

10 October 2022

City of Ryde Council

1 Pope Street,
Ryde NSW 2112

Attn: David Matthews

Dear David,

RE: 17-23 TALAVERA ROAD, MACQUARIE PARK – VPA OFFER IN CONJUNCTION WITH SSD-24299707

Outline of offer

Further to our meeting with Council on 29 August 2022, this letter contains an offer by Macquarie Data Centres Pty Ltd (**MDC**) to enter into a planning agreement under Section 7.4 of the Environmental Planning and Assessment Act 1979 (the Act), associated with its modified state significant development application SSD-24299707 for the Stage 2 expansion of the existing data centre on the site.

MDC offers a monetary contribution of **\$860,750** towards public purposes (as described in Section 7.4(2) of the Act) in the form of recreation areas and the access network within the Macquarie Park Corridor.

The offer relates to the exercise of the consent authority's discretion to grant consent up to the maximum building height under Clause 6.9 of the Ryde Local Environmental Plan 2014 (LEP).

We would also like to record in the planning agreement that under development application LDA2018/0322 we entered into a Works-in-Kind Agreement on 4 August 2020 with Council, which was subsequently varied on 6 May 2021, under which we have undertaken public domain works to the value of \$865,734 excluding GST as part of Stage 1 of our project. Under the Works-in-Kind Agreement this amount acts as a credit against Stage 2 s7.11 contributions. As such, provided the s7.11 contributions arising from SSD-24299707 remain less than \$865,734 we don't anticipate any further s7.11 sums will be payable.

We summarise the key elements of the offer below.

Description of the land to which the agreement applies

The subject site has a street address of 17 – 23 Talavera Road, Macquarie Park and is legally described as Lot 527 DP 752035. The land is owned by One Funds Management Limited as trustee for the KDCR Australia Sub-Trust 1 (ACN 117 797 403) who have provided their consent to this VPA offer.

Macquarie Data Centres Pty Ltd

**Level 15
2 Market Street
Sydney NSW 2000**

**1800 004 943
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ABN 11 612 259 391

Description of the development to which agreement applies

The proposed planning agreement applies to state significant development SSD-24299707 to extend the existing data centre on the site, increasing the current gross floor area (GFA) by 16,119 m². The proposed extension has a maximum height of 45m.

For reference the following diagram sets out the footprint of Stage 1, Stage 2 under LDA2018/0322 and Stage 2 under SSD-24299707.



Nature and extent of provision

In 2021 we completed Stage 1 of construction under development application LDA2018/0322. As part of that development we entered into a planning agreement with Council where we have already paid \$795,000 for 3,000m² of GFA at \$265/ m² for the estimated floor area of Stage 1 and Stage 2. As shown on the attached drawings, Stage 1 had an "as-built" GFA of 1,637 of the 3,000 m² so a credit of 1,363 m² is to be applied against the 4,493 m² of GFA on levels 5 and 6 under Stage 2.

Based on Council's formula, this equates to $4,493 - 1,363 = 3,130$ x the current rate of \$275 m² = **\$860,750** for the current design of Stage 2 under SSD-24299707.

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On a qualitative basis, \$860,750 represents a meaningful contribution towards the access network and/or recreation areas in the Corridor. Whilst it is entirely a matter for Council as to what facilities it may decide to fund with this contribution, by way of indication, \$860,750 could form a significant contribution to enhancing new neighborhood park developments that are currently underway.

Satisfying Clause 6.9(3)

There are two elements to Clause 6.9 that require consideration in terms of Council exercising its statutory discretion in granting consent to the proposed incentive height. These are the objectives of the clause and the specified considerations. Council may be satisfied in relation to both elements, as described below.

Objective - Encouraging Commercial Development to the Macquarie Park Corridor

The primary objective of Clause 6.9 is to "encourage commercial development". Data Centres are a form of commercial development for the purposes of this Clause.

Data Centres are a highly appropriate and desirably located within the Macquarie Park corridor. Major Data Centres raise the profile and reputation of the corridor as a key location for high tech industries, potentially attracting others to similarly locate. This Data Centre and others potentially attracted to the corridor, generate economic activity, enhancing Macquarie Park's role as part of Sydney's "global economic arc".

Encouraging Data Centres enhances the Macquarie Park Corridor's image as 'Australia's Silicon Valley'. Data Centre locations encourage hi-tech companies to the area to be close to their computing infrastructure, both for physical servicing and to avoid latency issues with communications. Data Centres also significantly aid telecommunications companies' business cases for increased bandwidth and fibre networks to the area. As evidenced by AUSGRID's recent decision to invest significantly in its Macquarie Park sub-station (due to planned data centre development), Data Centres encourage valuable power stability infrastructure investment - which benefit all residents.

The proposed Data Centre therefore is entirely consistent with the Zone objectives in that, not only does it represent the direct provision of a light industrial use within Macquarie Park, but it also has the potential to attract other employment generating office, light industrial (including research and development) uses to the Corridor.

Statutory preconditions

Clause 6.9 does not explicitly require any monetary payment in order to be satisfied. It simply requires Council to be satisfied on three prescribed qualitative matters. Council can be satisfied that the development will not generate any additional demands on recreation areas and the access network and will not affect the configuration and location of recreation areas and the access network within the Precinct as described in the DCP. The monetary payment offered represents a substantial contribution towards the delivery of these recreation areas and/or the access network, thus satisfying the terms of Clause 6.9(3).

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Conclusion

In conclusion, the offer of \$860,750 towards access and recreational facilities in the Macquarie Park Corridor is a substantial contribution. This is in addition to the \$795,000 previously paid under the planning agreement for Stage 1 and the \$865,734 already spent on public domain works for Stage 1.

We look forward to Council's response to this offer and will be pleased to discuss any aspect of it with Council.

Yours sincerely,



David Hirst
Group Executive