Confidential Item

CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday, 5 March 2024 at 7.00 pm

Refer Item 11.9

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11.9 Strategic Land Purchase Report

Property Officer - Properties Management & Community Land, Chantelle Cavuoto, &
Team Leader Economic Development, Dr Emily Moskwa's Report

Purpose of Report

To present Council with an opportunity for a strategic land purchase.

Strategic Plan Link

Focus Area 2.2.2 Improve the quality of public green space (eg, parks, reserves, trees, streetscape and landscaping)

Focus Area 3.4.3 Manage our Community land, streetscapes and open space to enhance liveability

Focus Area 4.3.3 Plan for change in demographics, population needs and climatic conditions

Previous Council/Committee Resolution

At its meeting on 4 June 2019, Council resolved:

> 'That Council:
>
> 1. allocate $250,000 per year in the Annual Business Plan and Budget for Strategic Land Acquisition for the purpose of open space development as opportunities arise
>
> 2. request Staff to reflect this decision when updating the Long Term Financial Plan
>
> 3. authorise the Chief Executive Officer to continue advocating to the Minister, local Members of Parliament and through a motion to the Local Government Association for a fairer allocation of funding from the subdivision of land under 20 allotments.'

At its meeting on 19 August 2014, Council resolved:

> 'That Council endorse the proposed Strategic Open Space Land Purchasing Principles and Staff investigate the possibilities for strategic land acquisition to increase the amount and quality of open space throughout the City area as finances permit.'

Background

A formal proposal has been received by Staff regarding the potential sale of land located at 37b Shakespeare Avenue, Tranmere. This presents an opportunity for Council to consider acquiring residential land located adjacent to The Gums Reserve (The Gums), close to Brookside Cellars. This land, if acquired, could serve as a valuable extension to the existing parklands. With growing population density in Tranmere (and beyond) and the popularity of The Gums as a high quality regional level open space, expanding the size of the reserve has the potential to increase the recreation and biodiversity values at the locality.

Discussion

The Land

The land (Allot 742 DP 130045 Vol 6274 Fol 834) allotment is approximately 1,237m^2 and is zoned as General Neighbourhood. A Development Application has been approved for two dwellings on the allotment, with the subdivision of 37B depicted below, into two smaller parcels (37b and 37c Shakespeare Avenue) yet to be finalised. The land sale proposition relates to both parcels.

General Neighbourhood zoning primarily accommodates residential development, being defined as land that is principally envisaged to facilitate ‘residential development including dwelling additions and associated minor structures like sheds, garages and shade structures. There is also scope for Community and small-scale commercial activities within the zone, but acceptability depends on the circumstances, scale and locational factors that aim to ensure residential amenity is retained.’



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Land Value

The formal proposal has come from the current owner of the land, who purchased the land in 2022 for over $1.3 million. As a foreign investor, the owner has advised they were also required to pay Foreign Investment Review Board (FIRB) costs and foreigner stamp duty surcharges along with other charges, bringing their total costs to some $1.63 million for both blocks combined. The owners are now offering this land to Council at a price of $1.6 million ($1,293 per square metre) and claim that it is well under the current market value.

Staff derive from www.realestate.com.au and reviewing other land sales during the past year in Tranmere, that vacant land is likely to sell for between $1,200 and $1,600 per square metre. This would put the asking price at the lower end of the current market value (not below it). Utilising this range could argue the property is worth between $1.55 million and $2.07 million.

The Valuer-General's latest capital value for the land is $1.125 million for 2023/2024 financial year however this has not taken into consideration the subdivision. It is likely that the final individual subdivided land value won't be available until later in this financial year.

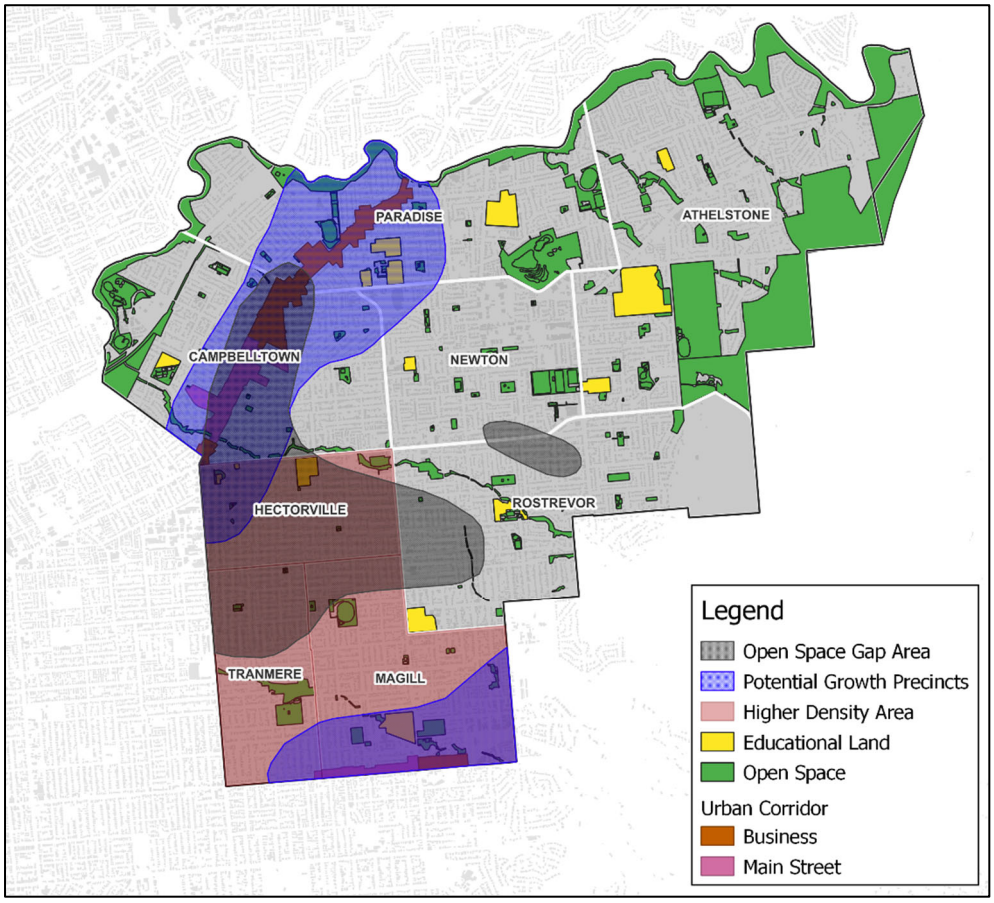
Potential Use

As the popularity of Tranmere continues to grow and housing density increases, the demand and access to quality open space will become more and more important. Acquiring the land adjacent to The Gums would allow an expansion of the reserve to give more space for residents and visitors to enjoy and/or allow more space to strengthen the existing biodiversity values of The Gums. This expansion may give Council opportunities for new activities such as outdoor events linked to Brookside Cellars as it would connect directly to the outdoor space behind the venue and provide a link to car parking at The Gums (noting the small car park at Brookside Cellars).

Should Council decide to purchase 37b and 37c Shakespeare Avenue Tranmere (showed as 37B on the Plan), Council would also need to determine whether this new parcel would be dedicated Community Land in accordance with Local Government Act requirements, noting that the remainder of The Gums is classified as Community Land.

Council's Open Space Strategy

The northern part of Tranmere is identified as an area lacking in open space. The Gums and southern part of Tranmere falls outside this zone, however, is still in a higher population density area and in close proximity to a potential growth precinct.



Staff believe Council could consider the following two options:

1. The purchase of the land to build on the existing open space qualities of The Gums (by increasing the quantity of open space) and confirm/exclude the land from Council's Community Land Register if it successfully purchases this land parcel; or

2. Do not purchase the land and continue to explore other opportunities for open space land acquisition in the Council area.

Social Implications

Access to adequate (quality and quantity of) public open space is critical to ensure liveable and healthy communities, particularly in the context of increasing residential infill in the Council area.

Environmental / Climate Change Implications

Through the land purchase, additional plantings and landscaping could be undertaken to improve biodiversity and/or increase tree canopy cover levels.

Asset Management Implications

This potential addition of land to Council's existing open space is anticipated to have a marginal impact on its Green Assets holding. There would be costs associated with maintaining the site which would depend on the use of the space and whether any open space improvements are made.

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Governance / Risk Management

The adjacent land at The Gums is Community Land. If Council chooses to proceed with making an offer for 37b Shakespeare Avenue and prior to purchasing the land, Council would need to determine whether this new parcel of land would be Community Land in accordance with Local Government Act requirements (noting, excluding the parcel from being Community land provides greater flexibility for future use and development at a later date if required). Staff would recommend if Council did purchase this land, then it should be Community Land and included on Council's Community Land register accordingly.

Community Engagement

The Community has told Council over a wide range of past and present consultations that a highly valued part of the Campbelltown Council area is the trees, parks and recreation spaces.

Regional Implications

There are no regional implications in relation to this report.

Economic Development Implications

Quality open space contributes to enhanced liveability and can make the area more attractive to potential residents and businesses, leading to increased property values and economic activity.

Financial Implications

The asking price for the land is $1.6 million.

Council could draw on funds from its Strategic Land Purchases budget line. Council would need to consider the existing budget and whether or not it is in Council's best interest to purchase the land at the asking price. This does not include the cost to undertake any open space improvements to the land. The amount currently available in the Strategic Land Purchases budget is $1.3 million, noting there are a number of properties currently being considered by Council that may also draw down on these funds.

While the 2022-2023 Open Space Grant Fund offered a grant round specifically for Land Purchases, the recently closed 2023-2024 round did not have this focus (rather, the focus was on Main streets, Laneways and Reimagined Open Spaces). The next round is likely to be held in early 2025 however, as yet the theme has not been released. Should Council be interested in purchasing the land, Staff would investigate further options for grant funding at State and National levels for any potential support. However, the timing may not suit as the current owner is looking to sell this property as soon as possible and has indicated there are other interested parties.

Recommendation

For Council's consideration.

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