

Property Disposal - Surplus Land 19-21 Lachlan Street, Waterloo

File No: X020058

Summary

On 16 May 2011, Council endorsed the acquisition of 19-21 Lachlan Avenue, Waterloo, as part of plans to deliver the north-south transport corridor running along the eastern sector of the Green Square Renewal Area (Corridor), one of the largest redevelopment areas in Australia.

The public transport route is the nominated Corridor under the Green Square Transport Management and Accessibility Plan (2008), and will provide an important public transport route, including the potential for light rail from Central Station to Green Square Station.

The City's remnant portion of land is 297.1m² and has limited development potential in isolation and therefore limited marketability.

For several years, the City has been negotiating with different owners of the adjoining land, 25-27 Lachlan Avenue and 1-5 Amelia Street, as the Development Control Plan requires the remnant parcel to be incorporated into the adjoining owner's development.

The land is classified operational and there are no impediments to the sale of the land.

Non-binding terms for the sale have been agreed with the current developer and are within the parameters of the value recently established by independent valuation for the approved scheme.

Recommendation

It is resolved that:

- (A) Council endorse the disposal of the surplus portion of 19-21 Lachlan Avenue, Waterloo, at the price agreed to by both parties and supported by independent valuation as detailed in Confidential Attachment B to the subject report;
- (B) authority be delegated to the Chief Executive Officer to finalise all negotiations and enter into a Contract for Sale and any other documentation required to complete the sale; and
- (C) proceeds from the sale be allocated to the Commercial Properties Reserve to allow for future reinvestment in commercial property, supplementing the City's rate based income.

Attachments

Attachment A. Identification Plan

Attachment B. Financial Assessment (Confidential)

Background

1. On 16 May 2011, Council endorsed the acquisition of 19-21 Lachlan Avenue, Waterloo, as part of plans to deliver the north-south transport corridor running along the eastern sector of the Green Square Renewal Area (Corridor), one of the largest redevelopment areas in Australia.
2. Acquisition of the landholding was essential to achieving the full Corridor, and followed the City's acquisition of the site to the south at 7 -19 Amelia Street.
3. The public transport route is the nominated Corridor under the Green Square Transport Management and Accessibility Plan (2008), and will provide an important public transport route, including the potential for light rail from Central Station to Green Square Station.
4. The Green Square Transport Management and Accessibility Plan (2008), undertaken in conjunction with the State Government, highlighted the urgent need for investment in effective transit corridors and public transport infrastructure to ensure that projected growth in the numbers of residents and workers in Green Square will not result in unacceptable transport congestion.
5. The delivery of appropriate infrastructure, including public transport, is integral to the success of Green Square as a model sustainable renewal project.
6. The property at 19-21 Lachlan Avenue was acquired by negotiation for \$4.3M plus GST in 2011 and is classified as operational.
7. Approximately 83 per cent of the property's 1,744m² has been utilised in creation of the Corridor, which includes the Gadigal Avenue Extension.
8. The remnant portion forms an irregular shaped lot of approximately 297.1m², running along the eastern boundary of 19-21 Lachlan Avenue and adjoining 25-27 Lachlan Avenue and 1-5 Amelia Street, Waterloo.
9. The City's remnant portion has limited development potential in isolation and therefore limited marketability.
10. The Development Control Plan requires the remnant parcel to be incorporated into the adjoining owner's development, thereby increasing the land area and development potential for the amalgamated site. For several years, the City has been negotiating with different owners of the adjoining land, 25-27 Lachlan Avenue (inclusive of 1-5 Amelia Street).
11. The subject property, together with the adjoining land 25-27 Lachlan Avenue and 1-5 Amelia Street, has been granted development consent for a seven storey mixed use building comprising of 42 residential apartments with three commercial premises, with one level of basement parking for 40 vehicles.
12. It is proposed to sell the subject property to the current developer owner so that it can be amalgamated into their development site and the development can be completed.
13. The City engaged property valuers, Preston Rowe Patterson, to establish the value of the subject property for disposal purposes.

14. Details of the valuation rationale, including offers made by the developer of the adjoining land, are contained at Confidential Attachment B.

Budget Implications

15. Proceeds from the sale of the property will be allocated to the Commercial Properties Reserve for future reinvestment.

Relevant Legislation

16. Attachment B contains confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom City's is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
17. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise City's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.
18. Under section 377 of the Local Government Act 1919 as amended (which contains the general power of a council to delegate), a council may, by resolution, delegate certain functions, but not the function to sell or acquire land or other property.

Public Consultation

19. There is no public consultation required for Council to endorse the disposal of this surplus land.

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