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| ITEM 7.4 | "SITE A" DEE WHY OPEN MARKET SALE |
| REPORTING MANAGER | DEPUTY GENERAL MANAGER COMMUNITY |
| TRIM FILE REF | 2015/061711 |
| ATTACHMENTS | 1 Site A - Land Boundaries (Included In Attachments Booklet) 2 Dee Why Town Centre Masterplan - Proposed Link Road (Included In Attachments Booklet) |

EXECUTIVE SUMMARY

PURPOSE

To approve the proposal to sell the Council owned parcels of land (Lots 17,18,19,44,45,46-Sec 16-DP8172, Lot 2-DP526306 and Lot 43-DP341020) within the site known as 'Site A' to deliver the highest and best value to the community.

SUMMARY

In December 2012 Council resolved (389/12) to sell its property known as Site A comprising 36-44 Oaks Avenue and 31-35 Howard Avenue, Dee Why. This has yet to occur due to a number of complicating factors. Since Council's resolution Council has entered into a Memorandum of Understanding with the NSW Police agreeing to work together to try and relocate the Dee Why Police Local Area Command into a suitable Council site in Dee Why.

In discussions with the Dee Why Police Local Area Command it was identified that Site A would be suitable location for the relocated Local Area Command. As such it is proposed to change the terms of sale of Council's property within Site A to include the return to Council of the commercial gross floor area needed for the Dee Why Police Local Area Command in the finished development on the site.

Additionally, as part of the Dee Why Town Centre Masterplan, it is intended that a new "link road" be constructed at the eastern end of Site A. The sale of Council's land is proposed to be structured in such a way that it enables the purchaser to construct parking under this road, prior to returning the ownership of the link road and associated areas (footpaths, streetscape etc) to Council.

FINANCIAL IMPACT

The financial impact to Council will be net positive given the ongoing lease revenue streams that will be derived from NSW Police, as well as one-off funds received for the sale of the site.

RECOMMENDATION OF DEPUTY GENERAL MANAGER COMMUNITY

That:

- A. Council authorise the sale of its property at 36-44 Oaks Avenue and 31-35 Howard Avenue, Dee Why being Lots 17-19 and Lots 44-46 Section 16 DP 8172, Lot 43 DP 341020 and Lot 2 DP 526306 on the condition that:
 - a. Council own, as a minimum, the commercial gross floor area needed for the Dee Why Police Local Area Command in the finished development on the site.
 - b. Ownership of the proposed link road and associated areas be returned to Council in a

suitable form.

- c. The proponent/s in their response provide two pricing alternatives for the provision of either 39 or 200 publicly available car parks
 - B. Council, in accordance with Council's Property Acquisition and Disposal – (Negotiation on Purchase Price) Policy GOV – PL 810, grant delegation to the General Manager to commence the disposal process of the land in Item A using an appropriate procurement process.
 - C. An assessment of the responses received to be reported back to Council for its consideration.
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REPORT

BACKGROUND

In December 2012 Council resolved (Resolution 389/12) that:

- A. *Council endorses the concept of the Dee Why Community Hub on the north west corner of St Davids Ave and Pittwater Road*
- B. *\$150,000 be moved from the Brookvale Occasional Care centre capital budget to fund design work on the Community Hub concept in current financial year.*
- C. *Council re-authorise the sale of its property at 36-44 Oaks Avenue and 31-35 Howard Avenue, Dee Why being Lots 17-19 and Lots 44-46 Section 16 DP 8172, Lot 43 DP 341020 and Lot 2 DP 526306 as per the previous resolution to sell adopted by Council on 22 July 2008, and allocate the funds received to the Community Hub concept*
- D. *Council, in accordance with its Property Acquisition and Disposal – (Negotiation on Purchase Price) Policy GOV – PL 810:*
 - a. *Proceed to dispose of the land referred to in Item C.*
 - b. *Grant delegation to the General Manager to commence the disposal process of the land in Item A by public Expression of Interest (EOI). Following assessment of the EOI one of the following strategies may be adopted:*
 - i. *Issue of a restricted RFT, under tender box conditions, to a short-listed group of respondents to this EOI or list for sale by Public Auction;*
 - ii. *Issue of an open RFT;*
 - iii. *Enter into direct negotiations; or*
 - iv. *To not proceed any further. Note: An appropriate reserve price will be set by Warringah Council.*
- E. *Delegation be granted to the General Manager to authorise and execute any documentation required to facilitate the sale of council land in Site A and authorise affixing the Council Seal to the documentation if required.*
- F. *Any such offer be reported back to the elected Council for determination.*
- G. *Council notes that*
 - a. *any future development on Site A will generate more publicly available parking than is currently available on the site and that a requirement for more than 200 publicly available parking spaces will be included as part of the sale contract.*
 - b. *the adjacent Brookfield site will generate in excess of 1500 parking spaces.*

Since this resolution, a number of factors have changed such that impact the proposed sale of Site A, being:

- the adjacent site - "Site B" - previously owned by Brookfield was sold to Meriton and the mix of uses is currently under consideration through a planning permit application
- Council has purchased 30 Oaks Avenue for public open space
- Australia Post, which owns 32 – 34 Oaks Avenue, have stated that at this stage they are not willing to sell their site with Council's Site A as planned. This potentially impacts the developable envelope for Site A.
- Council has commenced construction of a 348 space car park in Dee Why

- Council has entered into a Memorandum of Understanding with the NSW Police agreeing to work together to try and relocate the Dee Why Police Local Area Command into a suitable Council site in Dee Why.

In discussions with the Local Area Command, while the Dee Why Community Hub was identified as a desirable location for the Dee Why Police, it has been agreed that Site A would also be highly suitable. Further, as the timeframe for the development of Site A is likely to be shorter, Site A presents as a better option for the NSW Police due to their pressing need to improve their facilities.

Given these factors and the desire for Council to derive the maximum benefit for the community from the sale of the site, it is proposed to sell Council's parcels of land that are known as Site A – being 36-44 Oaks Avenue and 31-35 Howard Avenue, Dee Why (Lots 17-19 and Lots 44-46 Section 16 DP 8172, Lot 43 DP 341020 and Lot 2 DP 526306) as seen in Attachment 1 – in an open market process.

During this sale it is proposed that a condition of the sale, which will impact the sale return Council receives, is that the required commercial gross floor area in the finished development on the site is returned to Council for the purposes of leasing as the Dee Why Police Local Area Command as part of the sale transaction. This will reduce the gross sale price, but will generate an ongoing income stream for Council and the community through the market lease return generated.

It is also proposed to test the market as to the pricing impact of delivering the requirement for *“more than 200 publicly available parking spaces”*. This condition will impact the value of the site – and thus the return to Council and the community – and as such it is proposed that companies looking to buy the site provide two pricing alternatives, being the provision of:

- 39 publicly available car parks (the minimum requirement due to Section 94 funds previously spent on the site), or
- 200 publicly available car parks, noting that a number of these may be in the form of dual use car parking for retail requirements.

With Council currently constructing a new 348 space car park in Dee Why and Meriton set to commence the “Site B” development in the immediate future, this pricing approach will allow Council staff to provide a cost benefit analysis for the provision of both options of car parking.

INTEGRATION WITH THE DEE WHY TOWN CENTRE MASTERPLAN

As part of the Dee Why Town Centre Masterplan, it is intended that a new “link road” run is constructed at the eastern end of Site A (Attachment 2). This enables the development on Dee Why with respect to future traffic flows and is a crucial part of the plan.

The sale of Council's land in Site A remains contingent on the return to Council of the link road and associated areas and this is proposed to be structured into the terms of sale. However, the sale of the site is intended to enable the purchaser to construct parking under this road prior to the construction of the road and its associated areas such as footpaths, streetscape etc.

CONSULTATION

The planning of Site A and the Dee Why Town Centre have had a significant public consultation over a number of years including through working parties and various other forums.

TIMING

Council officers will progress this in a timeline appropriate to the chosen procurement process.

FINANCIAL IMPACT

The financial impact to Council will be a net positive position given the ongoing lease income that will be derived from the NSW Police, as well as one-off funds received for the sale of the site.

POLICY IMPACT

Nil