

# **PANMA DEVELOPMENTS. PTY LTD**

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13 June 2013

Ross Hornsey  
Senior Manager Community Engagement  
Project Communications – Transport Projects  
Transport for NSW

By facsimile: (02) 826 8990  
By email: ross.hornsey@transport.nsw.gov.au

Dear Ross

**Meeting regarding the potential impacts of the CBD and South East Light Rail Project (Light Rail) on 420 Elizabeth St, Surry Hills (Property)**

I refer to my meeting with you and Ms Faye Rescigno at the Property, and thereafter, at a nearby coffee shop on 5 June 2013.

I confirm that I am effectively the owner of the building at 420 Elizabeth Street Surry Hills, located on the corner of Elizabeth and Devonshire Streets, which is formally under the title of Panma Developments Pty Limited (**Panma**). I also confirm that I have authority to correspond with you on behalf of Panma's five commercial tenants which occupy the Premises: a restaurant, a dress and alterations shop and three office tenants.

Further to the matters discussed during our meeting, I confirm that each of the above tenants and I have serious concerns about the proposed construction of the Light Rail along Devonshire and Elizabeth Streets, so as to run adjacent to the Premises. Those concerns principally relate to the impact that the Light Rail will have on the tenants' abilities to access their respective tenancies, including, but not limited to, the ability to receive deliveries and the ability to maintain their businesses with minimal disruption. Moreover, each of these tenants occupies the building pursuant to a long term lease with Panma and, on the basis that construction activity is expected to commence in late 2014, each will remain in occupation during the expected duration of those works.

The specific access and disruption issues identified by our tenants, and discussed with you during our meeting, are as set out in further detail as follows:

1. **Access to the building for parking by patrons and clients and more importantly deliveries to the premises will be adversely affected.** This is

especially the case for the restaurant and dress shop both located on the ground floor:

- The dress and alterations shop relies heavily on street parking to receive deliveries of fabric daily and for their retail and trade customers;
- The ground floor restaurant tenant has a liquor licence and is licensed for seating for eighty people. The restaurant tenant is open for lunch and dinner 7 days per week and the evening is their busiest time. They also rely heavily on street parking day and night. During the day they receive numerous deliveries of goods.
- The three office tenants on the first and second floors are in marketing and consultancy businesses and between the three businesses they would employ approximately thirty employees. They also rely heavily on street parking for their clients and on deliveries for stationery and courier services.

2. **Disruption during construction along Devonshire Street.** As noted earlier, I understand from our discussion and other available information in the marketplace that construction will take up to six years to complete, commencing in late 2014 and completion being in 2020. As a consequence of the time frame for construction, there will be **sustained disruption to the businesses** of the five commercial tenants and likely loss of trade to the restaurant, dress shop and the three office tenants.

During our meeting, I proposed that Transport for NSW could work together with the relevant authorities, including, I presume, the City of Sydney Council and the Roads and Maritime Services authority, to **extend the street parking along 420 Elizabeth Street**, starting from Butt Street through to the corner of Elizabeth and Devonshire Streets Surry Hills in order to create **four new** one hour car spaces and **one** new half hour loading Zone. In doing so, I also recommended that you amend the existing two hour parking (from 10.00am to 3.00pm) to **one hour parking** from 10.00am to 3.00pm along Elizabeth Street, from Butt Street to the corner of Elizabeth and Devonshire Streets. I consider this to be a cost effective, relatively simple and viable proposal to resolve this issue.

In respect of the disruption issue, having regard to the fact that the enduring proposed construction activity will result in considerable disruption, I anticipate that the tenants will seek appropriate rent relief for the duration of and/or seeking termination of their leases. I am working together with the tenants in order to avoid this scenario, however, losses from disruption appear to be inevitable in the event that the works proceed. Accordingly, I/Panma reserve(s) the right to raise this issue of suitable compensation in future correspondence with you and/or the relevant authorities.

As reiterated a number of times over the course of our meeting, I have been proactive in identifying these issues and wish to work together with Transport for NSW and/or the relevant authorities in order to mitigate and if possible, overcome them. I am therefore largely guided by you as to the proposed steps moving forward. I note that you will be in contact with me once the initial plans for the Light Rail have been settled, which you expect to occur in or around late July/early August 2013, in order to arrange a further meeting.

I thank you and Faye again for taking the time to meet with me and in advance for your ongoing assistance in relation to these matters. I would be grateful if you could contact me in

the interim if there is anything in this letter that I should attention to another individual within Transport for NSW, or indeed any other authority at this stage in the process. My mobile is 0411 811 177. You can alternatively contact me via return email.

Yours Sincerely

Peter Notaras  
Panma Developments Pty Ltd