
Governance and Administration Matters - 26 May 2020

ITEM 7.1 **Property Matter - 15 Close Street, Canterbury**

AUTHOR **City Future**

PURPOSE AND BACKGROUND

This report combines concurrent issues and opportunities in relation to the condition of the old bowling club building, future use as community space and the opportunity of a short term lease of the site by Sydney Metro for their contractors as part of the construction of the new Sydenham to Bankstown South West Metro Line. This would both assist with costs associated with demolishing the failed building while also allowing time for Council to engage meaningfully with our community about their vision for the future of this space for community uses.

ISSUE

15 Close Street is an old bowling club that ceased operation in 2013. It is currently leased to the Theatre Guild, however the condition of the building now necessitates that it be demolished. The building itself is unsafe and is not able to be brought into a serviceable condition without demolition.

Separately, Sydney Metro have recently advised Council that it intends to compulsorily lease several parks and other spaces along the corridor to facilitate its construction works. Council has raised the potential to occupy this one space at 15 Close Street rather than many spaces throughout our community. Sydney Metro have indicated a willingness to reengage with Council on the possible temporary use of the site for construction compounds, including returning the site in any manner Council wishes.

A detailed assessment of the matter is provided further in the report, for Council's consideration.

RECOMMENDATION

That Council adopt the proposed approach for 15 Close Street as set out in this report.

ATTACHMENTS [Click here for attachment](#)

A. Bowling Club condition

POLICY IMPACT

This report has no direct policy implications on Council. The future use of the site is consistent with Council's adopted Local Strategic Planning Statement Connective City 2036.

FINANCIAL IMPACT

The proposed agreement includes the requirement that Sydney Metro will demolish the old building on the site and make good. This is a significant cost that Council will no longer have to undertake. It is proposed that all monies paid to Council as compensation for use of the site be retained in a dedicated reserve to be only used by Council on the Close Street site and immediate surrounds to invest in the delivery of a new and modern open space in line with a community vision to be developed in partnership with the community.

COMMUNITY IMPACT

It is acknowledged that Sydney Metro have the ability to compulsory acquire any land it requires for temporary compounds for the construction of the Metro. The initial proposal for utilisation of open space would provide significantly greater impact on the community than the utilisation of 15 Close Street which is currently not accessible to the general community. It is recognised that the utilisation of this site will result in additional traffic movement. However, it is considered that this will have less overall affect compared to multiple sites in neighbourhood areas if the parks were chosen as compounds.

DETAILED INFORMATION

Background

15 Close Street Canterbury (Lot1 DP818683) is a Council-owned operational site with an area of approximately 11,000 m². Currently it has 3 unused bowling greens and an old bowling club building that is in a significant state of disrepair. The Bowling Club ceased operation in December 2013.

Since that time, the site has been licensed to the Canterbury Theatre Guild who currently operate on a month to month basis. They use the premises for the storage of their equipment and props. The Theatre Guild sub-let space to a bus company who use it for parking.



Figure 1: Aerial Image of 15 Close Street, Canterbury Site – Proposed Leasehold Area

The former Canterbury Bowling Club is in a poor state or repair (see photos at attachment A). In summary:

- The building structure is in significant poor condition
- Amenities are not operational
- The floor structure is unstable, with much of the floor inaccessible and the rest propped up to prevent its immediate collapse
- Windows, roof and other building elements require full replacement
- The electrical supply, distribution, wiring, circuits, lights are not compliant with current requirements and the various 'home' wiring jobs by tenants over the years renders the electrical reticulation needing complete replacement.

The land is currently zoned R4 High Density Residential and (part) RE1 Public Recreation in the south east corner. The former Canterbury Council in 2014, resolved to rezone 15 Close Street, Canterbury (the old Canterbury Bowling Club site) from RE1 to R4 High Density Residential and to reclassify from community to operational land.

More recently the new Canterbury Bankstown Council via a Mayoral Minute resolved that this site would not be sold or redeveloped, and that this site would be retained as open space. Further information is provided later in the report on previous and proposed landuse changes on the site.

In 2017 Transport for NSW (TfNSW) notified Council of its intention to compulsorily acquire a leasehold over 15 Close Street for a period up to 5 years for the construction of the Sydenham to Bankstown Metro. In December 2018 TfNSW informed Council that it would no longer proceed with Close Street site and that it would pursue other options between Sydenham to Bankstown that provide suitable construction lay down areas.

Future of current Bowling Club Building and its users

As noted above the condition of the building is in extremely poor condition and it is no longer appropriate to continue leasing the site.

Council staff have had discussion with the Theatre Guild over the past few years in this regard and alternative accommodations have been confirmed and will be available subject to COVID allowing recommencement of community activities.

Council has undertaken a full building assessment to determine the current building condition and the cost to repair the facility to a point of enabling any use. This concluded that:

- Considerable works would be required, including full electrical upgrades; window replacement and repairs; major structural repairs to walls, roofing and floor; plumbing and toilet replacement and fire protection.
- Even with the above works some spaces would still be closed and could not be utilised
- Repair costs would be exceed \$1million and only enable part use of some of the building.
- Any repair would still only be temporary and would require further significant investment in the short term.

Based on the above poor condition of the facility and alternative accommodation being found for the Theatre Guild it is recommended that the building be demolished, and the site converted to open space as previously resolved by Council.

Metro compounds

As noted above, TfNSW informed Council that it would investigate various sites between Sydenham to Bankstown that provide it suitable construction lay down areas. As a result, Sydney Metro have notified Council the following areas meet their needs and will be subject to compulsory leasehold acquisitions:

- Heynes Reserve – 60 Berna Street, Canterbury;
- Little Tasker Park – 1 East Parade Campsie; and
- Ewen Park - Tennent Parade, Hurlstone Park. – 3000sq m compound

It is considered the utilisation of these open space areas for compounds has the following significant impacts:

1. Utilisation of these parks as a construction compound will result in a major loss of open space. The city already has limited open space in this part of the City
2. Any loss of parks will have significant impacts on the community, in particular the loss of 3000 m² of Ewen Park
3. Open space will not be available for at least four years during construction
4. There will be significant truck and vehicle movements impacting on multiple local streets surrounding the three proposed works compounds in parks listed above.

Sydney Metro Alternative Compound

While it is noted that TfNSW originally notified Council it would not proceed with 15 Close Street as a compound, based on the above far reaching impacts, Council initiated further discussions regarding the utilisation of 15 Close Street as an alternative to the multiple open space sites listed above.

The proposal is based on the following parameters:

- The lease term would be for a period of four years and three months, commencing on 1 October 2020. Sydney Metro have also asked for vacant possession of the site.
- Sydney Metro DO NOT pursue any of the other parks listed in the report.
- That on this basis, Council does not object to Sydney Metro's compulsory leasehold acquisition.
- Sydney Metro have proposed that, should Council wish, it would demolish the former club building, re-turf the area and return the remainder of the site to a similar condition prior to their occupation.
- Sydney Metro has provided Council with a compensation amount for its use of the site for the period of time set above. The financial proposal is consistent with other leasehold acquisitions entered into by Council in recent years (Council would seek independent valuation advice to confirm values agreed are fair value).

It is proposed that should the above proposal be accepted by Council and Sydney Metro that all monies paid to Council as compensation for use of the site be retained in a dedicated reserve to be only used by Council on the Close Street site and immediate surrounds to invest in the delivery of a new and modern open space in line with a community vision to be developed in partnership with the community prior to the end of the lease.

Council Evaluation

It is considered there is a far greater public benefit in consolidating these Sydney Metro compounds into one site at 15 Close Street and accessing directly onto the State Road, rather than multiple open space sites located throughout local residential areas and local roads. Considerations include:

- It would avoid significant and/or widespread disturbance to public amenity and our community surrounding the three parks. It is noted that there will still be some impact at Close Street however it is considered this can be managed easier due to close access to Canterbury Road.
- Sydney Metro have agreed to the demolition of the old building which is a significant cost saving to Council

- The financial compensation provided by Metro will be able to contribute to future park improvements on the site
- A key consideration is that Sydney Metro still have the ability pursue the broader compulsory acquisition of Council's other park sites if Council objects to this proposal.

Future Landuse of the Site

While the above utilisation will only be for the 4 years, the site will return to Council at the completion of the construction. The community has long held concerns about Council's intention for the future land since the former Canterbury Council started exploring options for its redevelopment in 2010. These concerns intensified in 2014 when the former Canterbury Council submitted a planning proposal to rezone the land from RE1 Public Recreation to R4 High Density Residential in order to allow over 300 apartments to be built on the site, up to 8 storeys high.

More recently Canterbury Bankstown Council considered a Mayoral Minute in November 2017 where it was made clear that the site was critical in the supply of necessary open space for the area. This was followed with a report to Council in December 2018 which clearly noted: *"there is no intent or decision to develop the site at this point. The future use of this site will be dependent on strategic planning to be undertaken for the broader Canterbury Planned Precinct."*

In December 2019 Council adopted the Local Strategic Planning Statement, Connective City 2036. On page 64 of the Strategy the Canterbury Bowling Club site was identified as an opportunity to provide much needed open space in a town centre location that is anticipating significant housing and jobs growth.

For Council to implement the recommendation above it will need to prepare and lodge a planning proposal to the Department of Planning, Industry, and Environment (DPIE) to rezone the land back to RE1 Public Recreation with appropriate reductions in the height and floor space controls. Alternatively, it could seek to make this change through an amendment to the final version of the Comprehensive Local Environmental Plan before it is submitted to DPIE for making.

Proposed Approach

Subject to Council's consideration:

- Council agrees to Sydney Metro compulsory acquiring the leasehold interest identified in this report:
- The agreement will require the old club house building to be demolished at the end of the agreement with the cost to be met by Sydney Metro.
- The General Manager be delegated the authority to negotiate and enter into the terms of an agreement under section 30 of the Land Acquisition (Just Terms Compensation) Act 1991 in order to implement the compulsory acquisition agreed to above;
- Council work with the Canterbury Theatre Guild to relocate them into a new facility
- Council, in conjunction with the Theatre Guild, give notice to the bus company to vacate the site;
- Rental proceeds be restricted for the purposes of embellishing the site, as required; and
- In the interim, Council will review its longer-term requirements for the site and engage with the community