
Prepared For The City Of Sydney										
By Preston Rowe Paterson NSW Pty Limited										
Date:	06-May-11									
Time:	12:10 PM									
Reference:	C:\Datafile\Temporary Files 2011\389570 - Wynyard Centre.xlsx Summary									
Scenario Number	Scenario	Residual Land Value Estimate	FSR	Rate PM2 GFA/ FSA	Difference to Scenario 1	GFA	Additional GFA Over LEP	Value Of Additional GFA PM2	Transferable Heritage Floor Space (THFS) Required to be Purchased (*)	Estimated Value Of THFS
Scenario 1	LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)	\$67,000,000	13.75	\$1,208	\$0	55,471	-	\$0	11,622.14	\$4,648,855
Scenario 2	15m setback to Carrington (15m upper level setback on Carrington Street side only)	\$82,000,000	18.20	\$1,117	\$15,000,000	73,406	17,935	\$836	29,557.01	\$11,822,805
Scenario 3	8m setback to Carrington (8m upper level setback on Carrington Street side only)	\$114,000,000	19.48	\$1,451	\$47,000,000	78,572	23,101	\$2,035	34,723.01	\$13,889,205
Scenario 4 (Proposal By Development Proponent)	The Scheme as currently proposed (no setbacks on Carrington or George)	\$119,000,000	20.94	\$1,409	\$52,000,000	84,478	29,007	\$1,793	40,629.26	\$16,251,705
Scenario 5	Additional Option (8m upper level setbacks on Carrington and George)	\$82,000,000	18.07	\$1,125	\$15,000,000	72,902	17,431	\$861	29,053.01	\$11,621,205
(*) Quantum of THFS to be purchased based on half of the difference between 8:1 and 13.75:1 plus the total of the difference between 13.75:1 and the actual FSR of each scenario based on a land area of 4,032.1 M2										

In the summary table we have included the residual land value that we have attributed to each of the scenarios, based on the foregoing assumptions and approaches.

We have then included the Floor Space Ratio of each scenario; the value that we have attributed based on a rate per square metre of Floor Space Area; and, importantly in the context of the requirement for this analysis, the value uplift amount of each scenario, relative to the base case of Scenario 1 being the LEP DCP compliance scenario.

We have then included in the table the total Gross Floor Area, the additional Gross Floor Area over the LEP and the value per square metre of the additional floor space over the LEP Floor Space Area.

Also included is the amount of THFS required and the value that we attribute to the THFS.

We trust that this analysis will be of assistance to you in your submissions regarding the Part 3A applications.

Enclosed is our account for time spent in this matter, which we trust you will find in order.

We also note that we have been requested to prepare this analysis in a relatively short time frame. Accordingly, we would reserve the right to reconsider the outcomes should more detailed investigations reveal matters and affect the outcome. We note that we have prepared our analysis based on our experience, as is appropriate, in considering valuation of development lands in the City of Sydney.

Yours faithfully
PRESTON ROWE PATERSON
NSW PTY LIMITED

Gregory J Preston
Director – Investment Valuation
and Capital Markets Advisory

**Land Value Differential Analysis Based Various Setbacks:
Prepared For The City Of Sydney
By Preston Rowe Paterson NSW Pty Limited**

Date:	06-May-11
Time:	12:42 PM
Reference:	C:\Datafile\Temporary Files 2011\[389570 - Wynyard Centre.xlsx]Summary

Scenario Number	Scenario	Residual Land Value Estimate	FSR	Rate PM2 GFA/ FSA	Difference to Scenario 1	GFA	Additional GFA Over LEP	Value Of Additional GFA PM2	Transferable Heritage Floor Space (THFS) Required to be Purchased (*)	Estimated Value Of THFS
Scenario 1	LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)	\$67,000,000	13.75	\$1,208	\$0	55,471	-	\$0	11,622.14	\$4,648,855
Scenario 2	15m setback to Carrington (15m upper level setback on Carrington Street side only)	\$82,000,000	18.20	\$1,117	\$15,000,000	73,406	17,935	\$836	29,557.01	\$11,822,805
Scenario 3	8m setback to Carrington (8m upper level setback on Carrington Street side only)	\$114,000,000	19.48	\$1,451	\$47,000,000	78,572	23,101	\$2,035	34,723.01	\$13,889,205
Scenario 4 (Proposal By Development Proponent)	The Scheme as currently proposed (no setbacks on Carrington or George)	\$119,000,000	20.94	\$1,409	\$52,000,000	84,478	29,007	\$1,793	40,629.26	\$16,251,705
Scenario 5	Additional Option (8m upper level setbacks on Carrington and George)	\$82,000,000	18.07	\$1,125	\$15,000,000	72,902	17,431	\$861	29,053.01	\$11,621,205

(*) Quantum of THFS to be purchased based on half of the difference between 8:1 and 13.75:1 plus the total of the difference between 13.75:1 and the actual FSR of each scenario based on a land area of 4,032.1 M2

Lot Areas (measured from cadastre)															
1038.8															
2994.7															
Existing development estimated at 55,237															
Total Site Area															
4033.5															
LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)															
Lot	Colour	Option	Levels	Lower	Upper	No. of Storeys	Area	Predominant Use	GFA Multi	GFA					
Shell House	1	Option 1	1-12	1	12	12	1,038	COMMERCIAL	90%	11,210					
Menzies/Thakral	3	Option 1	B2 (Hunter)	-2	-2	1	2,994	RETAIL	70%	2,096					
Menzies/Thakral	3	Option 1	B1 (Concourse)	-1	-1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	1 (George)	1	1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	2 (Carrington)	2	2	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	1	Option 1	3 (York)	3	3	1	2,994	COMMERCIAL	40%	1,198					
Menzies/Thakral	1	Option 1	4-11	4	11	8	2,994	COMMERCIAL	90%	21,557					
Menzies/Thakral	1	Option 1	12-28.5	12	28.5	17.5	1,003	COMMERCIAL	85%	14,920					
Total FSA										55,471	13.75	:1 FSR			
15m setback to Carrington (15m upper level setback on Carrington Street side only)															
Lot	Colour	Option	Levels	Lower	Upper	No. of Storeys	Area	Predominant Use	GFA Multi	GFA					
Shell House	1	Option 1	1-12	1	12	12	1,038	COMMERCIAL	90%	11,210					
Menzies/Thakral	3	Option 1	B2 (Hunter)	-2	-2	1	2,994	RETAIL	70%	2,096					
Menzies/Thakral	3	Option 1	B1 (Concourse)	-1	-1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	1 (George)	1	1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	2 (Carrington)	2	2	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	1	Option 1	3 (York)	3	3	1	2,994	COMMERCIAL	40%	1,198					
Menzies/Thakral	1	Option 1	4-11	4	11	8	2,994	COMMERCIAL	90%	21,557					
Menzies/Thakral	1	Option 1	12-28.5	12	28.5	17.5	2,086	COMMERCIAL	90%	32,855					
Total FSA										73,406	18.2	:1 FSR			
8m setback to Carrington (8m upper level setback on Carrington Street side only)															
Lot	Colour	Option	Levels	Lower	Upper	No. of Storeys	Area	Predominant Use	GFA Multi	GFA					
Shell House	1	Option 1	1-12	1	12	12	1,038	COMMERCIAL	90%	11,210					
Menzies/Thakral	3	Option 1	B2 (Hunter)	-2	-2	1	2,994	RETAIL	70%	2,096					
Menzies/Thakral	3	Option 1	B1 (Concourse)	-1	-1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	1 (George)	1	1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	2 (Carrington)	2	2	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	1	Option 1	3 (York)	3	3	1	2,994	COMMERCIAL	40%	1,198					
Menzies/Thakral	1	Option 1	4-11	4	11	8	2,994	COMMERCIAL	90%	21,557					
Menzies/Thakral	1	Option 1	12-28.5	12	28.5	17.5	2,414	COMMERCIAL	90%	38,021					
Total FSA										78,572	19.5	:1 FSR			
The Scheme as currently proposed (no setbacks on Carrington or George)															
Lot	Colour	Option	Levels	Lower	Upper	No. of Storeys	Area	Predominant Use	GFA Multi	GFA					
Shell House	1	Option 1	1-12	1	12	12	1,038	COMMERCIAL	90%	11,210					
Menzies/Thakral	3	Option 1	B2 (Hunter)	-2	-2	1	2,994	RETAIL	70%	2,096					
Menzies/Thakral	3	Option 1	B1 (Concourse)	-1	-1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	1 (George)	1	1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	2 (Carrington)	2	2	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	1	Option 1	3 (York)	3	3	1	2,994	COMMERCIAL	40%	1,198					
Menzies/Thakral	1	Option 1	4-11	4	11	8	2,994	COMMERCIAL	90%	21,557					
Menzies/Thakral	1	Option 1	12-28.5	12	28.5	17.5	2,789	COMMERCIAL	90%	43,927					
Total FSA										84,478	20.9	:1 FSR			
Additional Option (8m upper level setbacks on Carrington and George)															
Lot	Colour	Option	Levels	Lower	Upper	No. of Storeys	Area	Predominant Use	GFA Multi	GFA					
Shell House	1	Option 1	1-12	1	12	12	1,038	COMMERCIAL	90%	11,210					
Menzies/Thakral	3	Option 1	B2 (Hunter)	-2	-2	1	2,994	RETAIL	70%	2,096					
Menzies/Thakral	3	Option 1	B1 (Concourse)	-1	-1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	1 (George)	1	1	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	3	Option 1	2 (Carrington)	2	2	1	2,994	RETAIL	50%	1,497					
Menzies/Thakral	1	Option 1	3 (York)	3	3	1	2,994	COMMERCIAL	40%	1,198					
Menzies/Thakral	1	Option 1	4-11	4	11	8	2,994	COMMERCIAL	90%	21,557					
Menzies/Thakral	1	Option 1	12-28.5	12	28.5	17.5	2,054	COMMERCIAL	90%	32,351					
Total FSA										72,902	18.1	:1 FSR			

DRAFT

Land Value Differential Analysis Based Various Setbacks Prepared For The City OF Sydney By Preston Rowe Paterson NSW Pty Limited													
Date:	06-May-11												
Time:	12:44 PM												
Reference:	C:\Datafile\Temporary Files 2011\389570 - Wynyard Centre.xlsx\Feasability Comparison												
Scenario Number				One		Two		Three		Four		Five	
Scenario				LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)		15m setback to Carrington (15m upper level setback on Carrington Street side only)		8m setback to Carrington (8m upper level setback on Carrington Street side only)		The Scheme as currently proposed (no setbacks on Carrington or George)		Additional Option (8m upper level setbacks on Carrington and George)	
Component	Level			GFA	NLA/ GLA	GFA	NLA/ GLA	GFA	NLA/ GLA	GFA	NLA/ GLA	GFA	NLA/ GLA
Shell House Office	NLA/ GFA Efficiency Ratio				87.50%		87.50%		87.50%		87.50%		87.50%
	1			934	817	934	817	934	817	934	817	934	817
	2			934	817	934	817	934	817	934	817	934	817
	3			934	817	934	817	934	817	934	817	934	817
	4			934	817	934	817	934	817	934	817	934	817
	5			934	817	934	817	934	817	934	817	934	817
	6			934	817	934	817	934	817	934	817	934	817
	7			934	817	934	817	934	817	934	817	934	817
	8			934	817	934	817	934	817	934	817	934	817
	9			934	817	934	817	934	817	934	817	934	817
	10			934	817	934	817	934	817	934	817	934	817
	11			934	817	934	817	934	817	934	817	934	817
	12			934	817	934	817	934	817	934	817	934	817
Sub Total				11,210	9,809	11,210	9,809	11,210	9,809	11,210	9,809	11,210	9,809
B2 Hunter Retail													
	1			2,096	2,096	2,096	2,096	2,096	2,096	2,096	2,096	2,096	2,096
B1 (Concourse) Retail													
	1			1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497
1 (George) Retail													
	1			1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497
2 (Carrington) Retail													
	1			1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497
3 (York) Commercial													
	1			1,198	1,048	1,198	1,048	1,198	1,048	1,198	1,048	1,198	1,048
4-11 - Office	NLA/ GFA Efficiency Ratio				87.50%		87.50%		87.50%		87.50%		87.50%
	4			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	5			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	6			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	7			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	8			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	9			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	10			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
	11			2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358	2,695	2,358
Sub Total				21,557	18,862	21,557	18,862	21,557	18,862	21,557	18,862	21,557	18,862
12-28.5 - Office	NLA/ GFA Efficiency Ratio				87.50%		87.50%		92.50%		92.50%		87.50%
	12			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	13			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	14			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	15			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	16			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	17			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	18			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	19			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	20			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	21			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	22			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	23			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	24			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	25			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	26			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	27			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	28			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
	29			829	725	1,825	1,597	2,112	1,954	2,440	2,257	1,797	1,573
Sub Total				14,920	13,055	32,855	28,748	38,021	33,268	43,927	38,436	32,351	28,307
Grand Total				55,471	49,361	73,406	65,054	78,572	69,574	84,478	74,742	72,902	64,613
Sub Total Area Check Retail				13.34%	6,587	10.13%	6,587	9.47%	6,587	8.81%	6,587	10.19%	6,587
Sub Total Area Check Office				86.66%	42,774	89.87%	58,467	90.53%	62,987	91.19%	68,155	89.81%	58,026
Sub Total Area Check				100.00%	49,361	100.00%	65,054	100.00%	69,574	100.00%	74,742	100.00%	64,613
No Car Bays				80		154		165		177		153	
Car Parking GBA				2,200		4,230		4,527		4,868		4,200	
Net Rental Incomes				Net Rental PM2PA	Net Rental Per Annum	Net Rental PM2PA	Net Rental Per Annum	Net Rental PM2PA	Net Rental Per Annum	Net Rental PM2PA	Net Rental Per Annum	Net Rental PM2PA	Net Rental Per Annum
Component	Level												
Shell House Office													
	1			\$600	\$490,455	\$600	\$490,455	\$600	\$490,455	\$600	\$490,455	\$600	\$490,455
	2			\$605	\$494,542	\$605	\$494,542	\$605	\$494,542	\$605	\$494,542	\$605	\$494,542
	3			\$610	\$498,629	\$610	\$498,629	\$610	\$498,629	\$610	\$498,629	\$610	\$498,629
	4			\$615	\$502,716	\$615	\$502,716	\$615	\$502,716	\$615	\$502,716	\$615	\$502,716
	5			\$620	\$506,804	\$620	\$506,804	\$620	\$506,804	\$620	\$506,804	\$620	\$506,804

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Land Value Differential Analysis Based Various Setbacks													
Prepared For The City OF Sydney													
By Preston Rowe Paterson NSW Pty Limited													
Date:	06-May-11												
Time:	12:44 PM												
Reference:	C:\Datafile\Temporary Files 2011\[389570 - Wynyard Centre.xlsx]Feasability Comparison												
Scenario Number				One		Two		Three		Four		Five	
Scenario				LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)		15m setback to Carrington (15m upper level setback on Carrington Street side only)		8m setback to Carrington (8m upper level setback on Carrington Street side only)		The Scheme as currently proposed (no setbacks on Carrington or George)		Additional Option (8m upper level setbacks on Carrington and George)	
		6		\$625	\$510,891	\$625	\$510,891	\$625	\$510,891	\$625	\$510,891	\$625	\$510,891
		7		\$630	\$514,978	\$630	\$514,978	\$630	\$514,978	\$630	\$514,978	\$630	\$514,978
		8		\$635	\$519,065	\$635	\$519,065	\$635	\$519,065	\$635	\$519,065	\$635	\$519,065
		9		\$640	\$523,152	\$640	\$523,152	\$640	\$523,152	\$640	\$523,152	\$640	\$523,152
		10		\$645	\$527,239	\$645	\$527,239	\$645	\$527,239	\$645	\$527,239	\$645	\$527,239
		11		\$650	\$531,326	\$650	\$531,326	\$650	\$531,326	\$650	\$531,326	\$650	\$531,326
		12		\$655	\$535,413	\$655	\$535,413	\$655	\$535,413	\$655	\$535,413	\$655	\$535,413
Sub Total				\$628	\$6,155,210	\$628	\$6,155,210	\$628	\$6,155,210	\$628	\$6,155,210	\$628	\$6,155,210
B2 Hunter Retail													
		1		\$1,750	\$3,667,650	\$1,750	\$3,667,650	\$1,750	\$3,667,650	\$1,750	\$3,667,650	\$1,750	\$3,667,650
B1 (Concourse) Retail													
		1		\$2,000	\$2,994,000	\$2,000	\$2,994,000	\$2,000	\$2,994,000	\$2,000	\$2,994,000	\$2,000	\$2,994,000
1 (George) Retail													
		1		\$2,500	\$3,742,500	\$2,500	\$3,742,500	\$2,500	\$3,742,500	\$2,500	\$3,742,500	\$2,500	\$3,742,500
2 (Carrington) Retail													
		1		\$1,250	\$1,871,250	\$1,250	\$1,871,250	\$1,250	\$1,871,250	\$1,250	\$1,871,250	\$1,250	\$1,871,250
3 (York) Commercial													
		1		\$600	\$628,740	\$600	\$628,740	\$600	\$628,740	\$600	\$628,740	\$600	\$628,740
4-11 - Office													
		4		\$650	\$1,532,554	\$650	\$1,532,554	\$650	\$1,532,554	\$650	\$1,532,554	\$650	\$1,532,554
		5		\$655	\$1,544,343	\$655	\$1,544,343	\$655	\$1,544,343	\$655	\$1,544,343	\$655	\$1,544,343
		6		\$660	\$1,556,132	\$660	\$1,556,132	\$660	\$1,556,132	\$660	\$1,556,132	\$660	\$1,556,132
		7		\$665	\$1,567,920	\$665	\$1,567,920	\$665	\$1,567,920	\$665	\$1,567,920	\$665	\$1,567,920
		8		\$670	\$1,579,709	\$670	\$1,579,709	\$670	\$1,579,709	\$670	\$1,579,709	\$670	\$1,579,709
		9		\$675	\$1,591,498	\$675	\$1,591,498	\$675	\$1,591,498	\$675	\$1,591,498	\$675	\$1,591,498
		10		\$680	\$1,603,287	\$680	\$1,603,287	\$680	\$1,603,287	\$680	\$1,603,287	\$680	\$1,603,287
		11		\$685	\$1,615,076	\$685	\$1,615,076	\$685	\$1,615,076	\$685	\$1,615,076	\$685	\$1,615,076
Sub Total				\$668	\$12,590,519	\$668	\$12,590,519	\$668	\$12,590,519	\$668	\$12,590,519	\$668	\$12,590,519
12-28.5 - Office													
		12											
		13		\$735	\$533,066	\$735	\$1,173,864	\$735	\$1,436,066	\$735	\$1,659,150	\$735	\$1,155,856
		14		\$740	\$536,692	\$740	\$1,181,849	\$740	\$1,445,835	\$740	\$1,670,437	\$740	\$1,163,719
		15		\$745	\$540,318	\$745	\$1,189,835	\$745	\$1,455,604	\$745	\$1,681,723	\$745	\$1,171,582
		16		\$750	\$543,945	\$750	\$1,197,820	\$750	\$1,465,373	\$750	\$1,693,010	\$750	\$1,179,445
		17		\$755	\$547,571	\$755	\$1,205,806	\$755	\$1,475,143	\$755	\$1,704,297	\$755	\$1,187,308
		18		\$760	\$551,197	\$760	\$1,213,791	\$760	\$1,484,912	\$760	\$1,715,584	\$760	\$1,195,171
		19		\$765	\$554,824	\$765	\$1,221,777	\$765	\$1,494,681	\$765	\$1,726,870	\$765	\$1,203,034
		20		\$770	\$558,450	\$770	\$1,229,762	\$770	\$1,504,450	\$770	\$1,738,157	\$770	\$1,210,897
		21		\$775	\$562,076	\$775	\$1,237,748	\$775	\$1,514,219	\$775	\$1,749,444	\$775	\$1,218,760
		22		\$780	\$565,702	\$780	\$1,245,733	\$780	\$1,523,988	\$780	\$1,760,731	\$780	\$1,226,623
		23		\$785	\$569,329	\$785	\$1,253,719	\$785	\$1,533,758	\$785	\$1,772,017	\$785	\$1,234,486
		24		\$790	\$572,955	\$790	\$1,261,704	\$790	\$1,543,527	\$790	\$1,783,304	\$790	\$1,242,349
		25		\$795	\$576,581	\$795	\$1,269,690	\$795	\$1,553,296	\$795	\$1,794,591	\$795	\$1,250,212
		26		\$800	\$580,208	\$800	\$1,277,675	\$800	\$1,563,065	\$800	\$1,805,878	\$800	\$1,258,075
		27		\$805	\$583,834	\$805	\$1,285,660	\$805	\$1,572,834	\$805	\$1,817,164	\$805	\$1,265,938
		28		\$810	\$587,460	\$810	\$1,293,646	\$810	\$1,582,603	\$810	\$1,828,451	\$810	\$1,273,801
		29		\$815	\$591,087	\$815	\$1,301,631	\$815	\$1,592,372	\$815	\$1,839,738	\$815	\$1,281,664
Sub Total				\$732	\$9,555,295	\$732	\$21,041,710	\$774	\$25,741,727	\$774	\$29,740,545	\$732	\$20,718,923
Total Retail & Commercial					\$41,205,163		\$52,691,579		\$57,391,595		\$61,390,414		\$52,368,791
Total Retail					\$12,275,400		\$12,275,400		\$12,275,400		\$12,275,400		\$12,275,400
Total Office (Incentive Calculation)					\$28,929,763		\$40,416,179		\$45,116,195		\$49,115,014		\$40,093,391
Total Retail / Commercial Check					\$41,205,163		\$52,691,579		\$57,391,595		\$61,390,414		\$52,368,791
Transferrable Heritage Floor Space Acquisition													
HFS Purchased Yet?:					Assume No		Assume No		Assume No		Assume No		Assume No
PRP Surface Land Area Estimate					4,032.10		4,032.10		4,032.10		4,032.10		4,032.10
Estimated Actual FSR:					13.76		18.21		19.49		20.95		18.08
Maximum FSR Permitted By Clauses 54(2) or 55 Plus Clause 10					13.75		13.75		13.75		13.75		13.75
Additionalnal Amount of FSR Over Maximum					0.01		4.46		5.74		7.20		4.33
Base FSA					32,256.80		32,256.80		32,256.80		32,256.80		32,256.80
Transferrable Heritage Floor Space To BE Acquired Between 8:1 and 13.75:1					11,592.29		11,592.29		11,592.29		11,592.29		11,592.29
Transferrable Heritage Floor Space to be Acquired Above Maximum													
					29.85		17,964.73		23,130.73		29,036.98		17,460.73
Total FSA Check					55,471.23		73,406.10		78,572.10		84,478.35		72,902.10
Total THFS to be Acquired					11,622.14		29,557.01		34,723.01		40,629.26		29,053.01
Est. Cost of HFS PM2:					\$400		\$400		\$400		\$400		\$400
Estimated Total Cost Of Half Required HFS					\$4,648,855		\$11,822,805		\$13,889,205		\$16,251,705		\$11,621,205
No Car Bays:					80		154		165		177		153
Rate PBPC Month:					\$750		\$750		\$750		\$750		\$750
Rate Per Annum:					\$720,000		\$1,384,212		\$1,481,626		\$1,593,000		\$1,374,700

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Land Value Differential Analysis Based Various Setbacks Prepared For The City OF Sydney By Preston Rowe Paterson NSW Pty Limited											
Date:	06-May-11										
Time:	12:44 PM										
Reference:	C:\Datafile\Temporary Files 2011\389570 - Wynyard Centre.xlsx\Feasability Comparison										
Scenario Number				One		Two		Three		Four	
Scenario				LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)		15m setback to Carrington (15m upper level setback on Carrington Street side only)		8m setback to Carrington (8m upper level setback on Carrington Street side only)		The Scheme as currently proposed (no setbacks on Carrington or George)	Additional Option (8m upper level setbacks on Carrington and George)
Annual Rate:					\$9,000		\$9,000		\$9,000		\$9,000
Naming Signage Income Per Annum:					\$250,000		\$250,000		\$250,000		\$250,000
Total Income:					\$42,175,163		\$54,325,791		\$59,123,222		\$63,233,414
Estimated Outgoings PM2:				\$175		\$175		\$175		\$175	
Estimated Outgoings PA:					-\$8,638,118		-\$11,384,395		-\$12,175,439		-\$13,079,834
Plus Recoveries % Net Basis:				98.00%		98.00%		98.00%		98.00%	
Estimated Recoveries:					\$8,465,355		\$11,156,707		\$11,931,930		\$12,818,237
Estimated Vacancy Factor:				2.00%		2.00%		2.00%		2.00%	
Estimated Vacancy Allowance:					-\$843,503		-\$1,086,516		-\$1,182,464		-\$1,264,668
Estimated Net Income:					\$41,158,898		\$53,011,587		\$57,697,249		\$61,707,149
Office Rental Incentives											
Net Office Rental					\$28,929,763		\$40,416,179		\$45,116,195		\$49,115,014
Office Outgoings					\$7,485,428		\$10,231,705		\$11,022,749		\$11,927,144
Gross Office Rental					\$36,415,191		\$50,647,884		\$56,138,945		\$61,042,157
Estimated Lease Terms Years:					8		8		8		8
Estimated Incentive (% Gross rent For the Term):					30.00%		30.00%		30.00%		30.00%
Estimated Incentive:					\$87,396,458		\$121,554,922		\$134,733,467		\$146,501,178
(a)Net Income(Brought Fwd-Esc.Dollars):					\$41,158,898		\$53,011,587		\$57,697,249		\$61,707,149
(b)Capitalisation Rate:				6.50%		6.50%		6.50%		6.50%	
(c)Estimated Fully Let Value On Completion(Esc. Dollars)					\$633,213,811		\$815,562,875		\$887,649,980		\$949,340,752
Shows Per m2 Lettable Area:					\$12,828		\$12,537		\$12,758		\$12,702
(d)Letting Up Allowance/ Fitout Void (% of Year 1 Income) Gross:				50%	-\$25,406,640	50.00%	-\$32,855,093	50.00%	-\$35,649,330	50.00%	-\$38,156,624
(e) Tenant Incentive Allowance (Brought Forward):					-\$87,396,458	0.5	-\$121,554,922		-\$134,733,467		-\$146,501,178
(f)Less Leasing Agents Fees @ % YR1 Gross Face Rental:				12.50%	-\$6,351,660	12.50%	-\$8,213,773	12.50%	-\$8,912,333	12.50%	-\$9,539,156
(g) Less Lessors Legal Fees On Leasing @ Say @ % YR1 Gross Rental:				2.50%	-\$1,270,332	2.50%	-\$1,642,755	2.50%	-\$1,782,467	2.50%	-\$1,907,831
GROSS REALISATION					\$512,788,720		\$651,296,332		\$706,572,383		\$753,235,963
BUT SAY ROUND TO					\$513,000,000		\$651,000,000		\$707,000,000		\$753,000,000
Shows Per m2 Lettable Area:					\$10,393		\$10,007		\$10,162		\$10,075
Leasing fees are assumed to be paid on completion of the building at the same time as the implied sale.											
GBA Office/Retail B/F				5.0%	58,245		77,076		82,501		88,702
GBA Parking B/F					2,200		4,230		4,527		4,868
Constrution Cost PM2 Office/ Retail					\$4,000		\$4,000		\$3,750		\$3,750
Constrcution PM2 Parking					\$1,500		\$1,500		\$1,500		\$1,500
Constrcution Cost Office					\$232,979,145		\$308,305,620		\$309,377,644		\$332,633,503
Constrcution Cost Parking					\$3,300,000		\$6,344,303		\$6,790,788		\$7,301,250
Total Cost					\$236,279,145		\$314,649,923		\$316,168,432		\$339,934,753
Gross Realisation (Brought Forward):					\$513,000,000		\$651,000,000		\$707,000,000		\$753,000,000
Less Agents Commission On Sale @:				0.75%	-\$3,847,500		-\$4,882,500		-\$5,302,500		-\$5,647,500
Less Legal Fees On Sale @:				0.25%	-\$1,282,500		-\$1,627,500		-\$1,767,500		-\$1,882,500
Net Realisation:					\$507,870,000		\$644,490,000		\$699,930,000		\$745,470,000
Less Profit & Risk Allowance at Say:				20.00%	-\$84,645,000		-\$107,415,000		-\$116,655,000		-\$124,245,000
Balance Before Development Costs:					\$423,225,000		\$537,075,000		\$583,275,000		\$621,225,000
Less Development Costs:											
Site Preparation and preliminaries @ Say:					-\$2,500,000		-\$2,500,000		-\$2,500,000		-\$2,500,000
Demolition and Removal Of Debris:			51,275	\$130	-\$6,665,750		-\$6,665,750		-\$6,665,750		-\$6,665,750
THFS Acquisition B/F:					-\$4,648,855		\$0		\$0		\$0
Building Construction B/F:					-\$236,279,145		-\$314,649,923		-\$316,168,432		-\$339,934,753
Contingency @:				5.00%	-\$12,504,688	5.00%	-\$16,190,784	5.00%	-\$16,266,709	5.00%	-\$17,455,025
Fees On Costs @Say:				12.50%	-\$32,824,805	12.50%	-\$42,500,807	12.50%	-\$42,700,111	12.50%	-\$45,819,441
Rates & Taxes @ Say:			\$40		-\$1,974,427		-\$2,602,148		-\$2,782,958		-\$2,989,676
Development Contributions/ Costs:				1.00%	-\$2,362,791		\$0		\$0		\$0
Advertising & Promotion @ Say:				1.00%	-\$5,130,000		-\$6,510,000		-\$7,070,000		-\$7,530,000
Up Front Funding Cost @ Say:					-\$2,500,000		-\$2,500,000		-\$2,500,000		-\$2,500,000
Total Development Costs					-\$307,390,461		-\$394,119,412		-\$396,653,959		-\$425,394,646
Development And Sell Period For Interest Calculation											
(a) Lead Time to DA and Constrcution Certificate					18		18		18		18
(b) Constrcution Period					22		22		22		22
(c) Sale Period on Completion					1		1		1		1
(d) Total Development And Sell period					41		41		41		41
Funding All Developemnt Costs (Excluding Rates and Taxes)											
Present Value	PV				-\$302,916,034		-\$389,017,264		-\$391,371,002		-\$419,904,969
Half Building Period	N (Half Development and Sell Period)				11		11		11		11
Interest Rate	I				7.50%		7.50%		7.50%		7.50%
Future Value	FV Therefore				\$324,404,663		\$416,613,849		\$419,134,559		\$449,692,704
Interest Therefore	Int Therefore				-\$21,488,630		-\$27,596,585		-\$27,763,557		-\$29,787,735
Funding Rates and Taxes											
	PV				-\$4,474,427		-\$5,102,148		-\$5,282,958		-\$5,489,676
	N (WholeDevelopment and Sell Period)				41		41		41		41
	I				7.50%		7.50%		7.50%		7.50%
	FV Therefore				\$5,776,690		\$6,587,106		\$6,820,540		\$7,087,423

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Land Value Differential Analysis Based Various Setbacks													
Prepared For The City OF Sydney													
By Preston Rowe Paterson NSW Pty Limited													
Date:	06-May-11												
Time:	12:44 PM												
Reference:	C:\Datafile\Temporary Files 2011\[389570 - Wynyard Centre.xlsx]Feasability Comparison												
Scenario Number				One		Two		Three		Four		Five	
Scenario				LEP DCP compliant (30m on Carrington Street Side and 8m on George Street side)		15m setback to Carrington (15m upper level setback on Carrington Street side only)		8m setback to Carrington (8m upper level setback on Carrington Street side only)		The Scheme as currently proposed (no setbacks on Carrington or George)		Additional Option (8m upper level setbacks on Carrington and George)	
	Int Therefore				-\$1,302,263		-\$1,484,958		-\$1,537,582		-\$1,597,747		-\$1,479,824
Funding Short Term Interest on Interest On GST Payments													
	PV				-\$305,416,034		-\$391,517,264		-\$393,871,002		-\$422,404,969		-\$388,935,340
	N (GST Input Tax Recovery PeriodPeriod)				1.5		1.5		1.5		1.5		1.5
	I				7.50%		7.50%		7.50%		7.50%		7.50%
	FV Therefore				\$308,283,776		\$395,193,468		\$397,569,306		\$426,371,197		\$392,587,300
	Int Therefore				-\$2,867,745		-\$3,676,204		-\$3,698,304		-\$3,966,228		-\$3,651,960
Total Development Costs:					-\$333,049,098		-\$426,877,158		-\$429,653,403		-\$460,746,355		-\$424,065,057
Balance Before Aquisition Costs:					\$90,175,902		\$110,197,842		\$153,621,597		\$160,478,645		\$110,534,943
Less Aquisition Costs:													
1. Stamp Duty:				5.50%									
2. Legals On Purchase:				0.25%									
3. Funding Purchase:													
Interest Rate (I):				7.50%									
Term (n):				41									
Present Value (PV):				1									
Future Value (FV):				1.29105									
Adjusted Interfest Deduction:				29.10%									
Total:				34.85%	-\$23,306,904		-\$28,481,784		-\$39,705,107		-\$41,477,383		-\$28,568,911
Market Value:					\$66,868,998		\$81,716,058		\$113,916,490		\$119,001,262		\$81,966,032
But Say Round To:					\$67,000,000		\$82,000,000		\$114,000,000		\$119,000,000		\$82,000,000
Shows Per M2 FSA:					\$1,208		\$1,117		\$1,451		\$1,409		\$1,125
					13.76		18.21		19.49		20.95		18.08