

MAJOR URBAN RENEWAL PROJECTS WITHIN THE CITY OF SYDNEY

**Memorandum of Understanding
Between the
City of Sydney and UrbanGrowth NSW**

1 July 2014 – 30 June 2017

1. Introduction

The NSW Government has appointed UrbanGrowth NSW as its lead agency for the planning and delivery of key renewal precincts and sites in NSW. The NSW State Plan has targets relating to housing, transport and infrastructure that will in part be enabled through urban renewal.

The initial key urban renewal sites - the Bays Precinct, Parramatta Road and Central to Eveleigh including the UrbanGrowth Development Corporation owned lands (**Major Urban Renewal Projects**) represent scarce and unrepeatable opportunities to enhance Sydney's global city status. A map of the Major Urban Renewal Projects appears at Attachment A. Additional sites may be added in the future by mutual agreement between the City and UrbanGrowth NSW.

If the City and UrbanGrowth NSW agree shared objectives and principles to inform the planning and development of the Major Urban Renewal Projects then higher quality urban renewal outcomes that deliver excellent strategic planning outcomes and help resolve systemic planning issues will be better achieved.

A strong collaborative relationship between UrbanGrowth NSW and the City will help enable shared City/State housing diversity, sustainability, urban amenity, transport and economic objectives to be best met.

The City can contribute its expertise in strategic planning, design and community engagement while UrbanGrowth NSW can bring its development and delivery expertise while acting as a valuable interface between the City and the State.

2. Policy Settings

A key element of the City of Sydney's strategic plan, Sustainable Sydney 2030, is transformative development and sustainable renewal. The State Government is guided by the draft Metropolitan Strategy for Sydney to 2031 which identifies projects within the City of Sydney as "City Shapers".

The NSW Cabinet has directed UrbanGrowth NSW to create better cities for our communities through urban renewal.

UrbanGrowth NSW will:

- drive increases in the supply of housing and jobs;
- strengthen the NSW economy by delivering world class centres that attract investment and boost productivity;
- optimise public investment in infrastructure through integrating land use and transport planning;
- operate on a commercially astute basis seeking a fair return for taxpayers and
- promote public sector momentum through collaborating across government, the private sector and the community.

3. Purpose

This Memorandum of Understanding (**MOU**) aims to shape and strengthen the relationship between the City and UrbanGrowth NSW (**the parties**) and deliver quality outcomes by establishing agreed principles and a governance structure for collaborative planning and staged delivery of the Major Urban Renewal Projects and any other precincts or sites that may become available for renewal. The MOU will also enable clarity about the parties' different roles (including developer, facilitator, landowner, plan making authority and consent authority) to ensure the highest levels of probity and transparency.

4. Objectives

The parties share the following objectives for the Major Renewal Projects within the City:

- 4.1 Establish and maintain mechanisms that enable ongoing strong collaboration between the City and UrbanGrowth NSW as the lead agency for urban renewal;
- 4.2 Develop world class urban precincts that will showcase best practice, drive innovation and be economically, socially and environmentally sustainable;
- 4.3 Develop the precincts so that they increase Sydney's global competitiveness and quality of life; and
- 4.4 Build public trust by ensuring transparent and accountable governance that enables public understanding of urban renewal options and the basis for development decisions.

5. Principles

The parties agree the following principles will apply when planning for renewal of the City major projects:

- 5.1 The ambition for each urban renewal precinct should be seen in the context of Sydney's role within the nation, the state, metropolitan Sydney and the relevant local government area.
- 5.2 Urban renewal should produce tangible and measurable public benefit outcomes that fulfil a publicly understood narrative explaining why major redevelopment and change is taking place and how it benefits the community.
- 5.3 Urban renewal opportunities should be used to help resolve systemic urban problems. Problems need to be identified as both constraints and opportunities for each precinct and development solutions explored. The distinct contribution that each Major Urban Renewal Project can make to the global city needs to be identified, analysed, documented and prioritised.
- 5.4 Urban renewal should be consistent with the City's Sustainable Sydney 2030 plan to make Sydney greener, more global and more connected and the principles outlined in the Draft Metropolitan Strategy for Sydney to 2031. Performance measures should include early and ongoing public participation, targets for employment diversity, housing diversity, transport and access connections, social inclusion and high levels of environmental performance in buildings and the public domain.
- 5.5 Objectives will reflect a jointly developed position aimed to balance identified strategic land use and high quality public domain outcomes with an economic viability outcome that sufficiently supports project delivery.
- 5.6 Urban renewal strategies must identify competitive and diverse industry sectors required to meet the current and future employment needs of Sydney while driving the city's overall competitiveness through enabling priority sectors.
- 5.7 Strategies must commit to diverse housing outcomes. There is a need to benchmark against comparable global cities the meaning of housing diversity. The proportions of housing types should reflect the mix of housing that can sustain the city over the longer term.
- 5.8 Planning must identify and cost the infrastructure needed and include these in a funding model and delivery plan with clear accountabilities, dependencies and timing for delivery. Infrastructure should be benchmarked against comparable global cities.
- 5.9 Each major project will develop an infrastructure funding mechanism and local infrastructure contributions plan in line with the demand forecast from the planned development yield. The funding mechanism and contributions plan will contain a

schedule reflecting changed infrastructure funding and contribution requirements based on increased and reduced development yield outcomes.

- 5.10 Urban Renewal needs to respect and transition to surrounding development and heritage. Excellence in design should be a requirement of all aspects of the City Renewal Precincts with design quality processes to be agreed and put in place for all development phases.

6. Understandings

This MOU is based on the following understandings:

- 6.1 The parties note that both the City of Sydney and the State Government are represented on the Central Sydney Planning Committee (CSPC) and the CSPC is well placed to support a collaborative approach to both strategic planning (plan making) and development approval functions within the Major Urban Renewal Project.
- 6.2 The parties will develop and agree on an urban renewal strategy for each Project, consistent with the renewal Principles and the NSW Government gated process outlined at Attachment C.
- 6.3 The parties will develop and agree a comprehensive infrastructure needs analysis as part of the strategic planning for the Major Urban Renewal Projects. Local infrastructure will meet City development standards to facilitate flexibility in decisions about future ownership and maintenance of public assets.
- 6.4 The parties will work together to develop an agreed funding model and delivery plan for the infrastructure that will be needed to support the Major Urban Renewal Projects.
- 6.5 UrbanGrowth NSW will identify other federal, state and local government dependencies and will act as the interface and coordinating body with NSW and Federal Government agencies and Councils to secure agreement for the planning and delivery of development and infrastructure unless otherwise agreed.
- 6.6 Where practical and feasible, the City will align its future infrastructure and capital investment to complement the delivery of the Major Urban Renewal Projects.
- 6.7 UrbanGrowth NSW and the City of Sydney will undertake a joint project to investigate international experience in housing diversity outcomes and mechanisms.
- 6.8 UrbanGrowth NSW acknowledges that City projects and programs are subject to Council approval, funding and the City's long term financial sustainability.
- 6.9 The City acknowledges that Major Urban Renewal Projects are subject to approval by the UrbanGrowth NSW Board and that NSW Government funding for projects and programs is subject to Cabinet approval.
- 6.10 The NSW Government and the City will collaborate to ensure communication with affected stakeholders is accessible, timely and accurate. The City and the NSW Government will communicate jointly or separately as appropriate and mutually agreed.
- 6.11 This MOU does not preclude the City from conducting its own stakeholder engagement activities.
- 6.12 The parties note that Green Square Town Centre is included within the UrbanGrowth NSW Major Urban Renewal Portfolio, however is excluded from this MOU due to the advanced nature of the Project.
- 6.13 Additional Projects may be included in this MOU by mutual agreement.
- 6.14 UrbanGrowth NSW will undertake regular workshops with Councillors and Council Officers in relation to the Projects covered by this MOU.
- 6.15 The parties agree that this MOU is a firm commitment between UrbanGrowth NSW and the City to co-operate in delivering high quality urban renewal that meets the strategic

needs of Sydney and that creates economically, environmentally and socially sustainable communities. While in a strictly legal sense this MOU is not a binding contract and nothing contained within it creates any legally binding obligations, the parties will observe the terms in their true spirit and intent, for the term of this MOU.

- 6.16 A separate agreement will be developed to detail the arrangements for each of the Major Urban Renewal Projects.

7. Probity

- 7.1. As an overriding principle utmost probity and transparency will be adhered to at all times in dealings between the parties.
- 7.2. Any actual or perceived conflict of interests must be declared and dealt with immediately they arise.
- 7.3. The parties must at all times be conscious of their roles and responsibilities including where roles evolve as the Major Urban Renewal Projects develop.
- 7.4. Where a party's role under this MOU creates an actual or perceived probity risk, the parties agree that this MOU will be amended or, if amendment cannot resolve the probity risk, terminated to ensure utmost probity.
- 7.5. This MOU relates to the activities of UrbanGrowth NSW as Project Coordinator and lead agency for Major Urban Renewal Projects. In the event that UrbanGrowth NSW becomes the manager of a wholesale project within the City of Sydney a separate agreement between the parties will be implemented for that Project consistent with the principles in this MOU.

8. Governance

- 8.1 The Minister for Planning, Chair of the Board of UrbanGrowth NSW, Lord Mayor of Sydney and another nominated Councillor will meet quarterly with the CEO of UrbanGrowth NSW and CEO of the City of Sydney to discuss progress of the Major Urban Renewal Projects.
- 8.2 The CEO's Group chaired by the CEO of UrbanGrowth NSW is comprised of the CEOs from the relevant NSW Government agencies and the City of Sydney and will consider issues arising from the Steering Committee and the State Local Partnering Groups on an as needs basis.
- 8.3 An UrbanGrowth NSW and City of Sydney Steering Committee chaired alternately by UrbanGrowth NSW and the City of Sydney and comprising membership including the Chief Executive Officer, Chief Operating Officer, Director of City Planning, Development and Transport and Director of Legal & Governance from the City of Sydney and Chief Executive Officer, Head of Urban Renewal, Head of Corporate Affairs and the Government Relations Manager from UrbanGrowth NSW will meet quarterly to review progress of the Major Urban Renewal Projects and to resolve any strategic or governance issues.
- 8.4 A State Local Partnering Group with an Independent Chair appointed by the Minister for Planning and including membership from:
- UrbanGrowth NSW
 - The City of Sydney
 - Treasury
 - Transport for NSW
 - Housing NSW
 - Planning & Environment
 - Education and Communities

- Roads and Maritime Services
- Government Property NSW

This group will meet at least bi - monthly to review planning for delivery of the City Renewal Precincts and secure authority to remove operational and institutional impediments to successful and timely planning and delivery.

- 8.5 The Relationship Owner for this MOU for the City of Sydney is the Director of City Planning, Development and Transport.
- 8.6 The Relationship Owner for this MOU for UrbanGrowth NSW is the Head of Corporate Affairs.

9. Statutory Requirements of the Parties

- 9.1 Nothing in this MOU in any way restricts or otherwise affects the unfettered discretion of each Party in the exercise of their statutory powers.
- 9.2 In the event of any conflict between the unfettered discretion of the parties in the exercise of their statutory powers and this MOU, the former will prevail.

10. Procurement

- 10.1 Where joint funding is required for studies or services, the parties will agree who will manage the study or service, procurement will occur via that party and all invoices will be raised by that party.
- 10.2 The procurement requirements of the relevant party will be adhered to.

11. Transparency

The parties agree that, except where issues of commercial sensitivity arise, their work under this MOU will be transparent and publically available.

12. Termination

If circumstances arise that cause a party to consider that it should no longer be a party to this MOU, the party can terminate the MOU after consultation with the other party.

13. Review of the MOU

The MOU will be reviewed annually and updated as necessary with the agreement of the parties.

14. Definitions

Infrastructure – the physical structures and services needed to support incoming worker and resident populations including transport and access (public transport, footpaths, cycleways, and roads), drainage, recreational (open space, playing fields and courts, indoor sports centres and pools), education facilities and services, health facilities and services, childcare facilities, local community facilities, cultural (active participation, practice rooms and studios, performance venues and public domain special event facilities) and libraries.

Principles- The fundamental ideas and behaviours that will guide decision making.

Objectives- The guiding statements that outline the goals of the agreement.

Understandings- The agreed actions that will undertaken by the parties collaboratively and the recognition of due processes required by both levels of government.

Housing diversity – a mix of housing that includes a mix of design, size and cost and that could include some or all of student housing, boarding housing, rent controlled community housing (key worker or affordable housing), public housing and market housing. The preferred housing diversity outcome will be determined for each Project taking into account a local needs and suitability analysis.

We agree to the terms of this Memorandum of Understanding.

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John Brogden

Chair of the Board of UrbanGrowth
NSW for and on behalf UrbanGrowth
NSW

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Clover Moore

Lord Mayor of Sydney for and on behalf
of the City of the Sydney Council

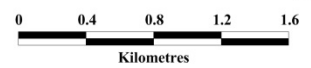
CITY OF SYDNEY AND UGNSW MURP RELATIONSHIP

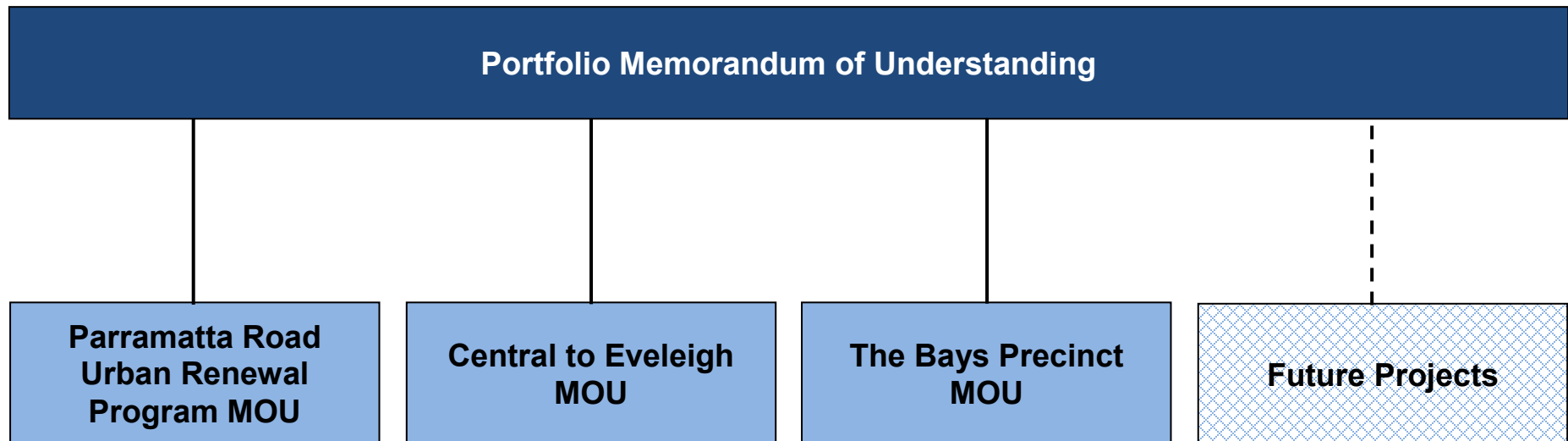


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- City of Sydney
- UGNSW Major Urban Renewal Project (MURP) Boundary
- UGDC Boundary
- Green Square Town Centre (not included in MoU)





Urban Growth NSW and Department of Planning and Infrastructure Major Urban Renewal Portfolio – Interface Management

