

## Resolution of Council

**19 August 2019**

### Item 12.13

#### Oxford Street Development

Moved by Councillor Phelps, seconded by the Chair (the Lord Mayor) –

It is resolved that:

(A) Council note:

- (i) Oxford Street is an iconic part of the City of Sydney as:
  - (a) a historical and cultural hub for the LGBTQI community in Sydney;
  - (b) a centre of night life and night time activity in the City; and
  - (c) home to a unique and diverse range of businesses that have been part of the community, some for over 30 years;
- (ii) the City opened up expressions of interest for a 99 year lease on its properties at 56-76, 82-106 and 110-122 Oxford Street on 30 May 2018, and whilst this opens up new opportunities for growth and development in the area, it has also produced a number of problems throughout its management including:
  - (a) many tenants and businesses remain uninformed about the progress of the development and relevant information leaving them uncertain about the future of their businesses for over a year;
  - (a) the abundance of vacant storefronts on Oxford Street available for lease, some for over two years, have:
    - contributed to a negative impact on sales for surrounding businesses;
    - discouraged foot traffic; and
    - caused businesses to move from the area; and

- (b) many properties are overdue for maintenance, repair and renovation which have been postponed by the City in anticipation of development;
  - (iii) long periods of construction will severely impact the already fragile economy of the Oxford Street strip, and put the unique character of Oxford Street at risk of being lost; and
  - (iv) a managed development that occurs in stages across the strip will allow businesses to continue to operate with less disruption and reduce the risk of businesses being forced to close or move permanently as a result of the construction; and
- (B) the Chief Executive Officer be requested to:
- (i) investigate options the City can undertake to support the Oxford Street businesses currently under stress from the proposed development, and report suggestions back to Council;
  - (ii) investigate options for a managed development that occurs in stages across Oxford Street to support businesses who may be affected by long periods of construction, and report suggestions back to Council;
  - (iii) create a small business support plan for any future development, in consultation with existing tenants, which includes:
    - (a) notifying residents and tenants as soon as legally possible of any chosen development plan;
    - (a) a regular communication schedule with residents and tenants;
    - (b) requiring any development plan to include sufficient consultation with affected tenants; and
    - (c) a plan for rent relief for affected storefronts throughout any proposed development;
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Note – the motion above was not carried. The resolution below was carried. It is resolved that:

- (A) Council note:
- (i) the resolution of Council of 18 November 2018 which:
    - (a) endorsed a preferred entity to acquire the commercial properties at 56-76 82-106 and 110-122 Oxford Street, Darlinghurst via a 99 year lease and implement and manage their successful transformation; and
    - (d) delegated authority to the Chief Executive Officer to negotiate, execute and administer the transaction documents with the preferred entity;
  - (ii) all matters relating to this proposed lease and related negotiations remain confidential until execution of the lease;

- (iii) the City kept tenants and local businesses informed about progress during the Expressions of Interest process, and continue to update tenants about progress, most recently on 25 June 2019, where all tenants were notified that the preferred entity would be undertaking due diligence investigations over the coming months;
  - (iv) all existing tenants will be transferred to the preferred entity, enabling them to continue to occupy their premises and run their business under the conditions of their current lease agreement;
  - (v) as tenants with rent arrears will have any arrears transferred to the new entity, the City has informed tenants that it is their best interest to clear any arrears prior to handover;
  - (vi) all repairs, maintenance, cleaning and waste services for the Oxford Street properties will continue up to six weeks post-handover, so there is no disruption in service provision; and
  - (vii) any future transformation of the Oxford Street properties would require a development application, entailing comprehensive consultation with the community, including local businesses; and
- (B) the Chief Executive Officer be requested to continue to work with the preferred entity and local businesses to ensure:
- (i) any concerns about impacts arising from the transformation of the Oxford Street properties are addressed; and
  - (ii) the transformation of the Oxford Street properties provides long term economic, cultural and social benefits to the Oxford Street neighbourhood.

The foreshadowed motion was carried on the following show of hands –

Ayes (5) The Lord Mayor, Councillors Kok, Miller, Scott and Thalís

Noes (1) Councillor Phelps.

Motion carried.

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