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## Report of the General Manager - 25 February 2014

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**ITEM 6.2**            **CBD Property Renewal Strategy**

**ECM SUBJECT**    **Bankstown Community Hub**

**DELIVERY PROGRAM (2013-2017)**            **TA 4. Council will provide well planned and maintained community assets in an economically sustainable manner.**

**AUTHOR**            **City Planning and Environment**

### **ISSUE**

To consider Stage One (1) of Council's CBD Property Renewal Strategy, in particular the proposed redevelopment of Council's current Central Library and the sale of nine (9) lots situated between Restwell and Leonard Street, Bankstown.

### **RECOMMENDATION**            That –

1. Council proceeds to redevelop the current Central Library including submitting the required Development Application as outlined in this report.
2. Council agrees to sell 74-80 Restwell Street Bankstown (Lots 10-13/DP11718) and 1-9 Leonard Street Bankstown (Lot 81/DP8448, Lots 1-3/DP306558 and Lot 40/DP1128927).
3. Council delegates authority to the General Manager to dispose of the properties identified in Item 2 above, as outlined in this report.
4. Council considers all required funding and/or reflect proceeds relating to the above items in the appropriate Annual Budget or Quarterly Budget Review process.
5. A further report be submitted to consider the outcome of an Expression of Interest campaign seeking organisations to lease space in a new redeveloped Community Hub building.

## **BACKGROUND**

Councillors will recall recently endorsing in principle, Council's four (4) stage CBD Property Renewal Strategy, involving five (5) large key sites.

In considering its approach, Council agreed to receive further detailed reports regarding each of the four stages of the strategy. This report will discuss stage one (1) of the Strategy, which proposes to:

1. Redevelop Council's existing Central Library into a Central Community Hub (the "Hub"), and
2. Rationalise/sell nine (9) lots situated between Restwell and Leonard Street, Bankstown, with the view to fund the redevelopment of the Hub and other CBD property initiatives identified under the strategy.

A copy of Council's previous report, including details around each site is attached for Councillors information.

## **REPORT**

As Councillors would agree, in recent years Council's investment in the CBD has been significant, an approach which looks to encourage and support ongoing growth in both the commercial and residential sector throughout the CBD, and benefit both our local and broader community.

As indicated in our previous report, the strength of Council's strategy is that it will make the most of Council's CBD property assets in a strategic and unified way.

As part of this strategy, Council has the opportunity to deliver significant benefits, including improvements in public facilities, consumer confidence, image and sense of identity for the Bankstown CBD as a major centre in metropolitan Sydney, whilst also addressing the financial challenges associated with the renewal of its existing infrastructure assets.

Accordingly, stage one (1) will focus on two major assets, being the current central library and Council's vacant sites situated between Restwell and Leonard Streets.

### **Central Library Building – Establishment of the Bankstown Community Hub**

As Councillors would be aware, this property is in a very pivotal position within the Civic Precinct. The site provides an excellent opportunity to cost-effectively redevelop and re-use the existing building, providing a number of broader benefits, which include:

- Rationalisation and amalgamation of users, including Bankstown Seniors Citizens, BBAS and relevant Council staff
- Ability to subsequently lease prime, vacated space in the Civic Tower,
- Free up pivotal and valuable Council property at West Terrace,

- Opportunity to cost-effectively redevelop and re-use the building, suiting a variety of users, once the library vacates,
- Generate a market based rental income from various users/tenants of the hub facility, to cover ongoing maintenance and holding costs.

The Strategy proposes to redevelop the existing building into a central community hub with various tenants and uses, based on the following building layout:

Building Layout	Proposed Use
Level 3	Commercial space for suitable Organisation/s, which complements proposed Community Hub concept and/or other users.
Level 2	Commercial space to co-locate various Non-Government Organisations (NGO's), which provide integral services and support to our community.
Level 1	Community Based Council Services and Meeting Spaces, including: <ul style="list-style-type: none"> <li>▪ Relocating the Bankstown Senior Citizen Centre users and community spaces to a new facility on the ground floor, providing a more central and modern facility and freeing up West Terrace as an option to redevelop the site in the future.</li> <li>▪ Introduce opportunity for "smart work centres"</li> <li>▪ Relocate Council Community Services and Bankstown Business Advisory Service (BBAS) operations from the Civic Tower, freeing up valuable commercial rental space to lease.</li> </ul>

Councillors should also note that when originally constructed, the Central Library included provisions for a further floor to be constructed in the future. As a result, Council's Development Application (DA) will include the option to allow for a future additional level to be constructed and/or roof-top use, if agreed to and/or required by Council.

The proposed redevelopment of the building will provide Council the opportunity to further strengthen the provision of a broad base of community based services in one central location within the CBD.

The Hub, will look to complement/complete and centralise a number of major community based services throughout the CBD, including the new Library and Knowledge Centre, Bankstown Arts Centre, Civic Tower, Womens Health Centre and Meals on Wheels Services.

Concept designs and DA documentation have been prepared and are proposed to be submitted in early March 2014. Subject to Council's agreement to the above, relevant funding for the project will be reflected in the 2014/15 Budget process and/or relevant quarterly budget review process.

In addition, Council will shortly be undertaking an expression of interest process to determine and/or seek organisations with a service focus on education, employment or other community services to lease space in the new redevelopment. Following this process, a further report outlining the outcome will be provided to Council for its consideration.

### **Restwell/Leonard Streets – Property Rationalisation**

As Councillors would be aware, Council owns nine (9) lots with frontage to Restwell Street through to Leonard Street covering approximately 6350sqm. The land has been vacant for many years, particularly since the various services were re-located to Council's new Womens Health Centre and/or ceased to exist.

As a result, the sites are now surplus and present an opportunity for Council to rationalise the land with the view to see a timely development of quality housing on the fringe of the CBD, within close proximity to essential services and infrastructure.

Council will look for the sale to ensure that it is consistent and/or satisfies the broader principles suggested in Council's CBD Local Area Plan and provisions of the CBD Local Environmental Plan.

In turn, the proceeds from the sale will look to largely fund the development of the new Hub and further stages of the CBD Property Renewal Strategy.

As part of its due-diligence process, Council has had the property independently appraised, particularly to determine whether selling the sites at this time is prudent as well as establish the preferred method by which the sites should be sold.

In brief, the advice obtained suggests:

- The current property cycle provides an opportune time to sell and maximise a return to Council,
- Marketing of the property should clearly highlight the opportunity for "staging" of an apartment development, and so ability to sectionalise the entire land into 3-4 parcels,
- The significant parcel of land provides a rare opportunity for a large scale, Sydney/National residential developer,
- Given the likely interest in the site, and its characteristics, a public auction is considered the most advantageous method of sale for Council,
- Council engage a larger Sydney wide based agent, potentially with a local agent in conjunction, to market the site on its behalf, and
- Confirmation that Stanley Street carpark be excluded from the current sale process.

Further, Council's Property Consultant has confirmed this advice, which accords with the views of Council's Property Manager.

Subject to Councillors consideration of the above, Council will look to engage an appropriate Agent in accordance with its Procurement Policy and accordingly commence to market the properties, with the view to auctioning the sites throughout 2014.

Separate to the above, Council will obtain two separate independent/external valuations in order to set the financial basis of a sale. Based on this information and advice from both Council's Agent and Lawyers, it is proposed that the General Manager be provided the delegation to market and sell the sites, as suggested in this report.

### **POLICY IMPACT**

As mentioned in our previous report, the strategy presents an exciting opportunity for our City. The proposed strategy will further look to invigorate and encourage further private investment throughout the CBD.

The strategy presents a well balanced outcome for our City, both from a corporate and community perspective. It will financially support the replacement of ageing infrastructure with the renewal and/or expansion of existing assets as well as facilitate quality housing and growth targets throughout the CBD.

### **FINANCIAL IMPACT OF RECOMMENDATIONS**

As indicated earlier, it is proposed that the proceeds from the sale of Council's properties will be used to fund the redevelopment of the current Central Library and other initiatives outlined in the CBD Property Renewal Strategy.

In addition, the redevelopment will allow for Council to generate an ongoing level of lease income from the Hub and available space in the Civic Tower, alternate sources of revenue which will assist in managing the ongoing preservation and maintenance of these buildings and those throughout the CBD.

Relevant funding required to action the above and/or proceeds from any sale will be reflected in the appropriate Annual Budget and/or Quarterly Budget Review processes, as required.

### **RECOMMENDATION**      That –

1. Council proceeds to redevelop the current Central Library including submitting the required Development Application as outlined in this report.
2. Council agrees to sell 74-80 Restwell Street Bankstown (Lots 10-13/DP11718) and 1-9 Leonard Street Bankstown (Lot 81/DP8448, Lots 1-3/DP306558 and Lot 40/DP1128927).

3. Council delegates authority to the General Manager to dispose of the properties identified in Item 2 above, as outlined in this report.
4. Council considers all required funding and/or reflect proceeds relating to the above items in the appropriate Annual Budget or Quarterly Budget Review process.
5. A further report be submitted to consider the outcome of an Expression of Interest campaign seeking organisations to lease space in a new redeveloped Community Hub building.

**ATTACHMENTS**

- A. Council Report - 27 August 2013

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## Report of the General Manager - 27 August 2013

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**ITEM 5.3**                      **CBD Property Renewal Strategy**

**ECM SUBJECT**            **Planning - Strategic Property Group**

**DELIVERY PROGRAM (2013-2017)**            **TA 19. Council is strategically and effectively managing its public land and property portfolios.**

**AUTHOR**                      **Corporate and Financial Services**

### **ISSUE**

To consider a strategic approach to the use of Council's diverse property assets in the Bankstown CBD, delivering significant social, economic and environmental outcomes for the City.

### **RECOMMENDATION**      That -

1. Council endorse, in principle, the CBD Property Renewal Strategy as outlined in the report.
2. Further reports regarding each stage of the strategy be submitted for Council's consideration, as required.

### **BACKGROUND**

At its Ordinary Meeting on 26 February 2013, Council resolved to publicly exhibit its proposed CBD Property Renewal Strategy ("the Strategy"), which included a review of five (5) key Council sites being its Restwell and Leonard Street properties, West Terrace (including Bankstown Senior Citizens), Greenfield Parade and Brandon Street Carparks and Council's current central library site.

As outlined in its previous report (Attachment A), one of Council's key objectives is to be a leading City, which encourages and supports a vibrant commercial and residential sector throughout the CBD, which benefits both our local and broader community.

Council's investment in its CBD has been significant in recent times, with specific projects such as the construction of the bus/rail interchange, upgrades to Saigon Place, North/South Terrace Rail Underpass, Arts Centre and the new Library and Knowledge Centre. These projects demonstrate Council's commitment to ensuring our city continues to prosper and provides broader long term opportunities and growth in our City.

The strength of Council's proposed property strategy is that it will make the most of Council's CBD property assets in a strategic and unified way. Council has the opportunity to deliver significant benefits, including improvements in public facilities, consumer confidence, image and sense of identity for the Bankstown CBD as a major centre in metropolitan Sydney, whilst also addressing the financial challenges associated with the renewal of its existing infrastructure assets.

This report updates Council on the recent community exhibition and consultation process. Further, it outlines an approach to managing each site of the five (5) sites.

## **REPORT**

Following its consideration and endorsement in February 2013, Council proceeded to exhibit its proposed CBD property renewal strategy, which included a series of advertisements in the local papers and Council's website, two public meetings, as well as a number of discussions with key property stakeholders and community groups based in the CBD.

Council received seventeen (17) written submissions regarding its strategy. In general, there was support for Council's approach, particularly that the strategy will contribute to invigorating the Bankstown CBD, facilitate quality housing, commercial and retail development, and provide new community facilities for the benefit of our community.

However, a small number of respondents raised issues around potential traffic congestion, whether the strategy retained adequate public parking throughout the CBD and Council's proposed approach to funding the strategy.

Having considered the issues raised, this report will now look for Council to endorse its renewal strategy, in principle, as well as consider the proposed funding strategy and subsequent staging of the projects.

The following section of the report will outline each key site and its proposed strategy.

### *Summary of Properties*

As Councillors are aware, the strategy incorporates five (5) large key sites, which are centrally located throughout the CBD. Each site has a number of certain unique features and opportunities from a property perspective.

The location of each site is best illustrated as follows:





It is proposed to endorse, in principle, a strategic outcome for each of the five (5) properties and further refine the strategy for each site, confirming this with Council at each particular stage.

### **Central Library – Establishment of Bankstown Community Hub**

#### *Site Details*

This property is in a very pivotal position within the Civic Precinct. Although an awkward shape of land, the building was well designed, providing a useable and flexible facility.

Recent reports advise it was well built in 1982, with many decades of use left. It provides an excellent opportunity to cost-effectively redevelop and re-use, suiting a variety of users, once the library vacates. Co-locating similar community orientated uses creates a unified facility. Further, Council has the opportunity to better use other assets that are now vacated through relocating to this new facility (i.e. BBAS).

#### *Proposed Site Strategy*

It is proposed to redevelop the existing building into a central community hub with various tenants and uses, including:

- Relocating the Bankstown Senior Citizen Centre users and community spaces (currently located on West Terrace) to a new facility on the ground floor,
- Relocate Council Community Services and Bankstown Business Advisory Service (BBAS) operations from the Civic Tower,
- Provides an opportunity for a BBAS hot desks which would ideally encourage a place-based solution, commonly referred to as a “smart work centre”, and provides a flexible model for similar services/functions to co-exist and share common administrative and/or corporate support functions.
- Providing commercial space to co-locate various Non-Government Organisations (NGO’s), which provide integral services and support to our community.

The strategy will further enable Council to:

- Provide a more centrally located and tailored facility within the CBD for use by our Seniors and other community groups,
- Develop and capitalise on the synergies, of co-locating similar services, with key NGO’s throughout Bankstown,
- Complements other newly redeveloped key community facilities throughout the CBD, including the new Library and Knowledge Centre, Arts Centre and Women’s Rest Centre,
- Ability to lease prime, vacated space in the Civic Tower, and
- Generate a market based rental income from various users/tenants of the facility, to cover ongoing maintenance, holding costs, future upgrades and retention of the facility/building by Council.

## **Leonard/Restwell Streets – Property Rationalisation**

### *Site Details*

The property comprises nine (9) lots with frontage to Restwell Street through to Leonard Street covering approximately 6350sqm.

Recently, the dilapidated residential cottages on the site were demolished, leaving the entire land parcel cleared and ready for a significant residential development.

This land is now surplus to Council and there is an opportunity for quality housing on the fringe of the CBD, within close proximity to essential services and infrastructure.

### *Proposed Site Strategy*

Given its characteristics, the site is ideally suited for a large scale apartment development, which will further contribute and support Councils housing targets within the CBD.

Given its locality and use, it is proposed that the Stanley Street Carpark be retained by Council for continued public use.

As would be the case for each of the five (5) sites, Council will ensure that it controls the particular outcome on the site and its delivery by way of particular legal conditions imposed at the time of sale.

## **West Terrace Carpark & Senior Citizen Centre – Revitalisation of South-Eastern part of CBD**

### *Site Details*

The property currently incorporates a 248 bay public carpark and Bankstown Seniors Centre. Both sites are zoned 3a – Business CBD and both cover an approximate area of 5429sqm.

West Terrace Carpark is a large, multi-deck carpark, constrained by difficult access through narrow thoroughfares from Raymond Street (Lopez Lane), South Terrace (pedestrian only) and West Terrace (around an apartment block).

The carparks current setting is less than optimal, particularly given the number of commercial and residential developments which have emerged over time and now contain/obscure the carpark.

The carparks use has significantly changed over the past 10-15 years, predominantly given the changing focus of the surrounding area (i.e. residential) to now largely being utilised at certain periods by adjoining function centres, commuters and employees of neighbouring businesses.

The carpark has lost some relevance and/or desirability amongst other carparks within the CBD, particularly in relation to the Brandon Avenue and Greenfield Parade carparks, which both operate at a higher capacity more often.

Adjoining the carpark, at No. 7 West Terrace, is the Bankstown Seniors Centre, which provides daily activities for older residents and a centre-based meals service for seniors. It is also used regularly by casual users for other activities. This facility is ageing in parts, whilst its functionality and location is not ideal.

Council has the opportunity to explore an option of consolidating both sites and seek expressions of interests from proponents to redevelop the property, whereby it best fits and/or supports the current surrounds.

### *Proposed Site Strategy*

Both properties combined form a large catalyst site for the entire block. Through a sale, there is an opportunity for a large scale, high rise, mixed-use development. Such a sale would involve relocating the Senior Citizen Centre to a new, better located, purpose built facility and rebuilding the 248 carparks elsewhere in the CBD where there is greater demand.

It is expected that such a development would further contribute to invigorating the eastern side of the CBD.

### **Brandon Avenue Carpark & Griffith Park – Carpark Expansion**

#### *Site Details*

Council's Brandon Avenue carpark, which nears the Bankstown Arts Centre, provides a 250 space, well utilised, multi-level public carpark.

Griffith Park comprises open space public walkways and a children's playground, which is located to the north of the site fronting Olympic Parade. The land on which the carpark is located (2200sqm) is zoned Special Uses - Carparking Purposes and Griffith Park (6440 sqm) is zoned 6(a) Open Space.

Part of Griffith Park is currently the subject of a reclassification from community land to operational land.

#### *Proposed Site Strategy*

Subject to available funding, an opportunity exists to extend the existing carpark into Griffith Park. This will bring the carpark closer to and better integrate with The Arts Centre and provide additional support to the retail hub. It will also embellish and double the size of an already very well utilised carpark.

Further, an opportunity exists to develop a small portion of retail onto the northern end of the extended carpark, providing income that can be used to maintain and upkeep the facility, creating a financially self-sustainable asset for Council.

It may also be possible to create a dedicated carparking contribution fund from surrounding future development, where onsite parking is limited. A scheme of this nature would be an important long term investment, which will support the ongoing development in a vibrant and active part of our CBD.

### **Greenfield Parade Carparks – Carpark Renewal**

At present, there are two Council carparks fronting Greenfield Parade.

Firstly, there is the multi-deck carpark opposite the Bankstown Sports Club and, secondly, a small at-grade carpark located a few doors down at no. 25 Greenfield Parade.

As Councillors are aware, the multi-deck carpark has a limited lifespan and will require major rebuilding in the near future (5-10yrs). Given its age, each year Council is required to spend a considerable amount on repairs and maintenance of the structure.

Notwithstanding its poor layout and functionality, the carpark is highly utilised, given its central location and close proximity to the retail and commercial businesses within the CBD.

The at-grade carpark at no. 25 is small and has limited value for parking purposes. Both sites are zoned 3(a) Business CBD, with the multi-deck carpark site having an area of over 2100sqm and the at-grade site 590sqm.

#### *Proposed Site Strategy*

Subject to available funding, it is proposed to rebuild a new, functional, multi-decked carpark (300+ bays), with retail at ground level which activates the street frontage to Greenfield Parade. Income from the retail space will be used to maintain and upkeep the facility, creating a financially self-sustainable asset for Council.

Furthermore Council will continue discussions with neighbouring properties (e.g. Bankstown Sports Club) to explore the possibility of creating a larger scale carpark.

As Councillors would agree, the redevelopment of Greenfield Carpark is one of Council's key initiatives as part of the strategy, a pivotal carpark which is both convenient and accessible for shoppers and commuters.

#### **PROPOSED WAY FORWARD**

This strategy presents an exciting opportunity for Council to utilise its strategic and pivotal properties within the CBD. Council has an opportunity to deliver on a number of key objectives and outcomes for our City, including its residential growth targets and ability to renew aging facilities and infrastructure, relocating some to more appropriate locations throughout the CBD.

As indicated earlier, the essence of the strategy is one based on a self-funding approach and as such, this dictates the relevant stages of delivery.

The first stage of the strategy consists of the sale of Leonard and Restwell Street properties, with part of the proceeds used to redevelop the current library site.

Further stages will see the eventual sale of the West terrace Carpark to ultimately fund both the renewal of Greenfield Parade and expansion of Brandon Avenue carparks.

As part of each stage, Council will assess net funding required and where appropriate utilise its land investment cash reserve to fund any shortfall.

A summary of the proposed timing of each stage is as follows:

Action	2013/14	2014/15	2015/16	2016/17
<b>STAGE 1</b>				
Sale – Restwell / Leonard Streets	Auction / Tender			
Redevelop - Old Library Site	DA Process	Construct		
<b>STAGE 2</b>				
Sale - West Terrace / Senior Citizen	Outcome	Tender		
<b>STAGE 3</b>				
Expansion - Brandon Avenue		Design	Construct	
<b>STAGE 4</b>				
Renewal - Greenfield Parade	Outcome	Design		Construct

As Councillors will note, each stage and/or project will consist of relevant investigations, reviews and design, to confirm the specific outcome expected by Council prior to any disposal and/or construction taking place.

It is proposed that separate briefings and reports will be presented to Council regarding each component of the strategy to establish Council's preferred approach and outcome, including financial impact and proposed funding strategy.

#### **GOVERNANCE FRAMEWORK**

As is the case with each of our property related projects, Council has implemented and will adhere to a Governance Framework, including a detailed Probity Plan, to guide and assist in carrying out the strategy.

Council's Probity Advisor and its Lawyers will assist Council in overseeing various components of the process and provide necessary advice, as required.

#### **POLICY IMPACT**

The strategy represents an exciting yet important opportunity for our City. The proposed strategy will further look to invigorate and encourage further private investment throughout the CBD.

The strategy presents a well balanced outcome for our City, both from a corporate and community perspective. It will financially support the replacement of ageing infrastructure with the renewal and/or expansion of existing assets as well as facilitate quality housing and growth targets throughout the CBD.

As indicated earlier, Council will receive separate briefings and reports, which will present specific details of each stage including Council's preferred approach and outcome for each site.

## **FINANCIAL IMPACT OF RECOMMENDATIONS**

Whilst there is no immediate and/or direct financial impact resulting from this report, the success of Council's broader CBD Renewal Strategy will be one, which is supported by a self-funding approach, whereby any renewal replacement will be reliant on generating proceeds from potential land sales realised from those mentioned above.

Notwithstanding the above, the strategy may require the use of Council's land investment cash reserves to temporarily and/or compliment the available funding for each project.

As Council considers each stage of the strategy, it will separately outline and report the financial impact of each project and present the details to Councillors for their consideration.

### **RECOMMENDATION**      That -

1. Council endorse, in principle, the CBD Property Renewal Strategy as outlined in the report.
  
2. Further reports regarding each stage of the strategy be submitted for Council's consideration, as required.

### **ATTACHMENTS**

- A. Council Report - 26 February 2013

