

10.8. 183-185 Military Road, Neutral Bay - Voluntary Planning Agreement

AUTHOR	Katerina Papas, Senior Strategic Planner
ENDORSED BY	Marcelo Occhiuzzi, Director Planning and Environment
ATTACHMENTS	1. Revised VPA Letter of Offer 183 -185 Military Road, Neutral Bay 10 June 2025 [10.8.1 - 4 pages]
CSP LINK	<p>Outcome 3 – An active community with space for everyone to exercise and enjoy the outdoors O3. Provide new and upgraded facilities within existing public spaces to increase amenity, accessibility and diversity</p> <p>Outcome 4 – A connected LGA where safe, active and sustainable travel is preferred T1. Deliver infrastructure and programs that support healthy and active travel</p> <p>Outcome 5 – A thriving and resilient local economy ED3. Create vibrant villages and local centres that attract and retain visitors</p> <p>Outcome 6 – A vibrant LGA where culture and creativity is enjoyed by all C4. Increase the number of places and spaces available for cultural and creative participation and production</p> <p>Outcome 7 – Housing that meets the needs of a growing population H1. Support the delivery of affordable and diverse housing H2. Support the delivery of additional dwellings to meet housing targets H3. Protect the amenity of our LGA through design excellence and provision of appropriate infrastructure in growth areas</p> <p>Outcome 8 – An effective, accountable and sustainable Council that serves the community G2. Put community needs at the core of everything we do and deliver excellent customer service G4. Manage risks and maintain independent oversight in business operations and decision-making G6. Commit to efficiency and value for money in service delivery</p>

PURPOSE:

The purpose of this report is to seek Council’s in-principle support of an offer to enter into a Voluntary Planning Agreement (VPA) relating to a Planning Proposal (4/24) for 183-185 Military Road, Neutral Bay. The VPA offer is for the provision of affordable housing on the site and public domain works.

EXECUTIVE SUMMARY:

- On 27 November 2023, Council resolved to refuse a Planning Proposal for 183-185 Military Road, Neutral Bay. The Planning Proposal sought to increase the maximum building height control from 16m to 43m (12 storeys) and increase the minimum non-residential floor space ratio control from 0.5:1 to 2:1 under the North Sydney Local Environmental Plan (NSLEP) 2013.
- Following this decision, the applicant lodged a rezoning review with the Department of Planning, Housing, and Infrastructure (DPHI). This was considered by the Sydney North Planning Panel (SNPP) on 5 May 2024 which recommended the Planning Proposal proceed to Gateway Determination, subject to addressing several matters, including investigating opportunities for the delivery of affordable housing with a target of at least 5% provision as per the Greater Sydney Region Plan.
- A Gateway Determination was issued by the DPHI on 11 April 2025 with a condition that “prior to finalisation (of the Planning Proposal/LEP making process), a suitable mechanism must be in place to secure 5% affordable housing on the site.” The Planning Proposal was recently the subject of public exhibition.
- On 27 June 2025, the applicant submitted a revised letter of offer (dated 10 June 2025) to enter into a VPA with Council to deliver public benefits, including public domain improvements (provision of a 2.5m setback along Military Road for footpath widening and increased setback of 135m² to contribute to a future Rangers Road Plaza), public bicycle parking, and the provision of 5% of the total potential residential development uplift as affordable housing.
- Whilst acknowledging that Council has previously objected to the proposal, the VPA will assist Council in securing public benefits and increase the provision of affordable housing in the North Sydney Local Government Area (LGA).
- It is recommended that the VPA offer be accepted by Council on an “in-principle” basis but with amendments as per the terms outlined in Table 2 of this report, and that Council staff be delegated the authority to negotiate the detailed terms of the agreement. If accepted, it is intended that the draft VPA will be placed on exhibition for public comment for a minimum of 28 days.

RECOMMENDATION:

- 1. THAT** Council resolve to accept, in principle, the letter of offer provided at Attachment 1 to enter into a Voluntary Planning Agreement for the provision of affordable housing and public domain improvements, subject to the terms outlined in Table 2 of this report.
- 2. THAT** Council grant delegated authority to the Chief Executive Officer (CEO) to negotiate the detailed terms of the draft Voluntary Planning Agreement.

- 3. THAT** the draft Voluntary Planning Agreement be publicly exhibited for a minimum period of 28 days.
- 4. THAT** the outcomes of the public exhibition of the draft Voluntary Planning Agreement be reported to Council.

Background

1. Strategic Planning Context

On 22 February 2021, Council resolved to adopt a finalised Neutral Bay Town Centre – Future Directions Report, also known as the *Military Road Corridor Planning Study – Stage 1 (MRCPS)*.

The Study envisaged height increases on three “key” amalgamated sites within the precinct where community facilities and public domain projects could be delivered. The subject site (183-185 Military Road) and adjacent site to the south (1-7 Rangers Road and 50 Yeo Street) was identified as a key site, referred to as “Site 3” in the Study.

The MRCPS identified maximum building heights of six, eight, and 12 storeys for “Site 3” with the 12-storey component assigned to 183-185 Military Road. The MRCPS required, either through the amalgamation of the two sites or through an agreement between the two separate landowners, to coordinate their development aspirations, and to deliver the following public benefits:

- 1,250m² of new public domain (including a 1,000m² public plaza fronting Rangers Road and a pedestrian through-site link connecting Rangers Road to Yeo Street);
- a 2.5m setback along Military Road for footpath widening;
- a new 1,000m² community facility; and
- a 14-space public commuter bicycle parking facility

On 24 January 2022, Council resolved to rescind the MRCPS following concerns raised by the community with respect to the height and scale of development proposed by the Study. Council resolved to prepare “a revised recommendation that has a better balance between development height and the provision of additional public open space.”

The renewed Study (known as the *draft Neutral Bay Town Centre Planning Study (NBTCPS)*) was endorsed by Council for public exhibition on 12 February 2024. The exhibited Study identified maximum building heights of six and eight storeys for “Site 3.” The public domain requirements for “Site 3” were retained from the MRCPS (i.e., the requirement to deliver a 1,000m² public plaza, pedestrian through-site link and setbacks/footpath widening along Military Road). The requirement to deliver a new 1,000m² community facility as part of the redevelopment of “Site 3” was relocated to “Site 2” on the northern side of Military Road.

Following public exhibition, on 27 May 2024, Council resolved to adopt the *Neutral Bay Village Planning Study (NBVPS)*, subject to amendments, including the reduction of the maximum 8 storey building height nominated for “Site 3” to 6 storeys. Council also resolved:

- *THAT Council support the inclusion of affordable housing in all new developments, with the affordable housing being part of the maximum building height of six storeys;*
- *THAT affordable housing remains in perpetuity;*
- *THAT Council note the Neutral Bay Village Planning Study will guide future Planning Proposals;*

- THAT Council endorse the preparation and progression of a planning proposal and associated development control plan amendment to give effect to the aspects of the Neutral Bay Village Planning Study outlined in this report.

2. Development Proposals for “Site 3”

Two separate but associated Planning Proposals at 1-7 Rangers Road and 50 Yeo Street (PP1/23) and 183-185 Military Road, Neutral Bay (PP4/24) have been progressed since the recission of the MRCPS by Council in January 2022.

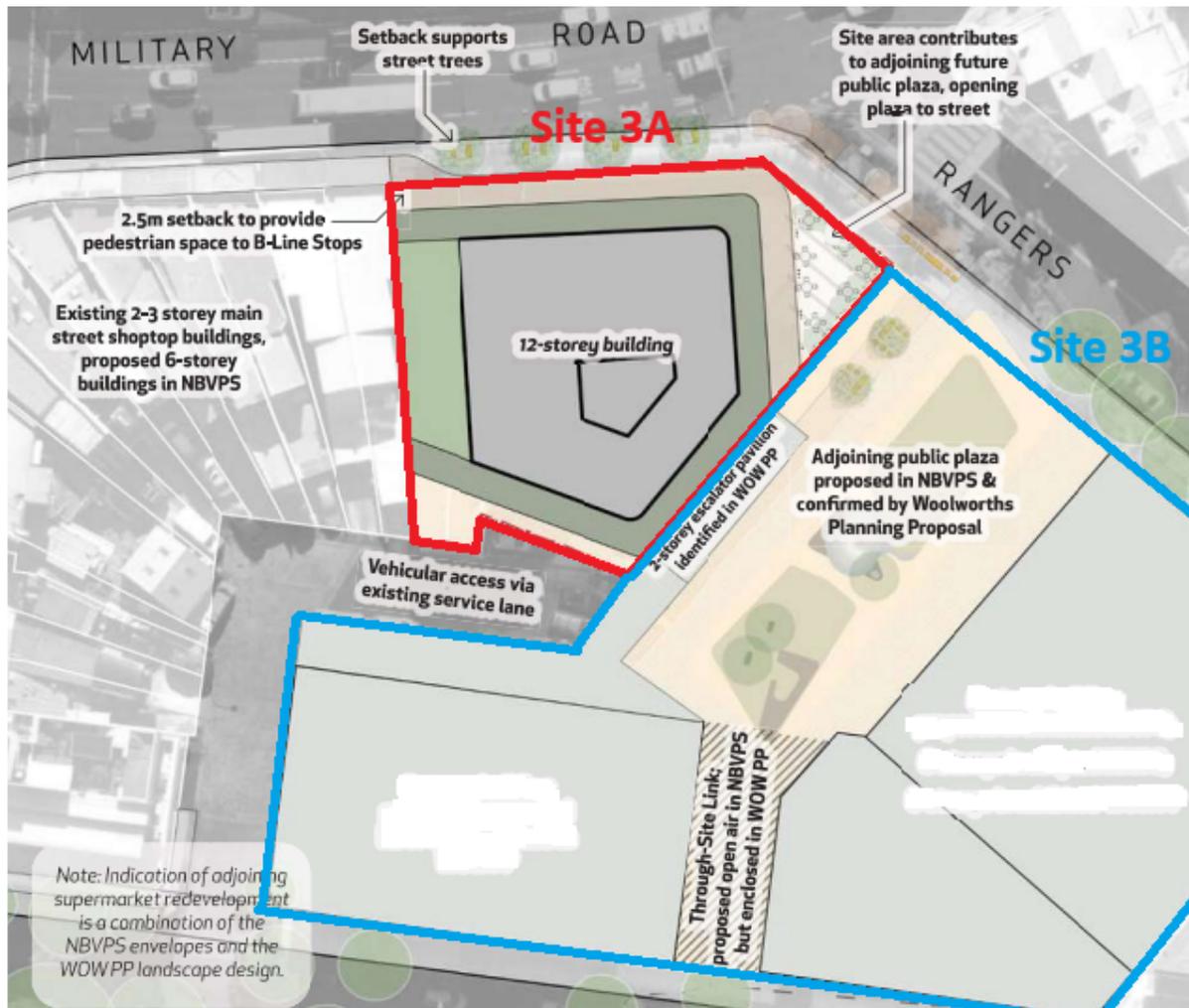


FIGURE 1: Applicant’s indicative site plan (source: Amended Urban Design Report, p. 45)

2.1 Planning Proposal (PP1/23) – 1-7 Rangers Road and 50 Yeo Street, Neutral Bay

On 11 January 2023, Planning Proposal (PP1/23) was lodged with Council for 1-7 Rangers Road and 50 Yeo Street, Neutral Bay. It is the second Planning Proposal lodged by Fabcot Pty Ltd (Woolworths) for the site following Council’s refusal of Planning Proposal (PP6/22) in October 2022.

The Planning Proposal sought to amend the planning controls under the NSLEP 2013 to facilitate a part six and eight-storey mixed-use development on the site comprising a

supermarket in the subterranean level, retail and commercial floorspace in the podium, and approximately 63 residential apartments. The proposal was accompanied by a letter of offer to enter into a VPA with Council to deliver as part of the development, a publicly accessible square and pedestrian through-site link connecting Rangers Road to Yeo Street, public wi-fi, and 88 basement car parking spaces for public use, in perpetuity.

Consistent with the recommendations of the North Sydney Local Planning Panel (NSLPP), Council resolved on 22 May 2023 to not support the Planning Proposal on strategic and site-specific grounds. In response to Council's refusal, the applicant lodged a rezoning review request with the DPHI which was considered by the SNPP on 6 September 2023. The Panel recommended the Planning Proposal should proceed to a Gateway Determination subject to addressing several design considerations.

A Gateway Determination was issued by the DPHI on 22 March 2024 and included a condition that the proposal be updated to investigate opportunities for the provision of 5% affordable housing as a key public benefit instead of the provision of 88 additional public car spaces.

As the Planning Proposal was the subject of a successful rezoning review, the SNPP was appointed the Planning Proposal Authority (PPA) to manage the plan making process, including public exhibition.

On 24 October 2024, the SNPP considered a post-exhibition report prepared by the DPHI and recommended the proposal proceed to finalisation. The report noted that the applicant had investigated the feasibility of providing affordable housing and that it was determined the proposal would not be financially feasible if affordable housing was included. Securing the delivery of the public plaza and through-site link, and ensuring the built form aligns with Council's objectives, was deferred to the preparation of a DCP amendment by Council.

The LEP amendment was gazetted and came into effect on 19 March 2025, increasing the maximum height control on the site from 16m to part 26m and part 31m and increasing the minimum non-residential floor space ratio control from 0.5:1 to 1.8:1.

2.2 SSD Application - 1-7 Rangers Road and 50 Yeo Street, Neutral Bay

On 19 February 2025, the Housing Delivery Authority (HDA) recommended a proposal submitted by Fabcot Pty Ltd for 1-7 Rangers Road and 50 Yeo Street be declared a State Significant Development (SSD) project. The proposal is for a part eight-storey and part 12-storey mixed-use development comprising a supermarket, medical centre, commercial premises, and shop top housing for 97 residential units, including 5% affordable housing (10 units).

On 24 April 2025, a Secretary's Environmental Assessment Requirements (SEARs) was issued for the SSD application and concurrent rezoning. The DPHI will undertake the assessment of the SSD application and concurrent rezoning, and the Independent Planning Commission (IPC) Minister or delegate will determine the application.

The applicant lodged the Environmental Impact Statement (EIS) on 25 July 2025 with the DPHI for its review prior to it being placed on public exhibition.

2.3 Amendment to North Sydney Development Control Plan (NSDCP) 2013

On 25 November 2024, Council resolved to adopt an amendment to the *North Sydney Development Control Plan (NSDCP) 2013* which introduces site-specific controls for 183-185 Military Road and 1-7 Rangers Road and 50 Yeo Street, Neutral Bay. The amendment, which came into effect on 9 December 2024, seeks to implement the desired built form and public domain outcomes of the adopted NBVPS and includes controls relating to setbacks, podium heights, above podium setbacks, the delivery of a public plaza, through-site link, and ground floor activation.

2.4 Subject Planning Proposal (PP4/23) – 183-185 Military Road, Neutral Bay

On 6 April 2023, Planning Proposal (PP4/23) was lodged by Equitibuild Pty Ltd with Council for 183-185 Military Road, Neutral Bay.

The Planning Proposal as lodged, sought to amend the NSLEP 2013 as follows:

- increase the maximum building height control for the site from 16m to 43m; and
- increase the minimum non-residential FSR control from 0.5:1 to 2:1.

The indicative concept scheme (refer to Figure 2 below) accompanying the proposal included a 12-storey mixed use development comprising retail floorspace at ground level, a community facility at level 1, commercial floorspace at levels 2-3, and residential apartments on levels 4-12. Approximately 57 car spaces were also proposed across four basement levels.

The proposal at the time of lodgement, was accompanied by a non-binding letter of offer to enter into a VPA with Council to deliver the following public benefits:

- a 2.5m setback along Military Road (measuring 95m²) for footpath widening;
- increased setback along the eastern boundary (measuring 135m²) contributing towards a future public plaza fronting Rangers Road;
- a community facility (measuring 323m²); and
- 14 public bicycle parking spaces at ground level.

On 25 October 2023, the NSLPP considered the proposal and recommended it not be supported on strategic and site-specific grounds, as it did not satisfy the objectives and intended outcomes of the rescinded MRCPS or renewed NBTCPs, and did not demonstrate adjacent site integration.

On 27 November 2023, Council resolved to refuse the Planning Proposal, consistent with the reasons of the NSLPP. In response to this decision, the applicant lodged a rezoning review with the DPHI. The request was considered by the SNPP on 5 May 2024, where the Panel recommended the Planning Proposal should proceed to a Gateway Determination subject to addressing several matters. This included investigating opportunities for the delivery of affordable housing with a target of at least 5% as per the Greater Sydney Region Plan. The

Panel’s record of decision noted that the provision of affordable housing on the site could be justified given the (then) draft NBTCPs no longer required the proposed community facility to be located on this site.

On 11 April 2025, a Gateway Determination was issued by the DPHI. Condition 1 of the Gateway Determination required the Planning Proposal be amended prior to public exhibition to, in part:

- o *acknowledge the endorsed site-specific amendment to the NSDCP 2013 for ‘1-11 Rangers Road, 50 Yeo Street and 183-185 Military Road, Neutral Bay’.*
- o *acknowledge the finalisation of planning controls for ‘1-7 Rangers Road and 50 Yeo Street, Neutral Bay’.*
- o *include the delivery of 5% affordable housing as an objective of the planning proposal.*
- o *to reflect the removal of the community facility.*

Condition 5 of the Gateway Determination requires that *“prior to finalisation, a suitable mechanism must be in place to secure 5% affordable housing on the site.”*

The Planning Proposal was amended by the applicant to address Condition 1 of the Gateway Determination. The amended 12-storey indicative concept scheme comprises four levels of non-residential uses (3,090m² of non-residential GFA) and eight levels of residential above, comprising 43 apartments (3,660m² of residential GFA). In response to Condition 5, the amended Planning Proposal states that the accompanying VPA offer would be subject to further discussions and negotiations with Council and would include the provision of affordable housing.



FIGURE 2: Applicant’s indicative design proposal(source: Amended Urban Design Report, p. 42)

On 27 June 2025, the applicant submitted a revised VPA letter of offer (dated 10 June 2025) to Council which proposes to deliver the following public benefits in connection with the Planning Proposal:

- a 2.5m setback along Military Road (total 95m²) for footpath widening;
- increased setback along the eastern boundary (total 135m²) contributing towards a future public plaza fronting Rangers Road;
- public bicycle parking spaces at ground level; and
- 5% of the total potential residential development uplift as affordable housing.

As the Planning Proposal was the subject of a successful rezoning review, the SNPP is appointed the PPA and manages the plan making process. Council has limited influence over the progression and timing of the Planning Proposal process.

The DPHI has subsequently proceeded with the public exhibition of the amended Planning Proposal in the absence of a VPA being negotiated and drafted. This is despite Section 204 of the Environment Planning and Assessment Regulation 2021 requiring any planning agreement in connection with a Planning Proposal to be exhibited concurrently. The Planning Proposal was exhibited from 6 June to 8 July 2025.

As part of the public exhibition of the Planning Proposal, Council staff made a submission on 2 July 2025 to the DPHI objecting to the progression of the Planning Proposal on the basis that it remains inconsistent with and undermines the applicable strategic planning policy framework, in particular the adopted NBVPS and Council's place-making objectives, by facilitating disjointed and sub-optimal outcomes of reduced public benefit. Concerns were raised with the proposed height, bulk, and scale of development and associated amenity impacts to the Rangers Road plaza and surrounding properties, and that additional height and floor space could potentially be sought at the development application stage utilising the infill affordable housing provisions of the Housing SEPP.

It was requested that, should the SNPP recommend the Planning Proposal progress, a site-specific provision be included to prevent any further uplift under the Housing SEPP. It was also requested that the DPHI not finalise the Planning Proposal until such time as the VPA has been executed between the parties and registered on title to ensure that public benefits are delivered as part of any future development on the site.

The DPHI is currently reviewing the submissions received during the public exhibition.

Report

Letter of Offer

On 27 June 2025, Equitibuild Pty Ltd (the applicant), submitted a revised VPA letter of offer to Council (dated 10 June 2025) which proposes to deliver the following public benefits in connection with the Planning Proposal for 183-185 Military Road, Neutral Bay.

Military Road Setback

The VPA offer includes the provision of a 2.5m wide setback along Military Road (total 95m²) as outlined by the dotted red line in Figure 3 below. The setback would allow for footpath widening, addressing pedestrian comfort and safety.

The Military Road setback is consistent with the vision for the site as identified in the NBVPS. The NBVPS recommends a 2.5m whole of building setback along Military Road to improve streetscape amenity by allowing for landscape planting opportunities and extra space for commuters utilising the B-Line bus stop, improving the safety and amenity for pedestrians.

This recommendation was implemented in the site-specific amendment to the NSDCP 2013. An objective was inserted into the NSDCP *“to provide a wider footpath to Military Road to enhance pedestrian movement and comfort and provide outdoor dining opportunities.”* To achieve this objective, a provision has been inserted requiring buildings to be setback 2.5m from the Military Road frontage.

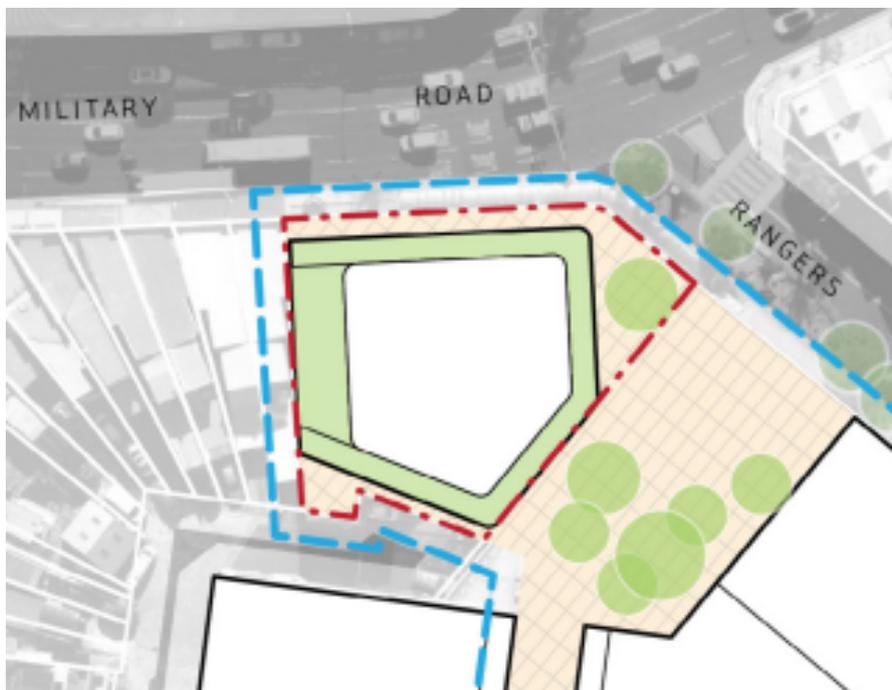


FIGURE 3: Indicative site plan (source: VPA Letter of Offer dated 10 June 2025)

Eastern Boundary Setback for the Public Plaza

The VPA offer includes the provision of an increased setback along the eastern boundary (total 135m²) contributing towards a future public plaza fronting Military Road and Rangers Road. The plaza is designed to join the plaza proposed at 1-7 Rangers Road, which aims to provide some respite from the busy Military Road.

The NBVPS identifies the delivery of the ‘Rangers Road Plaza’, a 1,000m² public space that would provide open space and retail opportunities to support population growth. The Plaza would also include a 6m wide through-site link connecting the new Plaza to Yeo Street.

The provision of a 1,000m² public plaza across both 183-185 Military Road and 1-7 Rangers Road is a requirement in the NSDCP 2013. Furthermore, the NSDCP also requires that “if 183-185 Military Road is to be redeveloped in isolation from 1-7 Rangers Road, then the building at 183-185 Military Road must be setback at the ground level from its eastern boundary, to ensure that appropriate pedestrian access arrangements can be made independently, without reliance on reciprocal rights of way between 183-185 Military Road and 1-7 Rangers Road.”

As indicated in Figure 3 above, the setback is proposed at ground level along the eastern boundary. This is consistent with the DCP requirement as the subject site at 183-185 Military Road is being redeveloped in isolation from 1-7 Rangers Road which is being progressed as a SSD whilst the subject site is still being assessed as a Planning Proposal.

Whilst the proposal’s intent to increase the size of the future public plaza across the eastern corner of the subject site by an additional 135m² is generally supported, the proposed concept scheme submitted with the Planning Proposal is highly conceptual, does not adequately demonstrate adjacent site integration with the adjoining site (1-7 Rangers Road) or achieve the public domain objectives for the creation of the plaza. The proposal presents a disjointed and sub-optimal urban outcome and may result in a compromised public benefit. This is unfortunate given the unique opportunity to create a valuable public domain in a part of Neutral Bay that is in great need of public open space and would also be of benefit to both landowners. An integrated design outcome is critical to achieve a genuinely public, high amenity plaza of an appropriate size, proportion, visual, and physical connections.

Furthermore, the proposed nil setback at the ground level along the south-eastern boundary with the adjoining site and significant portion proposed for service/parking is problematic in terms of delivering active edges around the Rangers Road Plaza, such as retail, café, and outdoor dining, as envisaged in the NBVPS. This includes a continuous line of fine-grain retail flowing into the space from Military Road.

The concept scheme for the adjoining site also proposes a travelator from the Plaza to the subterranean supermarket along the joint boundary which narrows the proportions of the Plaza and inhibits any future connection to Military Lane, as envisaged by the NBVPS.

As discussed above, there are concerns and uncertainties regarding the design of the Plaza, its interface with the subject site, and integration with 1-7 Rangers Road, with minimal detail provided through the Planning Proposal. However, additional detail is unlikely to be available until a development application (DA) is lodged for the site. Unfortunately, Council may not have the ability to negotiate a VPA with the applicant at the DA stage, particularly if it is progressed through the State Government’s Housing Delivery Authority (HDA) and SSD pathway.

The estimated value (ascribed by the proponent) of the Military Road and eastern boundary setback is \$5,290,000. It should be noted that the value ascribed has been provided by the applicant and has not been independently reviewed on behalf of Council. Furthermore, as discussed above, some of these spatial “offerings” would actually be required to be provided by the amended DCP requirements, so are potentially an overstatement of the VPA offer.

Bicycle Parking

The VPA offer includes a public bicycle amenity at ground level to support the public's use of public transport infrastructure situated directly in front of the proposed building at its Military Road frontage.

The NBVPS envisages multiple design elements to activate the future public plaza, including bicycle parking, and identifies opportunities to improve access and road safety within the local centre to encourage walking, cycling and public transport. It is noted that the B-Line bus stop is located directly in front of the site along Military Road and that bicycle parking facilities at the subject site would cater for commuters and visitors to the site.

In accordance with the NBVPS, the NSDCP 2013 requires the provision of a variety of functions to activate the public plaza, including fixed bicycle parking.

As discussed above, there are concerns and uncertainties regarding the design of the Plaza and its interface with the subject site. With the limited details provided with the Planning Proposal, it is unclear where the bicycle parking is proposed to be located to ensure access to the site, the Plaza and through-site links are not impeded, and it contributes to activation of the area.

The estimated value (ascribed by the proponent) of the bicycle parking is \$460,000. It should be noted that the value ascribed has been provided by the applicant and has not been independently reviewed on behalf of Council.

Affordable Housing

The VPA offer includes the provision of "approximately 5% of the total residential development uplift potential of the Planning Proposal scheme as affordable and diverse housing."

When Council resolved to endorse the NBVPS on 27 May 2024, it also resolved to "support the inclusion of affordable housing in all new developments, with the affordable housing being part of the maximum building height of six storeys" and "that affordable housing remains in perpetuity".

As discussed above, Condition 5 of the Gateway Determination also requires that "prior to finalisation, a suitable mechanism must be in place to secure 5% affordable housing on the site."

The estimated value (ascribed by the proponent) of the affordable housing is \$1,460,000. It should be noted that the value ascribed has been provided by the applicant and has not been independently reviewed on behalf of Council.

Options

Council has the following options in relation to this matter:

1. Do nothing/not accept the VPA offer
2. Accept the VPA offer with no amendments
3. Accept the VPA offer with amendments (the recommended option)

These options are assessed in the **Table 1** below.

Option	Finance/Resourcing	Risk/Opportunity	Consultation
1.	Do nothing/not accept the VPA offer will have no financial/resourcing impact for Council.	The DPHI will progress with the finalisation of the Planning Proposal in the absence of Council securing any public benefits through a VPA, representing a missed opportunity for Council to receive public works and a monetary contribution towards the delivery of community infrastructure. This is particularly likely in the current policy climate of accelerating housing delivery.	No further consultation is required.
2.	Accepting the VPA offer with no amendments will have a minor financial/resourcing impact for Council with the negotiation, drafting and exhibition of a VPA.	Securing public benefits through a VPA as per the offer from the applicant in the absence of detailed designs risks the delivery of public benefits that do not represent an optimal outcome.	Exhibition of the draft VPA for a minimum period of 28 days is required.
3.	Accepting the VPA offer with amendments as discussed below will have a minor financial/resourcing impact for Council with the negotiation, drafting and exhibition of a VPA.	Securing public benefits through a VPA with amendments as discussed below provides Council with the flexibility to tailor the delivery of public benefits to the proposed development once detailed plans are available, providing a greater opportunity for the public benefits to deliver an optimal outcome.	Exhibition of the draft VPA for a minimum period of 28 days is required.

Recommendation

Option 3, supporting the VPA offer with amendments, is recommended. Accepting the VPA offer allows Council to secure public benefits through a VPA, providing Council with the opportunity to receive public works and a monetary contribution towards the delivery of community infrastructure.

Council is not the PPA for the Planning Proposal due to the rezoning review process and has limited influence over the progression and timing of the Planning Proposal process. Securing public benefits to support population growth is critical as the DPHI may progress the finalisation of the Planning Proposal despite Council's objections or differing aspirations for Neutral Bay.

Securing public benefits through a VPA with amendments provides Council with the flexibility to tailor the delivery of public benefits to the proposed development once detailed plans are available, providing a greater opportunity for the public benefits to deliver an optimal outcome.

It is recommended that Council accept the VPA offer under the proposed terms of agreement specified in Table 2 below.

Public Benefit	Justification for Accepting	Proposed VPA Terms of Agreement
Military Road Setback	The proposed 2.5m wide setback along Military Road is consistent with the strategic vision for the site.	The setback is to be unimpeded and accessible 24 hours a day but be maintained by the private landowners.
Eastern Boundary Setback for the Public Plaza	Despite concerns that the Plaza may represent a disjointed and suboptimal outcome of reduced public benefit, it is recommended that Council accept this component of the VPA offer given that the Plaza reflects the strategic vision for the site and at the risk that Council may not have the ability to negotiate a VPA at the DA stage.	In the absence of any detailed plans, the required dimensions of the eastern boundary setback and public Plaza are to be specified to ensure a Plaza that is consistent with the vision for the site is delivered.
Bicycle Parking	The provision of bicycle parking is consistent with the strategic vision for the site and supports walking, cycling and public transport in the area.	Alternatively, accept an equivalent monetary contribution to be used for bicycle parking and other public domain works in the area following the

Public Benefit	Justification for Accepting	Proposed VPA Terms of Agreement
		submission of detailed designs to enable an optimal urban design outcome.
Affordable Housing	The provision of affordable housing is consistent with Council’s resolution when endorsing the NBVPS and the Gateway Determination.	Given the significant uplift proposed and the need for affordable housing in the LGA, the terms of the VPA should specify that 5% of the total gross floor area of the residential component of the development is to be provided as affordable housing <u>in perpetuity</u> . The applicant’s letter of offer frames the contribution as 5% of the uplift achieved which is inconsistent with the Gateway Determination condition and is also inconsistent with how affordable housing requirements are to be applied within the Crows Nest Transport Oriented Development Precinct (Clause 7.5 of the NSLEP 2013).

Table 2: Proposed VPA Terms of Agreement

Consultation requirements

The draft VPA is proposed to be publicly exhibited for a minimum of 28 days in accordance with the requirements of the *Environmental Planning and Assessment Act 1979* and its Regulation (2021). Community consultation will also occur in accordance with Council’s *Community Engagement Strategy 2025-2029*.

Exhibition material, including plain-English explanatory information and a copy of the draft VPA will be available for viewing during the exhibition period on Council’s website with hard copies available at Council’s Customer Service Centre and Stanton Library.

Notification of the public exhibition will be through:

- Exhibition notice on Council’s website;
- Community engagement project webpage on Council’s Have Your Say website;
- Direct notification to owners/occupiers and adjoining property owners by letter or email;

- Notices in Council's Customer Service Centre and Stanton Library; and
- Notification to Precinct Committees.

A further report will be submitted to Council following the public exhibition period on the outcomes of the community consultation.

Financial/Resource Implications

This report recommends Council accept the VPA offer with amendments and enter into a VPA for public benefits and a monetary contribution towards the delivery of community infrastructure. This contribution would be in addition to the developer contributions applicable under the (s7.11) North Sydney Local Infrastructure Contributions Plan 2020 and will represent a financial benefit to Council.

The detailed terms of the VPA require the landowner/developer to cover all legal costs associated with the administration of the agreement. Whilst additional staff time will be required to negotiate and implement the agreement, the resourcing implications of entering into the agreement will be negligible.

Legislation

The proposal's compliance with the relevant provisions of the *Environmental Planning and Assessment Act 1979* and accompanying Regulation (2021) have been addressed throughout this report.

10th June 2025

The General Manager
North Sydney Council
200 Miller Street
North Sydney NSW 2060.



Dear Sir/Madam,

**RE: DRAFT PUBLIC BENEFIT OFFER,
PLANNING PROPOSAL, PP2033-699
183-185 MILITARY RD, NEUTRAL BAY**

We refer to the Planning Proposal for the above address (“the PP”) and summarise the features embodied in the proposal, the public benefit they provide and their approximate monetary value.

In formulating this public benefit offer we have considered the North Sydney Council’s Voluntary Planning Agreements Policy (Direction 3. Our Innovative City), as re-adopted by Council 26th September 2022. We submit that this PP and the following public benefits meet the objectives (item 1.2) of the Policy.

We submit the following offer subject to the terms of the Planning Agreement that ensues, the details and values of which will be validated following the valuation principles set-out in Council’s Voluntary Planning Agreement Policy.

Summary of This Planning Proposal’s Public Benefit

1. PUBLIC DOMAIN OUTDOOR PLAZA.
2. PUBLIC DOMAIN SET-BACK & WIDENED FOOTPATH ON MILITARY ROAD.
3. PUBLIC DOMAIN PLAZA CONNECTING WITH RANGERS ROAD PLAZA (PP 9/2022/6).
4. PUBLIC DOMAIN BICYCLE PARKING SUPPORTING ADJACENT PUBLIC TRANSPORT HUB.
5. AFFORDABLE HOUSING TARGETING AT LEAST 5%.

Providing a combined estimated public benefit value of \$7,210,000.

Equitibuild Pty. Limited ACN 074 022 156 | www.equitibuild.com.au | T 02 9904 9411 F 02 9904 9511
Level 1, 185 Military Road, PO Box 874, Neutral Bay NSW 2089.

The Public Benefits, a Response to The Objectives of Council's Policy

Four objectives are detailed in the North Sydney Council's Voluntary Planning Agreements Policy, and we summarise our response in table below;

Objectives of the Policy, item 1.2	Achieved by Elements of this Planning Proposal
To broaden the range and extent of development contributions (monetary, dedications of land or material public benefits)...	The range of five public domain contributions listed above come with a delivery cost to the Applicant of the PP, and will be additional to the mandatory s7.11 contributions arising from the ultimate Development Consent.
To give all stakeholders a greater involvement in determining the type, standard, location of public facilities and benefits...	This PP has been prepared with reference to and in consistency with the dialogue held with North Sydney Council since 2015, and with NSW Department of Planning since 2024. Both championing extensive community engagement.
To facilitate public participation, allowing the community to gain an understanding of the benefits of planning agreements for the provision of public benefit.	This PP has been prepared with reference to and in consistency with the dialogue held with North Sydney Council since 2015, and with NSW Department of Planning since 2024. Both championing extensive community engagement.
To achieve outcomes from development which ensure the public has full access to North Sydney's public natural assets.	Public domain spaces provided in this PP give the community access to outdoor precincts enabling enjoyment of the sun, the sky, while also providing safe, accessible exterior and interior spaces providing shelter from the weather elements and shelter from the intense traffic of Military Road.

Valuing Public Benefits

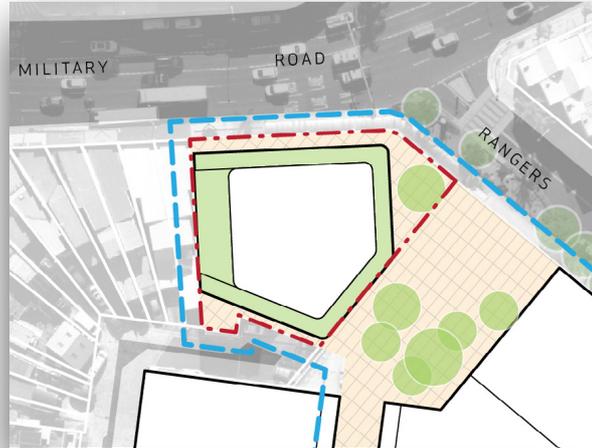
The methodology for valuing public benefits under a planning agreement is detailed in Council's Voluntary Planning Agreements Policy (Appendix 1, Procedures relating to the use of planning agreements, item 3). In broad terms the advice of a professional Valuer and/or Quantity Surveyor is called for, depending on the type of public benefit. For the purpose of this submission and discussion, however, we have formulated estimated valuations of social-economic benefit ourselves. We intend to validate these numbers in accordance with the Policy, with further consultation with an appropriate professional advisor on economic and social benefits, in due course.

The Public Benefits

1. Public Domain Outdoor Plaza and Military Road Set-Back (Public Domain Benefits 1,2,3)

Outlined by the broken red line in the adjacent image, the PP provides for a 2.5m wide setback along the Military Road frontage (totalling 95m²), plus a larger setback along the eastern boundary forming a 135m² plaza on grade fronting both Military and Rangers Road.

This plaza is designed to join with the Community Plaza proposed at 1-7 Rangers Road (PP 9/2022/6), providing a respite from the busy Military Road in a paved, landscaped and furnished space for the Public's use in recreation, holding events and cultural activities. The Military Road set-back additionally works to create a wider footpath addressing pedestrian comfort and safety concerns detailed in Councils. Both design features have been integrated into this PP in direct response to Council's stated wishes.



We estimate the value of this combined outdoor space to be \$5,290,000.

2. Public Domain Bicycle Parking in Support of Adjacent Public Transport

A public bicycle amenity at ground level to support the Public's use of the public transport infrastructure situated directly in front of the proposed building at its Military Road frontage.

We estimate the value of this bicycle parking space and system to be \$460,000.

3. Providing affordable housing, meeting key objectives of the Greater Sydney Region Plan

We are committed to housing diversity and creating a built environment that complements the diversity of the surrounding community. We will provide approximately 5% of the total residential development uplift potential of our planning proposal scheme as affordable and diverse housing. A complete analysis of the total present value of social- and economic-benefits and costs has not been undertaken at this time.

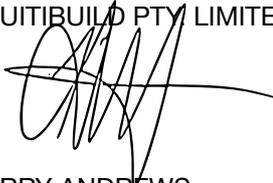
We estimate the value of this affordable residential space to be \$1,460,000.

The Planning Proposal for this site will facilitate its redevelopment into a new generation of mix-used building, contributing to Council's vision for a Town Centre providing significant direct social and economic outcomes. With its commercial retail- and office- capacity, this building will contribute to the future day-time economy of the precinct by increasing economic activity and employment opportunities. Doing so while also providing new homes directly adjacent to existing and future public and road transport.

We look forward to working collaboratively with Council to formulate an agreement that will deliver public benefit to the community in association with a high quality new Town Centre.

Yours faithfully,

EQUITIBUILD PTY LIMITED

A handwritten signature in black ink, appearing to read 'HARRY ANDREWS', written over the company name.

HARRY ANDREWS

Director