Catherine Wiltshire

From: Campbell Pfeiffer
Sent: Tuesday, 29 November 2022 1:38 PM
To: Ray Brownlee
Cc: Liz Reeves; Sara Crighton; Jorde Frangoples
Subject: Content Manager Document : 2022/763758 : Councillor Briefing - Bangaroo St North Balgowlah
Attachments: Councillor Briefing - Bangaroo St North Balgowlah.PPTX; Councillor Briefing - Bangaroo St North Balgowlah.tr5; Confidential - PSC Bangaroo St Paper.pdf

Good afternoon Ray,

Please find attached presentation as discussed.

I've put in:

- The DA stamped plans showing the subdivision
- The land zoning (R2 and RE1)
- The land ownership (operational and community)
- The DA referral comments from the Natural Environment team (now ECC) noting the development is outside the core riparian corridor

I've also attached the PSC report to this email which has the 2006 resolution about this matter.

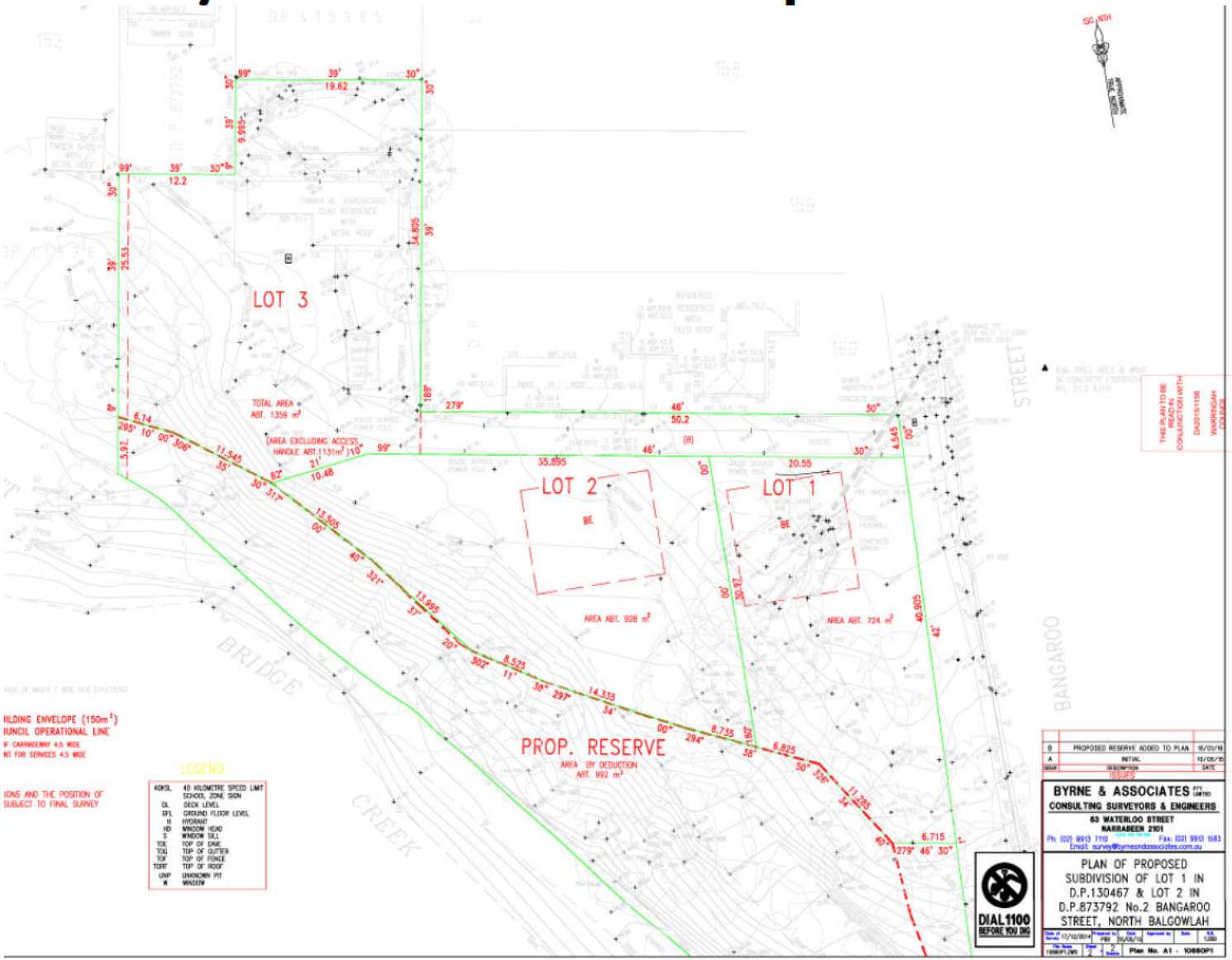
If you need anything else, please let me know.

Thanks,

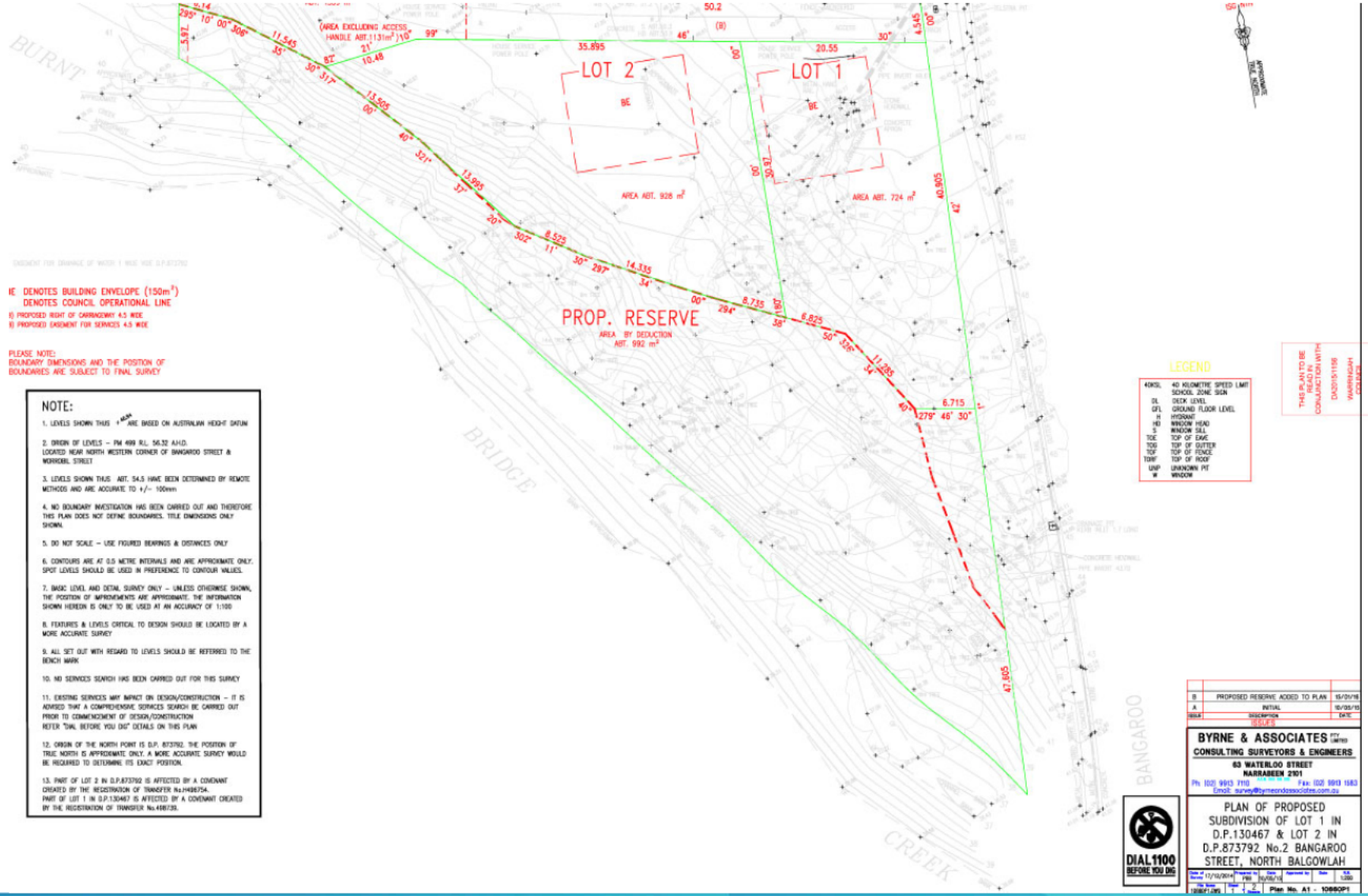
northern beaches council

Bangaroo St North Balgowlah - Subdivision and riparian zone

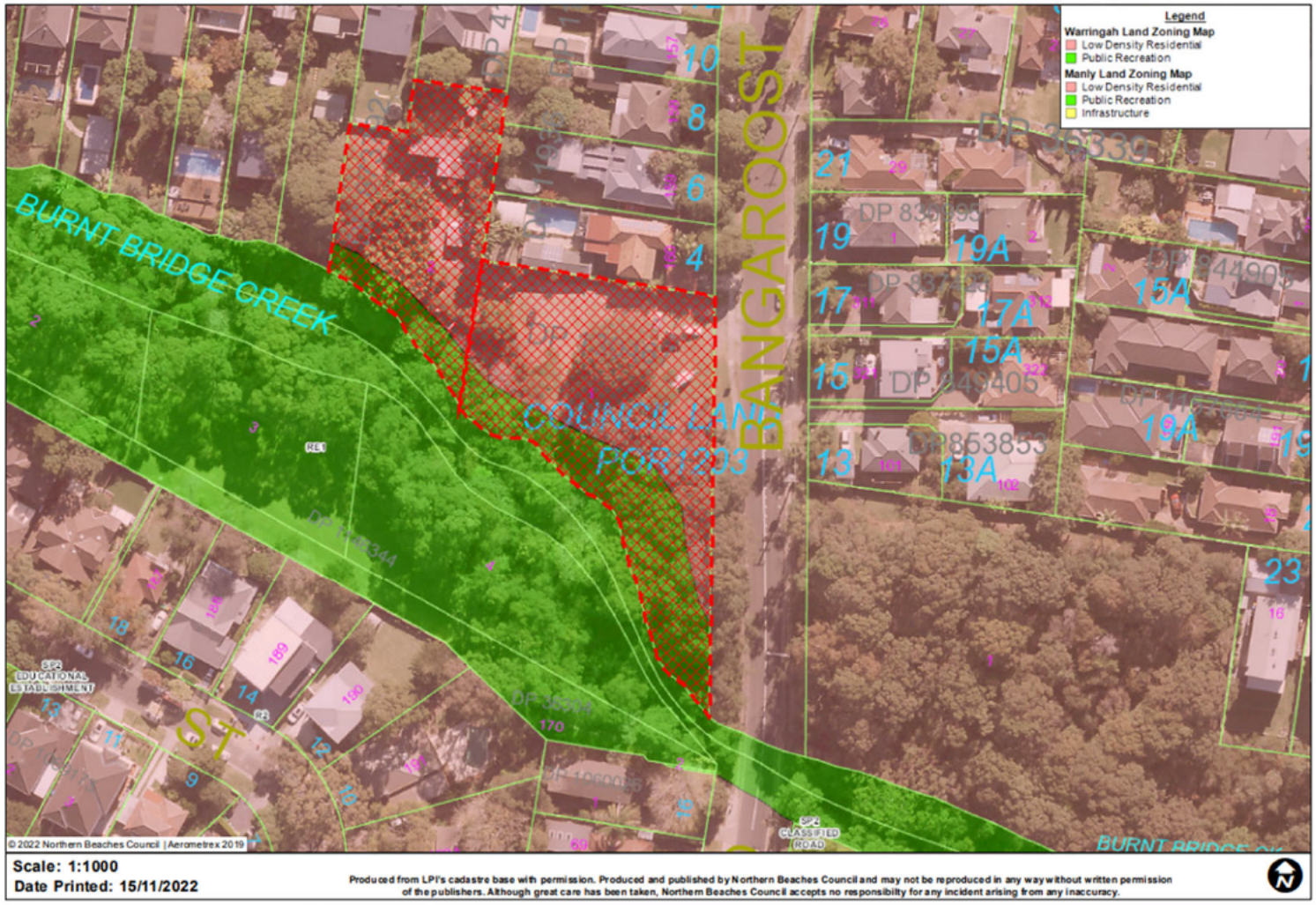
DA2015/1156 – Stamped Plans



DA2015/1156 – Stamped Plans



Zoning – R2 and RE1



Land Categorisation

Community land – riparian zone – required to be retained by Council

DA Assessment comments

Natural Environment (Riparian Lands/Creeks)	The proposed development is located directly adjacent to Burnt Bridge Creek which forms part of the Manly Lagoon Catchment. The catchment is classified as Group C catchment which is characterised as possessing low to moderate ecological value with moderate to highly developed catchments - 15-50% existing connected impervious area (e.g. Bantry Bay, Carroll, Frenchs, Middle, South, Manly, Dee Why, Greendale, Brookvale and Burnt Bridge Creek Catchments). **Conclusion / General Comments** The proposed development is unlikely to have a significant impact on waterways and riparian lands as the proposed subdivision is located outside of the core riparian zone with the exception of the stormwater outlet. I concur with the conclusions of the Flora and Fauna Assessment and Waterway Impact Statement which recommend the preparation of a Vegetation Management Plan "*covering the riparian areas on the northern bank of Burnt Bridge Creek and the entire open space allotment including vegetation of the old road*". This will see an improvement to degraded riparian habitat. A condition of consent has been recommended in this regard. The stormwater outlets will be conditioned to comply with NSW Office of Water's design of outlet structures guidelines. A condition will be recommended. A controlled activity permit will also be required from the NSW Office of Water. An erosion and sediment control plan will be required by way of conditions. No objection to approval subject to conditions. **Recommendation** No objection, unlikely significant impact.

Questions

northern beaches council

ITEM 4.4	**PROPOSED SALE OF COUNCIL LAND - LOT 1 DP 130467 AND LOT 2 DP 873792 BANGAROO STREET NORTH BALGOWLAH**
REPORTING OFFICER	**PRINCIPAL PLANNER**
TRIM FILE REF	**2022/425447**
ATTACHMENTS	**1 DA2015/1156 Development Consent** **2 DA2015/1156 Stamped Plans** **3 Current Market Valuation**

SUMMARY

PURPOSE

To consider the disposal of the subject Council land, having regard to the existing DA for subdivision and infrastructure works, and whether Council should sell the land as is with DA consent, or whether Council should undertake the subdivision and infrastructure works and sell the land as three (3) separate parcels.

EXECUTIVE SUMMARY

On 11 April 2006, Warringah Council resolved to commence the process of rezoning and reclassifying two parcels of land in Bangaroo St, North Balgowlah in order to regularise the zoning of this land and allow for the sale of land that was surplus to Council's needs.

The reclassification of this land was gazetted in 2008 and the rezoning occurred with the adoption of the Warringah LEP in 2011. This resulted in the land along Burnt Bridge Creek being zoned RE1 – Public Recreation, and classified as Community Land, and the area to the north of this being zoned R2 – Low Density Residential and classified as Operational Land.

In 2015, Council lodged a development application to subdivide the two existing lots into three residential lots with the remaining creek-line riparian zone to be retained by Council as public open space. Development Consent was granted for this on 6 June 2016 and is due to expire on 6 June 2023 if the works approved under the DA have not substantially commenced.

In order to dispose of the land, a decision needs to be made as to the most appropriate form of disposal. Currently there are two options available, to dispose of the land as is with a valid development consent, or to undertake the subdivision and capital works necessary to sell the land as three separate fully serviced residential lots. Selling the land as three fully serviced lots represents the best use of Council resources and will give the greatest return on Council's investment.

RECOMMENDATION OF PRINCIPAL PLANNER

That the Property Steering Committee endorse:

1. the progression of the subdivision works in accordance with Development Consent 2015/1156
2. that upon completion of the subdivision works, each lot to be sold individually via a public market process.
3. the proposal to be reported to a future Ordinary Council Meeting for its consideration.

REPORT

BACKGROUND

On 11 April 2006, the former Warringah Council considered the rezoning and reclassification of this land and formally resolved as follows:

1. That Council commence the process to reclassify and rezone the subject Council land holdings to provide a contiguous open space corridor, alleviate current legal access issues and redress historical zoning anomalies through the process outlined below:

    a) Reclassify Part Portion 1203 (Lot 1 DP 130467), Bangaroo Street, North Balgowlah from Community land to Operational land to the north of the riparian zone boundary for Burnt Bridge Creek.

    b) Rezone Part Portion 1203 (Lot 1 DP 130467), Bangaroo Street, North Balgowlah from Public Open Space to allow for future residential development for the land to the north of the riparian zone boundary for Burnt Bridge Creek.

    c) Reclassify part of Lot 2 DP 873792 (formerly pt. Lot B in DP 415385) from Operational land to Community Land to the south of the riparian zone boundary for Burnt Bridge Creek to be retained as part of an open space corridor adjoining Burnt Bridge Creek.

    d) Reclassify part of Lot 2 DP 873792 (formerly pt Lot 153 in DP 11936) from Community land to Operational Land to the north of the riparian zone boundary for Burnt Bridge Creek.

    e) Rezone part of Lot 2 DP 873792 (formerly pt Lot 153 in DP 11936) from Open Space to allow for future residential development for the land to the north of the riparian zone boundary for Burnt Bridge Creek.

2. That Council rescind its previous decision of 27 May 2003 to negotiate with the owners of 5 Worrobil Street, North Balgowlah for the purchase of the rear of the property with regard to current Valuation advice.

3. That upon reclassification and rezoning of the site, the General Manager seek expressions of interest from suitably qualified Town Planning Consultants and /or Registered Surveyor to prepare development plans for a three lot subdivision of the subject site generally in accordance with the plans as submitted as part of this report (Drawing No BBC/10/2005/3/A).

4. That upon receipt of development consent, Council proceed to dispose of the subject site by way of Public Auction.

Following the above resolution, Council actioned the reclassification of the land, which was gazetted on 4 July 2008 and the rezoning of the land which occurred with the adoption of the 2011 LEP. On 6 June 2016, development consent was granted for a three (3) lot residential subdivision with the remaining creek-line riparian zone adjacent to Burnt Bridge Creek (Council Community Land zoned RE1 Public Recreation) to be retained by Council. This DA was due to expire in 2021, however in 2020 the Department of Planning, Environment and Industry extended the life of all valid consents as of 25 March 2020 for an additional two years, meaning that the consent will lapse on 6 June 2023.

Whilst the original resolution considered disposal of the site following receipt of a development consent, further consideration should be given to the benefit that could be achieved from Council undertaking the works required in order to achieve subdivision of the site and the fact that the DA would likely lapse before any new owner could substantially commence works.

PROPOSED SUBDIVISION WORKS

The proposed subdivision works would include items such as new public utilities/services connections, sewer, stormwater, common driveway, landscaping etc. and the diversion/extension of an existing Council stormwater drainage pipe and channel currently affecting the subject land. This would allow the land to be sold to potential buyers as ready for construction.

A cost plan from a registered quantity surveyor (QS) was prepared in 2019 which estimated that the proposed subdivision works at that time would cost approximately [redacted] (excluding GST). This has been updated using the Building Price Index as a guide and the works are now likely to cost approximately [redacted]

Council has also obtained independent qualified valuation advice from FVP Consultants on the two sale options as follows:

A. Sale of the entire residential land as a single development site.

B. Sale of the three separate residential lots following completion of the necessary subdivision and infrastructure works.

This valuation advice examines both scenarios above and is attached to this report. The valuation advice indicates, [redacted]

Further independent qualified valuation advice would be obtained by Council on the three individual residential lots prior to the auction sale date.

TIMING

Subdivision works should commence in the current financial year 2022/2023 to ensure the Development Application does not lapse. The DA is due to lapse on 6 June 2023 and further extension of this timeframe by Dept of Planning & Environment is considered highly unlikely.

FINANCIAL CONSIDERATIONS

It is proposed that the cost of subdivision works be funded from Council's Working Capital and be re-paid from the sale proceeds following the sale of the residential lots. The remainder of the sale

proceeds would be directed to the recently established internal "Property Improvement Reserve' which has been established for the purpose of the delivery of community infrastructure, environmental land acquisitions and commercial development.

It should also be noted that there is a tenant in the existing property on the site. The current rent is [redacted] as the property is old and has had no significant investment for some years. [redacted] the property is due for a review and inspection in September 2022. Under the Residential Tenancies Act, Council as landlord must give three (3) months' notice to the tenant to quit the premises.

Given the above and noting that this is land which will command a premium due to its size and location, consideration should be made as to the best possible return from the investment. Based on the valuation advice and the indicative construction costs the best possible return is likely to be achieved from Council undertaking the infrastructure works and subdivision before selling the three lots.

SOCIAL CONSIDERATIONS

The proposed subdivision and sale of three residential lots will increase the supply of residential property in North Balgowlah. The use of the land for social/affordable housing under the provisions of SEPP (Housing) 2021 was considered, however the SEPP does not permit the construction of boarding houses, dual occupancies, or multi-unit housing in zones where they would not be permitted under the relevant LEP. As none of these uses are currently permitted under the Warringah LEP 2011, the development of the site for higher density affordable/social housing cannot occur.

ENVIRONMENTAL CONSIDERATIONS

Part of the proposed subdivision includes Council retaining an appropriate riparian zone for the environmental protection of Burnt Bridge Creek. The development consent for the subdivision also includes appropriate conditions relating to environmental protection at this site which will further serve to mitigate against any potential issues.

RISK CONSIDERATIONS

As stated previously, subdivision and provision of infrastructure before selling the land as three separate housing sites is considered to give the best return on the land. In addition, the DA has less than a year before it lapses, and the value obtained by having a valid DA will reduce [redacted] the closer the lapse date gets. While there would still be some value in having had a DA approved to subdivide the site, this does not give the same benefit as having a valid DA for which work can quickly commence. Should the DA lapse any purchaser would need to lodge a new DA, costing time and money, and there is no guarantee of approval.

In addition, should Council sell the land in one parcel, we will need to excise the land for the creekline corridor prior to sale. While this can be undertaken as exempt development for the purposes of creating a public reserve under SEPP (Exempt and Complying Development Codes) 2008 Subdivision 38 Subdivision Section 2.75(e) it will add another step in the process that will further delay a sale and thus move the sale of the land closer to the DA lapse date. This step will not need to be undertaken if Council develops the land as it forms part of the overall consent.