Bringelly Road Business Hub
Development Management Agreement

Contract Information

This document sets out the information required to be disclosed under Part 3 Division 5 of the Government Information (Public Access) Act 2009 (GIPA Act).

1.   **Defined terms used in this document**

The following meanings are used in this document:

Development Management Agreement means the Development Management Agreement dated 1 June 2017 between the Authority and the Developer. (Annexure A)

Authority means the Western Sydney Parklands Trust.

Developer means CIP/CH (Bringelly) Pty Limited.

Site means the land located at Bringelly Road, Leppington NSW, being land contained in the following:

a)   Lot 10 in DP1222985;
b)   Lots 1, 2, 3, part 4, part 10, 11, 12 and 13 in DP29104;
c)   part Lots 1 and 2 in DP876864;
d)   part Lot 3 in DP876864; and
e)   part Skyline Crescent,

as shown in the plan in Schedule 2 of the Development Management Agreement..

2.   **Effective date and class of contract**

2.1   The Development Management Agreement became effective on 4 August 2017.

2.2   The Development Management Agreement is classified as a class 3 contract under the GIPA Act. This also means that it has met the relevant thresholds to be classified as a class 1 contract (because it has a value of $150,000 or more) and class 2 contract (because the proposed contract (whether or not made publicly available) has been the subject of a tendering process and the terms and conditions of the contract have been substantially negotiated with the successful tenderer).

2.3   Section 27 of the GIPA Act requires that information about a class 1 contract be published within 45 working days after the contract becomes effective.

3.   **Class 1 contract information**

(a)   *The name and business address of the contractor*

CIP/CH (Bringelly) Pty Limited ACN 619 339 605 of Suite 59 Jones Bay Wharf (Upper Deck), 26-32 Pirrama Road, Pyrmont NSW 2009.

(b)   *Particulars of any related body corporate (within the meaning of the Corporations Act 2001 of the Commonwealth) in respect of the contractor, or any other private sector entity in which the contractor has an interest, that will be involved in*

carrying out any of the contractor's obligations under the contract or will receive a benefit under the contract

Charter Hall Holdings Pty Limited ABN 15 051 363 547 of Level 20, 1 Martin Place, Sydney NSW 2000.

Commercial & Industrial Property Pty Limited ABN 88 105 081 865 of Suite 59 Jones Bay Wharf (Upper Deck), 26-32 Pirrama Road, Pyrmont NSW 2009.

(c)   *The date on which the contract became effective and the duration of the contract*

The Development Management Agreement became effective on 4 August 2017. The term of the Development Management Agreement is the earlier of 5 years, the date that ground leases have been entered into for all the Site or the Development Management Agreement is terminated.

(d)   *Particulars of the project to be undertaken, the goods or services to be provided or the real property to be leased or transferred under the contract*

The Development Management Agreement grants the Developer rights (and obligations) to undertake the design, funding, construction, management, maintenance and marketing of land, buildings and infrastructure on the Site.

Ground leases of the Site will be granted to the Developer following practical completion of the development for a term of 90 years.

(e)   *The estimated amount payable to the contractor under the contract*

Amounts are generally not payable to the Developer under the Development Management Agreement; however the Authority has obligations to pay for the cost of providing road access and services to the site boundary. The Authority has entered into a Project Management Agreement with the Developer, for the Developer to project manage the Authority's external infrastructure works.

Under the Agreements for Ground Leases, the Developer is to pay an Upfront Land Payment to the Authority. Under the Ground Leases, the Tenant is to pay an Annual Rent to the Authority for the term of the Lease.

(f)   *A description of any provisions under which the amount payable to the contractor may be varied*

As described in paragraph (e) above, amounts are generally not payable to the Developer. The project management fee may vary with the cost of the external infrastructure works costs.

(g)   *A description of any provisions with respect to the renegotiation of the contract*

Not Applicable.

(h)   *In the case of a contract arising from a tendering process, the method of tendering and a summary of the criteria against which the various tenders were assessed*

The Authority undertook a public tender process by issuing a Request for Proposals.

The Developer was short-listed as a result of that process and subsequently became the Successful Proponent upon entering into the Development Management Agreement.

The assessment criteria were financial offer, financial capability, employment, experience and tenant pre-commitments, development concept and plans and proposed use, leases terms and period, with varying weightings given to each criteria.

(i)   *A description of any provisions under which it is agreed that the contractor is to receive payment for providing operational or maintenance services*

Not applicable.

4.   **Class 2 contract information**

(a)   *Particulars of future transfers of significant assets to the State at zero, or nominal, cost to the State, including the date of their proposed transfer*

Economic ownership of the Tenants' fixtures on the Site will transfer to the Authority following either the earlier of termination or expiry of the ground leases granted to the Tenants.

(b)   *Particulars of future transfers of significant assets to the contractor, including the date of their proposed transfer*

As described above, following the completion of any development on the Site, ground leases will be granted by the Authority to the Developer. The date for the grant of the ground leases is dependent on achievement of practical completion of the relevant developments.

(c)   *The results of any cost-benefit analysis of the contract conducted by the agency*

A detailed evaluation of the commercial aspects of the financial offer was undertaken during the tender processes described in paragraph 3(h) above.

(d)   *The components and quantum of the public sector comparator if used*

The Authority compared the rental offer for the Site to the commercial market rents received by the Authority on other comparable projects and sites as part of the tender assessment process referred to in paragraph 3(h) above.

The Authority determined that a tender by way of a Request for Proposals would deliver superior value for money over other delivery models.

(e)   *Where relevant, a summary of information used in the contractor's full base case financial model (for example, the pricing formula for tolls or usage charges)*

Commercial-in confidence information which is not required to be included in accordance with Section 32 of the GIPA Act.

(f)   *Where relevant, particulars of how risk, during the construction and operational phases of a contract to undertake a specific project (such as construction, infrastructure or property development), is to be apportioned between the parties, quantified (where practicable) in net present-value terms and specifying the major assumptions involved*

The Development Management Agreement allocates substantial risk during the construction and operational phases of the project to the Developer and Tenant. The Developer has obligations to procure approvals, and then proceed with the

construction, and once the project is complete, the Tenants accept the allocation to it of a range of operational risks.

(g) *Particulars as to any significant guarantees or undertakings between the parties, including any guarantees or undertakings with respect to loan agreements entered into or proposed to be entered into*

The Developer is required to provide an upfront development payment and upfront land payments, funding commitments and construction bank guarantee by way of security for its compliance with its obligations under the Development Management Agreement and Agreements for Lease. The construction bank guarantee is to be provided before commencing works. A guarantor will guarantee the obligations of the Developer. As security under the ground lease, portion of the ground rent is payable as an upfront land payment on execution of an Agreement for Lease. A guarantor will guarantee the obligations of the Tenant under the Ground Lease.

(h) *Particulars of any other key elements of the contract*

Refer to the published copy of the Development Management Agreement.

5. **Class 3 contract information**

5.1 The Authority has published a copy of the Development Management Agreement in its government contracts register, but has redacted the parts of the Development Management Agreement which are not required to be included in the copy under section 32.

5.2 Section 32 does not require the inclusion of:

(a) the commercial-in-confidence provisions of a contract;

(b) details of any unsuccessful tender;

(c) any matter that could reasonably be expected to affect public safety or security; or

(d) a copy of a contract, a provision of a contract or any other information in relation to a contract that is of such a nature that its inclusion in a record would result in there being an overriding public interest against disclosure of the record.

5.3 The commercial-in-confidence provisions of a contract are:

(a) the contractor's financing arrangements;

(b) the contractor's cost structure or profit margins;

(c) the contractor's full base case financial model;

(d) any intellectual property in which the contractor has an interest; or

(e) any matter the disclosure of which would place the contractor at a substantial commercial disadvantage in relation to other contractors or potential contractors, whether at present or in the future (see clause 1, Schedule 4).

5.4 The table attached as Annexure B references those provisions of the Development Management Agreement which have not been included in the Authority's government contracts register, as section 32 applies to them.