

Stage 2 Unsolicited Proposal

The NSW Government has agreed that the proposal described below, in concept form, is of sufficient interest to warrant further development and progression to a more defined project. The NSW Government has not agreed to the proposal.

Proponent: Aqualand

Proposal Title: Unsolicited Proposal for 15 Blue Street, North Sydney

Proposal Description:

Aqualand seeks to have its existing long-term leasehold over 15 Blue Street, North Sydney extended to a 99 year lease.

Aqualand's proposal provides for retention in part and redevelopment of 15 Blue Street building into a new, premium grade commercial office space with hospitality and retail offerings. Additionally, Aqualand's proposal provides for improved accessibility to and from the North Sydney Station, enhanced public domain and an ongoing contribution to offset the costs incurred by the Government in the maintenance of key station access areas, station structure and the adjoining public domain.

Aqualand propose to develop within the existing approved planning envelope and will be required to obtain all relevant planning approvals which is a separate process to the Unsolicited Proposals process.

Potential Public Benefits:

The Proposal has the following potential public benefits:

- Upgrade of the North Sydney Station concourse, with creation of a new station entry
- Improved accessibility to and from the station and enhanced public domain such as a shared community space
- Job creation and benefits to the construction industry
- Contribution to the State's economic activity and Gross State Product, including the generation of construction phase revenue for the State in the form of payroll tax, stamp duty and GST payments
- Rejuvenation / replacement of an ageing 15 Blue Street building into a new, commercial office tower with supporting retail and hospitality
- Ongoing contribution to offset the costs incurred for the maintenance of key station access areas, station structure and adjoining public domain
- Potential to deliver a capital return to government to fund Government future investment in services and infrastructure.

The actual benefits of the Proposal will be quantified as part of the financial analysis to be completed as part of the Stage 2 assessment process.

Justification for Progress to Stage 2:

Aqualand currently has the ground lease to 15 Blue Street, which sits adjacent to the North Sydney Station. Aqualand is in a unique position to deliver the Proposal. They could also provide good value for money outcomes for the NSW Government, including improved accessibility to and from the station, enhanced public domain and ongoing contribution for ongoing maintenance costs.

Stage 2 Governance:

A Proposal Specific Steering Committee has been established as follows:

- Investment NSW
- NSW Treasury
- Transport Asset Holding Entity
- Transport for NSW.

At the end of Stage 2, the Steering Committee will make a recommendation to the Government on whether or not to proceed to Stage 3.

An Assessment Panel has been established and will report to the Steering Committee. The membership of the Assessment Panel comprises of:

- Investment NSW
- NSW Treasury
- Transport for NSW.

The Assessment Panel will be supported by a range of commercial, technical and legal advisors.

Probity Advisor:

Details of the probity advisor will be published once appointed.

Investment NSW**12 July 2021**