

Closure and Part Sale - Jones Street, Ultimo

File No: X083720

Summary

On 19 February 2018, Council endorsed the disposal of the surplus property at 14-26 Wattle Street, Pyrmont (Development Land) with a requirement that the purchaser:

- (a) build an 80-place childcare centre and a multi-purpose two-court indoor recreational centre on the site, and transfer stratum ownership of these facilities back to the City;
- (b) build a through-site link from Wattle Street to Jones Street that complies with Disability Discrimination Act requirements; and
- (c) where practicable, supply any sandstone to be removed from the site, cut into blocks, for future use by the City.

On 21 December 2018, following a two-stage competitive Expression of Interest and Best and Final Offer process, the City and Landream Pyrmont Pty Limited (Landream) entered into agreements including a Put and Call Option, Development Deed and Option Deed to progress the sale, timely development of the Development Land and delivery of the community facilities noted above.

The planning approval stages for the site's redevelopment include a Concept (Stage 1) Development Consent, Design Competition and Stage 2 Development Consent.

A Stage 1 Development Consent was determined for development application D/2019/649 on 21 May 2021 for a concept proposal comprising demolition of the existing buildings, removal of trees, and a mixed-use development comprising residential, commercial, childcare and recreational uses.

The consent was a deferred commencement and included conditions required to be met prior to the consent being activated including entering into a Voluntary Planning Agreement (VPA) reflecting Landream's public benefit offer of 15 April 2021 to deliver a new footway and public access easement over road land to be acquired along the Jones Street frontage of the Development Land.

The acquisition by Landream of that part of Jones Street road reserve required to form the new footpath will ensure that no privately owned improvements are contained within the City owned public domain.

This report recommends that Council endorse the closure of part of Jones Street and the sale and transfer of the land to Landream (Pyrmont) Pty Limited subject to the conditions of the executed Voluntary Planning Agreement to be registered on the title of 14-26 Wattle Street, Pyrmont

Recommendation

It is resolved that:

- (A) Council note that the City has entered into agreements with Landream (Pymont) Pty Limited (Landream) for the acquisition and redevelopment of the City owned land at 14-26 Wattle Street, Pymont including the transfer to Council of freehold strata comprising community facilities to be delivered by Landream.
- (B) Council note that as a condition of the Stage 1 Development Consent a Voluntary Planning Agreement has been entered into based on the public benefit offer from Landream to acquire part of the Jones Street Road Reserve and combined with part of 14-26 Wattle Street deliver a new Jones Street footpath along the frontage to the future development.
- (C) Council endorse the closure of that part of Jones Street required to form the new footpath, and subject to survey, the sale and transfer of the land to Landream (Pymont) Pty Limited for the price set out in Confidential Attachment A to the subject report, subject to the conditions of the executed Voluntary Planning Agreement to be registered on the title of 14-26 Wattle Street, Pymont.
- (D) Council note that an easement and covenant for public access and maintenance will be granted to the City by Landream as a condition of the Voluntary Planning Agreement;
- (E) Council note a closure of road under section 38 of the Roads Act 1993 classifies the land operational land as defined in the Local Government Act 1993; and
- (F) authority be delegated to the Chief Executive Officer to complete the road closure, sale and transfer of part of the Jones Street Road Reserve, including entering into documentation to progress the subdivision and transfer of the land consistent with the terms and conditions of the Voluntary Planning Agreement, and entering into all necessary documentation to complete the sale.

Attachments

Attachment A. Assessment of Value – Jones Street Footpath Land (Confidential)

Background

1. On 19 February 2018, Council endorsed the disposal of the surplus property at 14-26 Wattle Street, Pyrmont (Development Land) with a requirement that the purchaser:
 - (a) build an 80-place childcare centre and a multi-purpose two-court indoor recreational centre on the site, and transfer stratum ownership of these facilities back to the City;
 - (b) build a through-site link from Wattle Street to Jones Street that complies with Disability Discrimination Act requirements; and
 - (c) where practicable, supply any sandstone to be removed from the site, cut into blocks, for future use by the City.
2. On 21 December 2018, following a two-stage competitive Expression of Interest and Best and Final Offer process, the City and Landream Pyrmont Pty Limited (Landream) entered into agreements including a Put and Call Option, Development Deed and Option Deed to progress the sale, timely development of the Development Land and delivery of the community facilities noted above.
3. Under the Put and Call Option Deed Landream make payments to the City subject to meeting milestones including development approvals progressed under the Development Deed.
4. On 19 August 2019 Council delegated authority to the Chief Executive Officer to grant owner's consent to Landream Pyrmont Pty Limited lodging all applications required under the Environmental Planning and Assessment Act 1979 to allow Landream to progress its redevelopment of the Development Land.
5. The planning approval stages for the site's redevelopment include a Concept (Stage 1) Development Consent, Design Competition and Stage 2 Development Consent.

Stage 1 Development Consent and Voluntary Planning Agreement

6. On 21 May 2021 the Stage 1 Development Consent was determined by the Land and Environment Court for development application D/2019/649 for a concept proposal comprising demolition of the existing buildings, removal of trees, and a mixed-use development comprising residential, commercial, childcare and recreational uses.
7. The consent was a deferred commencement and included conditions required to be met prior to the consent being activated including entering into a Voluntary Planning Agreement (VPA) reflecting Landream's public benefit offer of 15 April 2021 to deliver a new footway and public access easement over road land to be acquired along the Jones Street frontage of the Development Land.
8. The public benefit offer is to create a new pedestrian footpath along the Jones Street frontage that will incorporate infrastructure associated with the development and partly occupies the Jones Street road reserve and the development lot. In accordance with the offer, the Planning Agreement secures:
 - (a) Developer's works - design and construction of a new (partially cantilevered) footpath to Jones Street, including relocation of services;

- (b) Land acquisition - acquisition from the City sufficient land within the current Jones Street road reserve (approx. 245m²) necessary to deliver the new footpath; and
 - (c) Public access - creation of an easement and covenant for public access and maintenance over the portion of the new footpath not included within the future road reserve.
9. The acquisition by Landream of that part of Jones Street road reserve required to form the new footpath will ensure that no privately owned improvements are contained with the City owned public domain.
10. The Planning Agreement provides for the developer to pay all costs associated with the subdivision and road closure of that portion of Jones Street necessary to create the new footpath land including relocation of services. Ongoing maintenance of the footway will be the obligation of the developer and any successors in title.

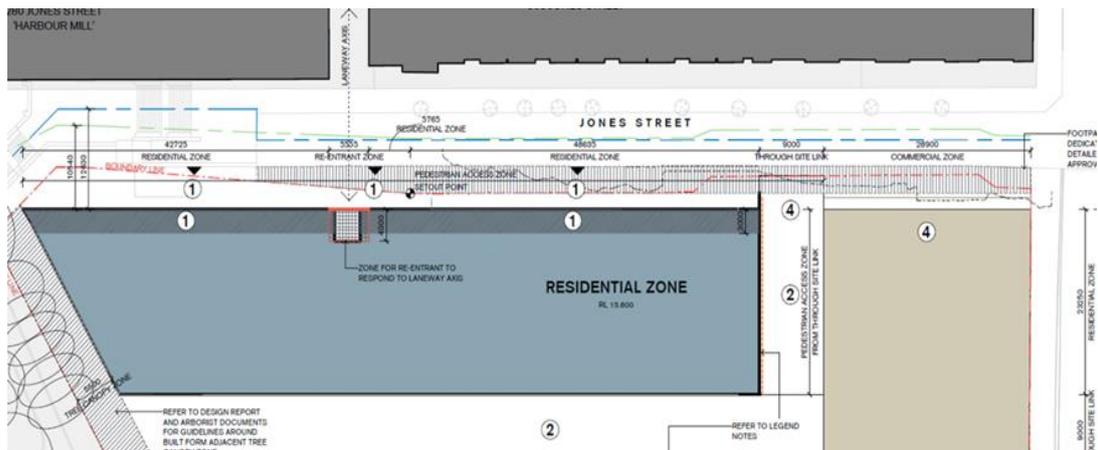
Future Jones Street Footpath

11. The future Jones Street Footpath will be approximately 333 square metres comprising:
- (a) the Jones Street Footpath Land being the road reserve land to be acquired by Landream of approximately 245 square metres subject to survey, and
 - (b) a 90 square metre portion of the Development Land.

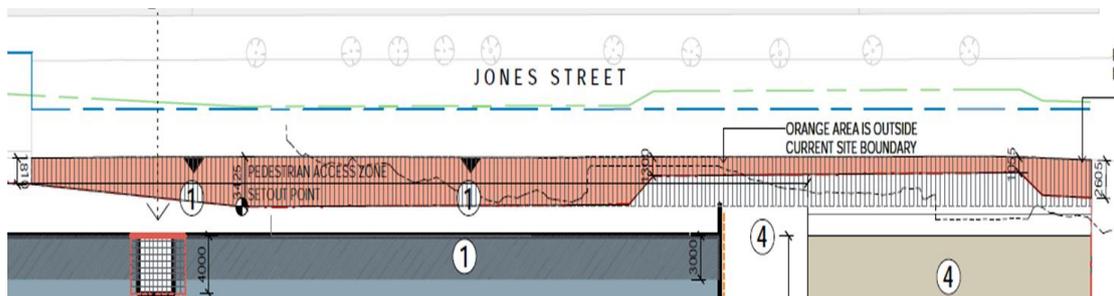
Facing north along Jones Street showing part of the road reserve to the left of the brick wall atop the cliff and part of the Development Land



12. The image below shows the future Jones Street Footpath hatched.



13. The Jones Street Footpath Land has a length of approximately 103.13 metres with variable widths from 2.6 metres at Fig Street to the right, narrowing to 1.05 metres then widening to 3.425 metres at the midpoint and tailing off to its western boundary with a width of 1.810 metres.
14. The orange shaded area is the Jones Street Footpath Land being that portion of Jones Street to be subdivided and sold to Landream. The adjoining area hatched is that part of Development Land that will become part of the new Jones Street Footpath.



- 16.

Financial Implications

17. The transfer of the portion of Jones Street to be acquired was not budgeted for in the current financial year.
18. Landream are responsible for all costs associated with the closure of that part of Jones Street for the future footpath.
19. Landream will be responsible for all costs to maintain and renew the footpath in perpetuity enforceable through the easement to be registered on title.
20. Further details regarding the financial implications of this sale are contained in Confidential Attachment A to the subject report.

Relevant Legislation

21. Under section 377(1)(h) of the Local Government Act, the Council cannot delegate the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (not including the sale of items of plant or equipment).
22. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business and if discussion of the information in an open meeting would, on balance be contrary to public interest.
23. Attachment A contains confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.
24. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially to achieve the best outcome for ratepayers.

Critical Dates / Time Frames

25. In addition to conditions for the sequencing of the future public domain works in connection with the redevelopment of the adjoining land contained within the VPA the transfer of the Jones Street Footpath Land shall not be concluded until after the sale and transfer of 14-26 Wattle Street.

Public Consultation

26. There is no public consultation required for the sale of this land.
27. The closure and sale of part Jones Street was included in the VPA which was exhibited for a period of 28 days and closed on 22 October 2021. There were no submissions.

AMIT CHANAN

Director City Projects and Property

Nicholas Male-Perkins, Commercial Manager

Document is Restricted