

Property Acquisition - Bourke Road, Alexandria

File No: X020957

Summary

The City has been given an opportunity to acquire land that is important for the overall delivery of one of the City's 10 high priority regional cycle routes at Bourke Road, Alexandria. The existing shared path arrangement in this location no longer works and as this area of the city redevelops, the need for improved cycleway infrastructure becomes more critical.

The land to be acquired has a frontage to Bourke Road of 208.16 metres, a width of 4 metres and an approximate area of 829.9 square metres subject to survey.

The owner, Goodman, is prepared to excise this part of its site at 35-39 Bourke Road and sell it to the City. The owner has a current Development Application with the City which has been amended to show a setback building which is compliant with Council's controls and allows space for a separated cycleway to be developed by the City.

The purchase of this land to create a separated cycleway is in line with the City's Sustainable Sydney 2030 Direction 4 (a city for walking and cycling) and the cycling and walking strategies.

It is proposed that the land be classified as operational to facilitate the future construction of the cycleway and upon completion of the full length between Huntley and Maddox Streets be dedicated as road.

Non-binding terms for the acquisition are agreed in principle and are to be finalised within the parameters of the value established by independent valuation which is detailed in confidential Attachment B.

Recommendation

It is resolved that:

- (A) Council endorse the acquisition of a portion of 35-39 Bourke Road, Alexandria being Lot 102 within a proposed plan of subdivision of Lot 1 in Deposited Plan 592162 and Lot 2 in Deposited Plan 618204 at the price 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 relating to the proposed acquisition in accordance with these resolutions and enter into a Contract for Sale and any other documentation required to complete the sale;
- (C) subject to agreement of the terms of the acquisition in accordance with these resolutions, Council approve the public notification of the following proposed resolution: 'It is resolved to classify the City's proposed acquisition of part 35-39 Bourke Road Alexandria being Lot 102 within a proposed plan of subdivision of Lot 1 in Deposited Plan 592162 and Lot 2 in Deposited Plan 618204 as operational land under Section 31 of the Local Government Act 1993'; and
- (D) Council note that a further report to inform the outcomes of the public notification of the proposed resolution in Clause (C) and recommendation on land classification will follow the notification period.

Attachments

Attachment A. Identification Plans

Attachment B. Financial Assessment (Confidential)

Background

Bourke Road Cycle Route

1. The Bourke Road cycle route is one of the City's 10 highest priority regional routes extending from Sydney Harbour to Botany Bay along Bourke Street (from Woolloomooloo) and Bourke Road (to Gardeners Road). The route continues outside the City's local government area connecting Mascot Station to Alexandra Canal and Cooks River. Refer Attachment A - Identification Plan.
2. The Bourke Road stretch of the cycleway has a narrow shared path which was initially sufficient, as at the time, pedestrian volumes in this area were very low and a shared path was sufficient for a regional bike route.
3. The cycleway on Bourke Road has current usage of approximately 500 bikes per day, which will continue to increase as the local area, and also Mascot area, are further developed.
4. The significant usage of this regional bike route, by people walking and cycling, makes conversion to separated walking and cycling paths critical for pedestrian safety and for satisfactory level of service on the regional bike route. Presently, there is a 261 metre long gap in the separated cycleway along Bourke Road.
5. Any possible opportunity to secure space to convert the shared path to separated paths for walking and cycling should be taken. It is in line with the City's Sustainable Sydney 2030 Direction 4 (a city for walking and cycling) and the cycling and walking strategies.

Alexandria Industrial Estate

6. Goodman own 'Alexandria Industrial Estate (AIE) 35-39 Bourke Road, Alexandria being Lot 1 DP592162 and Lot 2 DP618204. The site is rectangular in shape with an area of 55,150 square metres. The site shares frontages to Bourke Road and Huntley Street and is currently developed for a number of warehouse buildings and hardstand. The site is not heavily landscaped apart from a few shade trees dispersed among off-street parking, mature trees and understorey shrubs screening to the Huntley Street façade.
7. The section of cycleway adjacent to 35-39 Bourke Road is presently a shared path due to constricted road width. New developments in close proximity in subsequent years are likely to result in increased pedestrian volumes making the shared path unsuitable in the medium to long term.
8. A Development Application D/2018/16 was lodged with the City on 12 January 2018 for adaptive reuse of two buildings on the site. The proposed development seeks to keep the existing buildings which are built to the site boundary on Bourke Road and does not maximize the development potential afforded the site.
9. Goodman seeks a response as to whether Council is willing to agree in principal to purchase the land and that part of the block where the separated cycleway is absent. The offer is time sensitive, as it is in the context of a Development Application under assessment and would require the voluntary setback of the development for the cycleway.

10. Goodman are not relying on any uplift floor space controls and so there is no community contribution to offset the cost. There is no mechanism for a Voluntary Planning Agreement or requirement to dedicate as they are not maximizing the floor space of the site.
11. Strategically the intention for a footpath widening for the purpose of a separated cycleway along Bourke Road is shown within the City's Development Control Plan

Negotiations to acquire

12. The City has been negotiating with Goodman to acquire the full strip of land from Huntley to Maddox Streets.
13. Goodman has prepared a proposed plan of subdivision that shows the area to be acquired. (Attachment A - Identification Plan) The land to be acquired has a frontage to Bourke Road of 208.16 metres and a width of 4 metres and an approximate area of 829.9 square metres subject to survey.
14. The City engaged property valuers, Landmark White to establish the market value of the subject property. Details of the valuation rationale, including offers made by Goodman are contained at Confidential Attachment B.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

15. 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. This plan is aligned with the following strategic directions and objectives:
 - (a) Direction 4 - A City for Walking and Cycling.

Risks

16. There are no identified risks above those normally faced with the acquisition of a property for infrastructure.

Budget Implications

17. The proposed acquisition is not budgeted for in the current year nor in the City's Long Term Financial Plan.
18. It is proposed to source the funds to acquire from the future year provisional allowance for property acquisitions in the City's Long Term Financial Plan.

Relevant Legislation

19. 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.
20. 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.
21. 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.
22. Under Section 31 of the Local Government Act 1993, all Council-owned land must be classified as either community land or operational land. It is intended that the property be classified as operational land, as this provides most flexibility to manage the land before and during construction of the essential cycling infrastructure.
23. This reports seeks Council's endorsement to notify a proposed resolution to classify the land referred to as proposed Lot 2 within the draft plan of subdivision of 35-39 Bourke Road, Alexandria as operational land which will enable the asset to be managed effectively until it is dedicated as road.
24. This proposed resolution is to be publicly notified and made available for inspection by the public for a period of 28 days. A further report, to inform the outcomes of public notification and for Council to resolve to endorse the classification, will follow the expiry of the notification period.

Critical Dates / Time Frames

25. Exchange of contracts to take place upon registration of the proposed plan of subdivision.
26. Completion of the sale to occur upon practical completion of the current development application.

Options

27. The City could decide not to acquire any of the land at this time and wait until completion of the proposed development. This action simply prolongs achieving the City's cycleway objectives and most probably the City would be faced with having to negotiate in a more volatile market. It is not recommended that the Council support this approach.

Public Consultation

28. There is no public consultation required for Council to endorse the acquisition of this land.

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