

Stage 3 Unsolicited Proposal

The NSW Government has approved that the unsolicited proposal for Central Place Sydney lodged by Dexus and Frasers Property Australia can advance to Stage 3 of the unsolicited proposals process in accordance with the NSW Government's *Unsolicited Proposals Guide for Submission and Assessment (August 2017)*.

Stage 3 involves the finalisation of all outstanding issues so that the proponent can submit a Binding Offer for assessment by the NSW Government. Progression to Stage 3 does not guarantee that the proposal will go ahead.

Proponents: Dexus and Frasers Property Australia

Proposal Title: Central Place Sydney

Proposal Description:

The proposal is based on Dexus and Frasers Property long-term leasehold at 14-30 Lee Street, Chippendale. Dexus and Frasers Property propose to develop the site into a commercial and technology precinct, providing office space to help realise the Government plans for the Sydney Innovation and Technology Precinct.

As part of the proposal, Dexus and Frasers Property would deliver an agreed scope of public works, at no cost to government. A key feature of the public works is an integrated distribution facility that provides vehicular, utilities and waste servicing capacity for future development outside the proponents' site, including over the rail corridor. The proposal would improve the public realm, with new through-site links to facilitate public access to Central Station and from Lee Street to the over-rail development proposed by Transport for NSW.

Dexus and Frasers Property propose to deliver a commercial and technology focussed development and the public works in return for its long-term leasehold title being converted to freehold title.

Sydney Innovation and Technology Precinct:

The NSW Government is establishing the Sydney Innovation and Technology Precinct in the Central to Eveleigh corridor to leverage the convergence of technology businesses with existing education and transport infrastructure at the southern end of Sydney's Central Business District. Sydney is an international city, a hub of innovation and entrepreneurship, and the powerhouse of the Australian economy. The city's strengths will catalyse the development of the Sydney Innovation and Technology Precinct and make it a central focus for innovation throughout the region.

The NSW Government has commenced the precinct and targets provision of 250,000 square metres of floor space for technology companies including 50,000 square metres as affordable work space for start-ups and early-stage companies.

The Dexus and Frasers Property proposal has the potential to align with the NSW Government's policy objectives in relation to the Sydney Innovation and Technology Precinct.

Central Precinct Renewal Program:

Central Station is one of Australia's largest and busiest transport hubs. The NSW Government's investments in Central Station, including new light rail and metro rail services, presents a unique opportunity to revitalise the Central Station precinct.

Transport for NSW is completing initial design and technical studies to help identify the opportunities, challenges, constraints and transport requirements that will need to be met to facilitate precinct renewal. The land subject to the unsolicited proposal is well located to integrate with renewal of the surrounding precinct.

The Dexus and Frasers Property proposal has the potential to align with the NSW Government's policy objectives in relation to the Central Precinct Renewal Program.

Justification for Progress to Stage 3:

The proponent's Stage 2 Detailed Proposal was evaluated by a cross-government panel and assessed to satisfy all assessment criteria.

The proponent's long term leasehold rights place it in a unique position to deliver outcomes valued by Government. The proponent is the only entity that could develop the site before 2099 and deliver value for money outcomes that align with the NSW Government's aspirations for the precinct.

The proponent has the capability and capacity to deliver the proposal.

Other Required Approvals:

Dexus and Frasers Property will seek all relevant planning and environmental approvals. There will be opportunities for public feedback on the proposed development during the planning assessment process.

The unsolicited proposals process evaluates the commercial proposition and the planning process evaluates whether it satisfies local and State planning controls.

Stage 3 Governance:

A cross-government Proposal Specific Steering Committee has been established with representation from the Department of Premier and Cabinet, NSW Treasury and Transport for NSW. A cross-government Assessment Panel, from the same agencies, will report to the Steering Committee. The Assessment Panel will be supported by a range of commercial, technical and legal advisers.

At the end of Stage 3, the Proposal Specific Steering Committee will make a recommendation to Government on whether or not to accept the Binding Offer.

Probity Advisor: Mr Alfred Said, O'Connor Marsden and Associates.

NSW Department of Premier and Cabinet
29 April 2020