

Item 5.

Green Square to Ashmore Connector Road - Property Acquisitions

File No: S128357

Summary

Over the last 20 years, the City has been acquiring land within the Green Square Urban Renewal Area (Green Square) for strategic future community facilities, recreational space and essential infrastructure, including roads and drainage. These lands and interests have been secured through varying approaches, including negotiated acquisitions, dedications through planning agreements and land dedications by developers through contributions under section 7.11 of the Environmental Planning and Assessment Act 1979.

One of the most notable essential infrastructure projects is the delivery of the central boulevard, Zetland Avenue, and the Eastern Transit Corridor, which form the vital transport spine through Green Square linking major community facilities and services. Along the corridor, the community will have easy access by foot, bike and public transport, including light rail, from the Green Square train station through to the Green Square Library and Plaza, The Drying Green, the Community and Creative Precinct in the former South Sydney Hospital site, Gunyama Park Aquatic and Recreation Centre, Joynton Park, Wulabha Park, Duyralya Square and Crystal Park in Waterloo.

About 80 per cent of the lands along this transport corridor have either been acquired by the City or have been dedicated to Council through developer contributions. The last two pieces of land, in the Epsom Park precinct, are expected to be dedicated within the next few years.

Complementing the provision of the above infrastructure projects is the City's acquisition of lands and construction of the Green Square to Ashmore Connector, an essential street to fulfil major connectivity and drainage functions. The new local street will run from Botany Road to Bourke Road in Alexandria and will provide a substantially more direct, safe and efficient east-west access between the Green Square town centre, Erskineville and the inner western suburbs than the current situation. It will provide for pedestrians, cyclists, future buses and delivery vehicles.

The street is critical to the economic viability of the town centre and enables a major component of the Green Square trunk drain augmentation from Epsom Road through to Alexandra Canal, which the City is constructing in partnership with Sydney Water. The need for this connecting street was first identified in the South Sydney Development Control Plan 1997, and is currently identified in the Sydney Development Control Plan 2012.

In October 2015, Council was given an update on property acquisitions for the Green Square to Ashmore Connector. Council endorsed the acquisition of the remaining lands required to construct the street.

This report provides a further update on property matters within the route of the Green Square to Ashmore Connector. Confidential matters are covered in Attachment B. The report seeks Council approval to progress the last of the acquisitions to enable staged early works for construction of the road to commence by mid-2019 and achieve formal opening in early 2021.

Recommendation

It is resolved that Council:

- (A) note the progress of delivery and implementation of the City's Green Square projects for community facilities, parks, streetscapes and public infrastructure, and in particular the progress and critical timeframes for delivery of the Green Square to Ashmore Connector;
- (B) note the progress on acquisitions to date and risk management to ensure essential property interests are secured to meet the City's objective of providing a new local road connection between Botany Road and Bourke Road, Alexandria, which is critical to the economic viability of the Green Square town centre;
- (C) approve the recommendations contained within confidential Attachment B to the subject report; and
- (D) delegate authority to the Chief Executive Officer to finalise all acquisitions and transfers with respect to 9 to 13, 15 and 22 O'Riordan Street, Alexandria, as contained within confidential Attachment B to the subject report.

Attachments

- Attachment A.** Green Square to Ashmore Connector - Draft Street Design Details
- Attachment B.** Green Square to Ashmore Connector Road Property Acquisitions (Confidential)

Background

1. The Green Square Urban Renewal Area (Green Square) represents \$13 billion of private development, around 30,500 new dwellings and employment for an estimated 22,000 people. The transformation of this former industrial area involves the delivery of about \$1.3 billion of new public infrastructure, in the form of new streets, parks, community and recreation facilities, drainage, water recycling and environmental improvements.
2. The timely delivery of infrastructure is critical to achieve the City's vision for Green Square to be an exemplar urban renewal project making a significant contribution to Sydney's sustainability. Delivery of infrastructure is particularly critical to the success of the Green Square town centre (the town centre) where drainage and flood management were repeatedly identified as major risks for its integrated redevelopment. Traffic access to the town centre from the west was assessed as critical to its commercial viability in various transport studies including the Green Square Transport Management and Accessibility Plans dated 2008 and 2012.
3. The City has taken a leadership role in the delivery of infrastructure, including land purchases and the forward funding of major projects to provide certainty about the vision for Green Square. Over the last 20 years, the City has been securing land for essential infrastructure and community facilities by way of negotiated acquisitions and dedications through planning agreements and contributions under section 7.11 of the Environmental Planning and Assessment Act 1979.
4. One of the most notable essential infrastructure projects is the delivery of the mass transit corridor, the Eastern Transit Corridor. The corridor connects the Green Square train station in the west and runs along the central boulevard, Zetland Avenue, in the town centre through to Defries and Gadigal Avenues in the eastern residential and retail precincts of Green Square towards Waterloo and East Redfern. The corridor forms the vital transport spine through Green Square which, when complete, will offer the community easy access by foot, bike and public transport, including light rail, to major community facilities and services along its length. Figure 1 shows the transport corridor and facilities along its length.
5. Along the corridor and within the town centre, the City has progressively acquired and received through developer dedications lands critical for the planned infrastructure. At the core of the town centre, the community now enjoys access to the City's Green Square Library and Plaza and the Community and Cultural Precinct in the repurposed historic buildings of the South Sydney Hospital complex. The precinct facilities include: the Joynton Avenue Creative Centre, with artist studios, gallery and workshop spaces; the 74-place Waranara Early Education Centre; the Banga Community Shed; and the Matron Ruby Grant Park with its associated playground and public art installation 'While I Live I Will Grow'. The Drying Green park, due for completion in 2020, and the Green Square Integrated Community Facilities and School which will open in 2023, will complete the extensive community assets within this precinct.
6. The Green Infrastructure Centre, in the former hospital administration building, houses Australia's largest residential stormwater harvesting scheme. Recycled water services were turned on in September 2018 and are being progressively rolled out as private and commercial developments in the town centre are being occupied.

7. The network of fine-grained streets in the town centre has been significantly expanded in the last 18 months. The recent opening of Geddes Avenue, the signalised intersection at Botany Road and the northern section of Paul Street which connects Ebsworth Street provide much improved access and permeability throughout, for bikes, pedestrians and local traffic. The City has recently commenced early works to construct sections of Zetland Avenue and along Joynton Avenue, to raise the road to address flooding in the area.
8. Along the Zetland Avenue corridor, to the east of Joynton Avenue opposite the town centre in the Epsom Park precinct, the City commenced construction of the Gunyama Park Aquatic and Recreation Centre in early 2018. The complex is due for completion by early 2020, and will contain indoor and outdoor pools, including a hydrotherapy pool, an all-weather multipurpose sports field and other recreation spaces. The City will also deliver the section of Zetland Avenue in this precinct, where it has access to the land. Where infrastructure land is tied up with existing uses the City continues to actively engage with landowners to seek early release of the land and strategically stage infrastructure delivery.
9. In the Lachlan precinct, north of O'Dea Avenue, a section of the Eastern Transit Corridor (Gadigal Avenue) is nearing completion. This section links the Victoria Park precinct south of O'Dea Avenue with Danks Street east to the north, and includes the pedestrianised traffic signals at the intersection of Lachlan Street and Gadigal Avenue, which are scheduled for completion in late 2019. The corridor is being delivered by the City in partnership with developers through planning agreements involving land dedications and works-in-kind.
10. Along this part of the corridor the community will have access from Joynton Park and the East Village retail precinct in Victoria Park through to Wulabha Park and the future Dyuralya Square in the Lachlan precinct. Dyuralya Square and the northern portion of the corridor are being delivered by the City on lands it acquired through negotiation. Completion is scheduled for late 2018.

Green Square to Ashmore Connector

11. Complementing the delivery of the above infrastructure projects is the City's acquisition of lands and construction of the Green Square to Ashmore Connector, an essential street to fulfil major connectivity and drainage functions. The street extends westwards from Geddes Avenue in the town centre, crosses Botany Road to meet O'Riordan Street, and continues to join Bourke Road where it links with Bowden Street. Figure 1 shows its location within the wider context and Figure 2 within the existing lot pattern.
12. The need for a connecting street was originally investigated in the Green Square Structural Masterplan 1997 and identified in the South Sydney Development Control Plan 1997: Urban Design. The Green Square Transport Management and Accessibility Plan dated 2008 and the revised draft dated 2012 further identified the proposed connector, in particular to improve transport access to the town centre. It is currently identified in the Sydney Development Control Plan 2012.
13. This new street will provide a substantially more direct, safe and efficient east-west access between the town centre, the Ashmore Precinct and the inner western suburbs than the current situation. It will include signalised crossings, footpaths and dedicated cycle lanes that will significantly improve safety for pedestrians and cyclists. The design allows for future buses, and commercial and delivery vehicles to use the route, which will reduce congestion and is critical to the economic viability of the town centre. Attachment A shows details of the proposed street design.



Figure 1. Green Square to Ashmore Connector - Context

14. The street provides the land for a major component of the Green Square trunk drain augmentation from Epsom Road through to Alexandra Canal, which the City is constructing in partnership with Sydney Water. The new corridor will provide an additional stormwater drainage relief route for underground pipes across Botany Road to Bourke Road, as well as overland flows passing through the town centre and onto Alexandra Canal in high intensity rainfall events. Figure 3 shows the trunk drain alignment in relation to the road alignment.

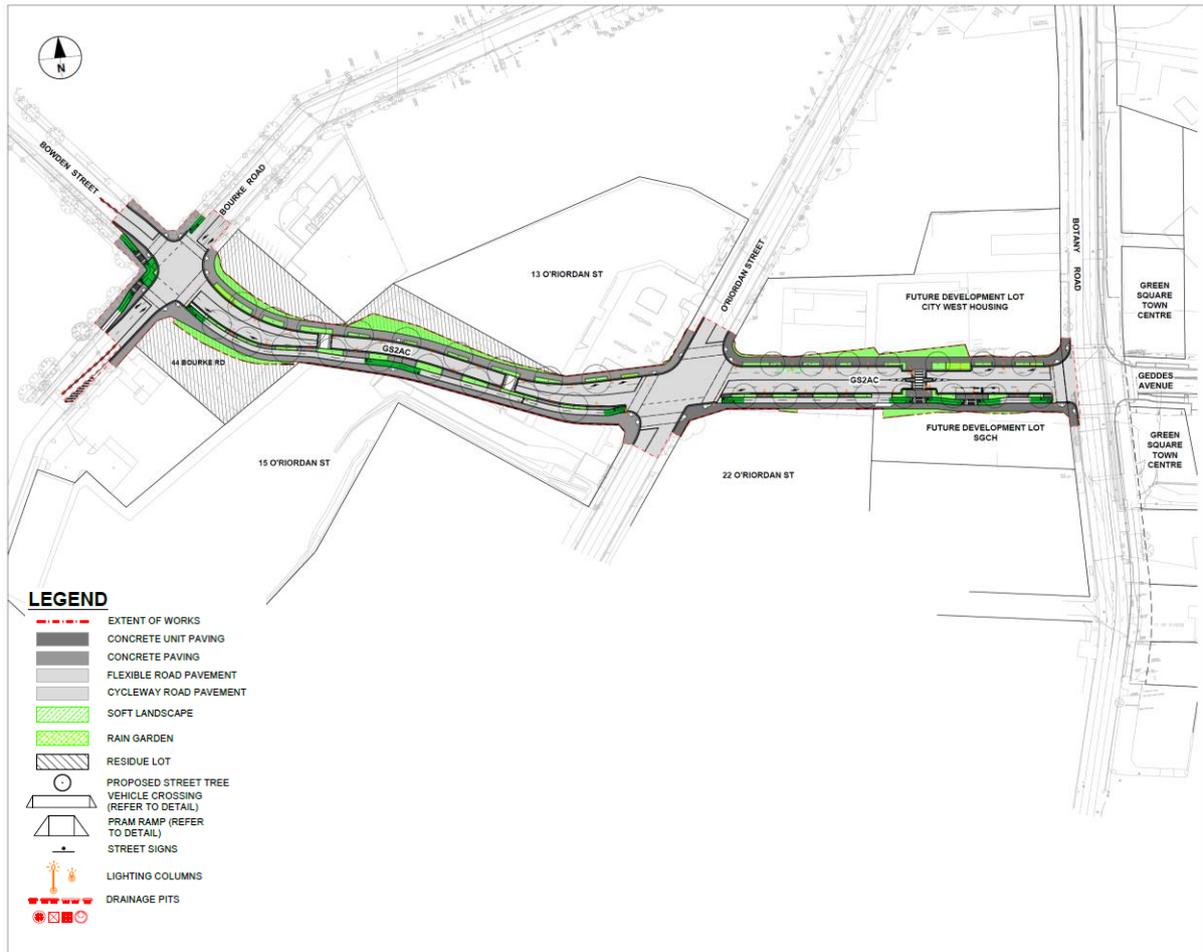


Figure 2. Proposed Green Square to Ashmore Connector - Location within existing lot pattern

15. Concept designs for the road were publicly exhibited as part of a Review of Environmental Factors. The exhibition ran from 21 November 2017 to 2 February 2018 and the City received 13 submissions from landowners, local residents and government agencies. The City is currently finalising the review of measures to mitigate potential impacts resulting from the delivery of the road.
16. The program going forward will involve a detailed design phase which the City is about to commence, to allow construction from late 2019 and formal opening in early 2021. An early works package for demolition, earthworks and remediation is anticipated to commence in stages from mid-2019.
17. The construction of the trunk drain along the section that aligns with the Green Square to Ashmore Connector was completed in early 2018.

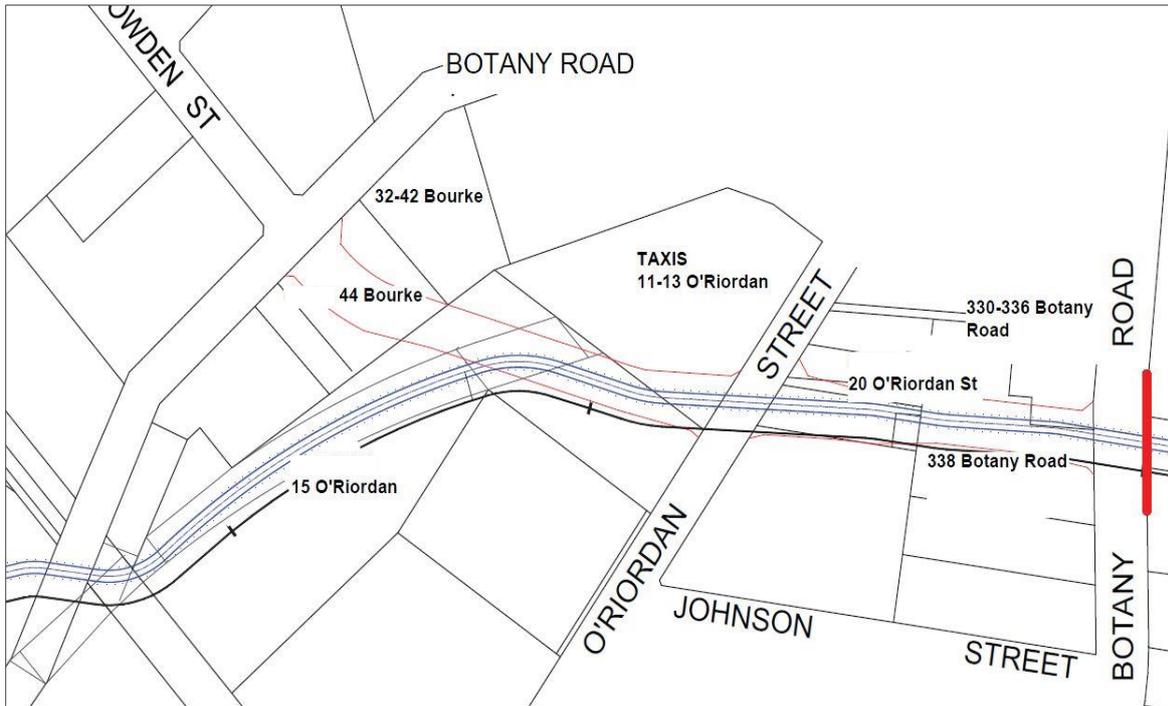


Figure 3. Green Square to Ashmore Connector alignment (single red line) and trunk drain route (blue double line)

Residual lands

18. An important ancillary outcome of the Green Square to Ashmore Connector project is the sale of adjacent land, residual to the road project, for new affordable and social housing.
19. Following Council approval in 2015, the City has offered the residue lands on the eastern portion of the road, between Botany Road and O'Riordan Street, to community housing providers at a significantly reduced price. Figure 2 shows these lands marked 'Future Development Lot'.
20. The sale is intended to secure in perpetuity around 300 affordable housing units and includes:
 - (a) sale of the southern residual lot to SGCH Portfolio Limited for \$8.08M to deliver approximately 100 units. The contract of sale was exchanged in August 2018 and construction is expected to commence upon completion of the new road; and
 - (b) sale of the northern residual lot for \$18M to City West Housing for the delivery of approximately 200 units. City West Housing is currently undertaking due diligence investigations before finalising contract negotiations. Construction is also expected to commence upon completion of the new road.

Property Acquisitions

21. In October 2015, Council was given an update on property acquisitions for the Green Square to Ashmore Connector. Council endorsed negotiating the acquisition of interests required to implement the road and noted once these negotiations were concluded, they would be reported to Council for consideration.
22. To date, the City has acquired the majority of the property interests necessary to implement the road section between Botany Road and O’Riordan Street.
23. Within this section, a small portion of about 40 square metres of the property at 22 O’Riordan Street, Alexandria, remains to be acquired. The City has been negotiating with the landowner since 2017. Confidential Attachment B recommends Council endorse the acquisition as per the terms negotiated with the landowner.
24. Between O’Riordan Street and Bourke Road, the City has acquired some of the land required (44 Bourke Road, Alexandria) and continues to negotiate with two landowners to fulfil the land requirements needed for implementation. The two properties subject to negotiations (shown at Figure 2) are described below.
 - (a) 15 O’Riordan Street, Alexandria
 - (i) The City has been negotiating with the landowner since 2015. The terms of the agreement negotiated include the City’s acquisition of approximately 3,500 square metres of the site, including land for the road reserve and a severed residue lot to the north. As part of the compensation package, the City intends to offer to the landowner the transfer of approximately 1,500 square metres from Council’s property at 44 Bourke Road, comprising the residue lot to the south of the proposed road reserve. These residue lots are shown at Figure 2.
 - (ii) The negotiations also include agreement for the landowner to grant a licence to the City for access for construction and storage purposes associated with the delivery of the Green Square to Ashmore Connector.
 - (b) 9 to 13 O’Riordan Street, Alexandria
 - (i) The City has been negotiating with the landowner since 2015 on the stormwater easement and since 2017 on the land required for the road reserve. The acquisition required for the road reserve is approximately 520 square metres, around 10 per cent of the site. The required land is on the south-eastern portion and affects an existing driveway and a small area of a warehouse roof overhang which requires demolition.
 - (ii) As part of the compensation package, the City intends to offer to the landowner the transfer of the residue lot to the north of the road reserve severed from the property at 15 O’Riordan Street.
25. Acquisition of land for the Green Square to Ashmore Connector is essential to achieve the City’s delivery objectives. Staged early works including demolition, earthworks and remediation is anticipated to commence in mid-2019 to ensure formal opening of the road in early 2021.

26. Confidential Attachment B provides details on progress of negotiations on the above three properties, including the history of negotiations, offers made and the respective position on the compensation value of each party. It further seeks Council consent to finalise the negotiated agreements for the acquisitions as described above, and if necessary, request the Minister's approval to proceed and if approved by the Minister, proceed to a compulsory process under the Land Acquisition (Just Terms Compensation) Act 1991.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

27. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. The property acquisitions to deliver essential infrastructure including the Green Square to Ashmore Connector are aligned with the following strategic directions and objectives:
- (a) Direction 3 - Integrated Transport for a Connected City - The Green Square to Ashmore Connector aims to improve connectivity between the town centre, the Ashmore Precinct and the inner western suburbs. It will make the new facilities and services in the town centre and the wider Green Square more easily accessible by foot, bike and public transport.
 - (b) Direction 9 - Sustainable Development, Renewal and Design - The Green Square to Ashmore Connector will fulfil significant connectivity and drainage functions that will contribute to the sustainable renewal of Green Square. It will provide a finer grain street pattern, improve east-west permeability, relieve traffic congestion, improve access to and from the town centre, and provide a safer and more efficient route for pedestrians, bikes and public transport.

Risks

28. Risks related to property acquisitions are discussed in Confidential Attachment B.

Social / Cultural / Community

29. The Green Square to Ashmore Connector will provide a substantially more direct, safe and efficient east-west access. The local street will offer the communities to the west of the town centre easier access to the multiple civic and recreation facilities the City is delivering within and around the town centre.

Economic

30. The Green Square to Ashmore Connector will allow for buses, commercial and delivery vehicles to use the route, which will reduce congestion; this is critical to the economic viability of the town centre.
31. Potential economic impacts on affected landowners that may be derived from the road are discussed in Confidential Attachment B.

Budget Implications

32. There are provisions included in the City's Long Term Financial Plan for property acquisition and disposal of the relevant sites.
33. The future construction works are funded within the City's 10 year capital works budget.

Relevant Legislation

34. Should negotiated agreements not be able to be reached with the owners of any of the three parcels of land, if approved by the Minister, Council may compulsorily acquire the required lands under the Local Government Act 1993, the Local Government (General) Regulation 2005 and the Land Acquisition (Just Terms Compensation) Act 1991.
35. Attachment B to the subject report contains confidential commercial information of Council's negotiation strategy and relevant landowners which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) confer a competitive advantage on a competitor of Council.
36. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its rate payers.

Critical Dates / Time Frames

37. Acquisition timeframes are discussed in Confidential Attachment B to the subject report.
38. A staged early works package for demolition, earthworks and remediation for the Green Square to Ashmore Connector is anticipated to commence in mid-2019. Main construction works are expected to commence from December 2019. The anticipated completion of the road is early 2021.

Public Consultation

39. The City has, for a number of years, been in negotiations with the landowners of the three remaining sites for acquisition of the portions of their lands required for the delivery of the Green Square to Ashmore Connector.
40. The need for an east-west connecting street as a significant part of the street network has since 1997 been considered in the planning for Green Square, including the town centre. It was first identified in the South Sydney Development Control Plan 1997: Urban Design, and is currently identified in the Sydney Development Control Plan 2012. Public consultation on the Green Square planning controls and supporting documents as amended from time to time has occurred over the last two decades during the preparation of these documents.

41. The City's plans for delivery of the Green Square to Ashmore Connector are also publicly reported, in particular through the Green Square updates which are reported annually to Council and the City's annual integrated planning and reporting requirements set by the NSW Government.
42. The planning approval pathway for the delivery of the Green Square to Ashmore Connector is being undertaken under Part 5 of the Environmental Planning and Assessment Act 1979. A Review of Environmental Factors was publicly exhibited from 21 November 2017 to 2 February 2018. The City received 13 submissions as a result of the public exhibition, including submissions from landowners, local residents and government agencies.
43. Following the review of submissions received on the public consultation, the City is reviewing the mitigation measures to address potential impacts associated with the delivery of the road.
44. Council is not required to undertake public consultation in respect of acquisitions, nor in the exercise of its statutory power for compulsory acquisition.

KIM WOODBURY

Chief Operating Officer

Lila Contziu, Manager Green Square Place Making

Nicholas Male-Perkins, Commercial Manager