

Item 6.

Proposed Sale of Surplus City Owned Land – Part 17 Zetland Avenue, Zetland

File No: X086239

Summary

This report details a proposed sale of a 300.4 m² remnant portion of City owned land within the Epsom Park Precinct of the Green Square Renewal Area to the adjoining owner/developer. The remnant portion of land has a very narrow width between 0.895 metres and 2.505 metres. The length of the allotment is 176.95 metres.

The City is progressing a one to two lot subdivision of 17 Zetland Avenue (Lot 11 in Deposited Plan 121716) creating a separate lot, Proposed Lot 112 for the remnant portion, located between the dedicated and partially completed Zetland Avenue and 130 Joynton Avenue, a 28,000m² develop site owned by developer Deicorp.

Proposed Lot 112 is severely constrained by its elongated narrow shape and offers neither utility nor benefit in its retention and embellishment on a stand-alone basis.

The optimum outcome is a sale to the adjoining owner/developer to consolidate the remnant portion as part of the developer lot to support future land dedications for road and park and facilitate a seamless interface between the public domain and future development.

The land is classified as operational and there are no impediments to a sale.

Recommendation

It is resolved that:

- (A) Council endorse the sale of proposed Lot 112 in a proposed plan of subdivision of 17 Zetland Avenue West, Zetland being Lot 11 in Deposited Plan 121716 to Deicorp Projects (Joynton Avenue) Pty Ltd at the price agreed to by both parties and supported by independent valuation as detailed in Confidential Attachment C to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to finalise all negotiations with Deicorp Projects (Joynton Avenue) Pty Ltd and enter into a Contract for Sale and any other documentation required to complete the sale.

Attachments

- Attachment A.** Identification Plan Precinct
- Attachment B.** Proposed Subdivision, Photos and Future Land Use
- Attachment C.** Commercial Considerations (Confidential)

Background

1. The Green Square Urban Renewal Area is one of the largest redevelopment areas in Australia covering 278 hectares comprising eleven precincts including the Town Centre undergoing transition with low scale industrial and commercial developments being replaced with medium to high-density mixed-use developments.
2. The City has developed planning controls aligned to special character areas in the Sydney Development Control Plan 2012 (Sydney DCP 2012) for various precincts within the Green Square Urban Renewal Area to support this transformation.
3. The City has committed \$540 million to creating world-class community facilities including an innovative new library and plaza, an aquatic centre, many parks and playgrounds, a childcare centre and a creative hub.
4. The Epsom Park Precinct promotes valuable social, cultural and recreational opportunities through the 23,000m² Gunyama Park Aquatic and Recreation Centre competed in March 2021 and provides new road connections including the partially constructed Zetland Avenue connecting to Joynton Avenue and the Town Centre. The Identification Plan in Attachment A shows the Epsom Park Precinct.
5. In 2021, the City owned property at 132-140 Joynton Avenue was subdivided to create Zetland Ave (Lot 10), severing Lot 11 with the Gunyama Park Aquatic and Recreation Centre land (2.465ha) adjoining the southern boundary of Zetland Avenue and a remnant portion (300.4m²) joining the northern boundary of Zetland Avenue and the southern boundary of the adjoining property at 130 Joynton Avenue.
6. The remnant portion of land provides for a narrow (0.895 metres at its narrowest point along Joynton Avenue to 2.505 metres at its widest) and near rectangular shaped "landlocked" allotment which provides for a total land area of 300.4m². The length of the allotment is approximately 176.95 metres.
7. The land is devoid of any significant improvements, apart from small vegetation and landscaping. The land is currently fenced to the northern side with a block retaining wall to the southern boundary.
8. The City in its capacity as owner has lodged an application for a one into two - Torrens Title subdivision of Lot 11 in DP1271716 into two lots:
 - (a) Proposed Lot 111: 2.465ha south of Zetland Avenue
 - (b) Proposed Lot 112: 300.4m² north of Zetland Avenue
9. Proposed Lot 112 has a length of 176.79 metres and widths from 2.5 metres narrowing to .895 metres producing an elongated shaped parcel of 300.40m².
10. Proposed Lot 112 is zoned MU1 Mixed Use with an FSR of 0.35:1 generating total developable gross floor area of 105.14m².
11. In 2022, Deicorp Projects (Joynton Avenue) Pty Ltd (Deicorp) acquired a 2.849 ha development site at 130 Joynton Avenue, Zetland. The Deicorp site adjoins the City's remnant land portion, along part of its southern boundary.

12. Deicorp are negotiating and progressing toward their proposed development comprising approximately:
 - (a) Nine mixed-use buildings with non-residential uses at ground and some with 100 per cent residential apartment buildings.
 - (b) Targeting 500 plus apartments with commercial and retail space.
 - (c) Land dedications for future road of - 11,159m² and staged construction of the extension of Grandstand Parade, Victoria Park Parade, Zetland Avenue, George Julius Avenue, Defries Avenue and Letitia Street.
 - (d) Land dedications for parks include - 2,553m² to augment Woolwash and Biyanbing Parks and to augment Zetland Avenue and create public open space at the eastern end of the site.
13. Attachment B - Proposed Subdivision, Photos and Future Land Use shows Proposed Lot 112 and its integration with the adjoining developer land.

Financial Implications

14. The sale of the surplus remnant portion of 17 Zetland Avenue West, Zetland being proposed lot 112 (forming part of Lot 11 in Deposited Plan 121716) is not budgeted for in the current financial year.
15. The City engaged property valuers, Preston Rowe Patterson, to establish the value of the City's surplus land, proposed lot 112.
16. Details of the valuation rationale, including offers made by the developer of the adjoining land, are contained at Attachment C - Commercial Considerations (Confidential).

Relevant Legislation

17. Local Government Act 1993 - Section 10A provides 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.
18. Attachment C 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 (Sec 10A (2) (c)), and
 - (b) prejudice the commercial position of the person who supplied it (Sec 10A (2) (d)(i)).
19. 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.

20. Under section 377 of the Local Government Act 1993 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.

Critical Dates / Time Frames

21. Subject to Council endorsement the City will exchange contracts following the Council resolution to divest the surplus land.
22. Settlement would occur at the latter of 30 days from the Resolution of Council, or 5 working days from the registration of the plan creating proposed Lot 112.

Options

23. The Council could decide to retain the remnant land portion, construct the road portions and landscape the balance however this would neither:
 - (a) provide an opportunity for interface integration between the developer led development, dedications for road and park, nor
 - (b) provide the City with a financial return on the asset.
24. The sale of the remnant land portion to the adjoining owner presents the only opportunity to achieve an integrated and financially sustainable outcome.

Public Consultation

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

KIM WOODBURY

Chief Operating Officer

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