



**ORDINARY MEETING OF COUNCIL  
TO BE HELD ON TUESDAY, 21 NOVEMBER 2023 AT 7:00PM  
LEVEL 3, COUNCIL CHAMBER**

**L A T E   A G E N D A**

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NOTE: For Full Details, See Council's Website –  
[www.krg.nsw.gov.au](http://www.krg.nsw.gov.au) under the link to business papers

File: S12198

Yesterday on Thursday 9th November, Ku-ring-gai Council staff and the Mayor received a letter from the Minister for Planning and Public Spaces The Hon Paul Scully MP (dated 30/10/2023, see attachment 1).

In summary, this letter states that:

- As part of the National Housing Accord, the NSW Government is committed to commence the construction of 377,000 new homes by 2029;
- There is a 'limitation' in 33 out of 35 Greater Sydney Local Environment Plans (LEPs) that prevents terraces, townhouses, and residential flat buildings (i.e. manor houses) from being built in R2 Low Density Residential Zones;
- There is a 'limitation' in 53% of Greater Sydney LEPs that prevents residential flat buildings (i.e. apartments) from being built in R3 Medium Density Residential Zones;
- All Councils are called to immediately play their part in identifying locations which permit more low and mid-rise homes; and
- The letter be tabled at the next Council meeting so that the State government's intentions are clear to Councillors.

The letter is ambitious and given the timing of the next Council meeting (with registrations to speak at the public forum due 5pm Monday 13th November), I thought it would be important to make this letter available to the public as soon as possible by way of Mayoral Minute so that residents can consider and make representations regarding the letter.

It is my understanding that Council staff may provide more detailed commentary as a late item to the November Ordinary Meeting of Council or as an item for the December Meeting. In the interim, I will provide my initial thoughts below:

- I believe that any change to local zoning and/or any changes to what is permitted to be built within a zone should go through a public consultation process. Our residents want to have a say in what should be built and where.
- I have concerns about what we are seeing in other Local Government Areas (LGAs) where the residents and the Council have formed a view on what can be supported within a particular area, only for the state government to override and impose greater density.
- I recognise that there is demand with some residents of Ku-ring-gai for townhouses as a downsizer's housing option. We have residents who do not require large gardens or large homes, but do not want to live in a small apartment either. As a Council, we should consider whether the preference for townhouses can be sympathetically accommodated, however I do not think allowing townhouses in R2 Low Density Zones is the right solution.

- Ku-ring-gai's current approach is for standalone houses in R2 Low Density, multiple homes including townhouses in R3 Medium Density, and apartments in R4 High Density. This approach is intuitive for residents and easy to apply. I therefore have concerns about the hinted-at proposal to put townhouses in R2 Low Density Residential Zones and apartments in R3 Medium Density Residential zones. It is a shifting of the goalposts that will have unintended consequences such as:
  - Significantly increasing Ku-ring-gai's human population without necessarily the funding for or provision of adequate infrastructure (transport, stormwater, education and recreation) to support the increase.
  - A significant loss of tree-canopy in Ku-ring-gai, which is vital to protecting our biodiversity as well as to support our climate-change resilience.
  - A permanent change in the character of our LGA, including potential impacts to our heritage conservation areas.
- From an achievability perspective, it will be difficult for councils to undertake such a rezoning program on short notice. Each program requires significant unbudgeted resourcing (financial and human capital), and there are already industry-wide shortages of town planners and other people with relevant capabilities (with many seeking higher pay in the private sector or State Government).
- Further down the supply chain, there is also a similar industry-wide bottleneck for appropriately skilled people to assess Development Applications as well as bottlenecks with sourcing the right skills and equipment to commence construction of these homes up to an acceptable standard by 2029. The activity may fuel further inflation.
- Council has previously explored options for additional housing diversity through the Local Strategic Planning Statement and Local Housing Strategy, however, there needs to be appropriate public consultation before any of these elements are revisited.
- It appears ambitious to expect Council to effectively implement these changes in a short 2 year 9 month Council term (and with caretaker mode commencing in 9 months' time on 16 August 2024). The reality is that most of the relevant decisions may have to be made by a new set of Councillors in early 2025 at a time when they are not adequately familiarised with the situation or with industry terms.

As Mayor, I do have these concerns plus much more. My suggestion is that we should wait for further feedback from Council staff before taking the next step, and in the meanwhile we should be open to public feedback on this matter.

### **Recommendation:**

- A. That Council notes this mayoral minute and awaits further feedback and recommendations from Council staff on the implications of the Planning and Public Spaces Minister's letter.
- B. That following the feedback from Council staff, the Mayor writes to the Planning Minister to outline Council's concerns on the feasibility of what is proposed.

GB.4 **Lindfield Village Hub Recommendation to enter into a Project Delivery Agreement** **10**

File: S12165-4-6

To recommend that Council resolve that the Preferred Proponent (Proponent A) be nominated as the Successful Proponent subject to finalisation of outstanding matters, and to authorise the General Manager to finalise and then execute the Lindfield Village Hub Project Delivery Agreement (PDA) with that party.

**Recommendation:**

That subject to resolving outstanding matters, Council authorise the General Manager to finalise and then execute the PDA and associated documents, sell the land on the Lindfield Village Hub site as identified in this report, and affix the Council Seal to necessary documents.

GB.20 **Lindfield Village Hub Withdrawal of Commuter Car Park Grant Funding by TfNSW** **19**

File: S12165-4-6

To advise Council that the \$9.8m grant funding for the LVH commuter car park has been withdrawn by TfNSW.

**Recommendation:**

That Council:

- A. Authorise the General Manager to implement the Action Plan at Confidential Attachment A1.
- B. Make urgent representations to the NSW Government seeking a commitment to continue to fund the Lindfield Village Hub commuter car park.
- C. Defer the decision to enter into a Project Delivery Agreement and report back to the December Ordinary Meeting of Council.

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## MAYORAL MINUTE

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### LETTER FROM THE MINISTER FOR PLANNING AND PUBLIC SPACES

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In summary, this letter states that:

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- I have concerns about what we are seeing in other Local Government Areas (LGAs) where the residents and the Council have formed a view on what can be supported within a particular area, only for the state government to override and impose greater density.

Item MM.1

S12198

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- Council has previously explored options for additional housing diversity through the Local Strategic Planning Statement and Local Housing Strategy, however, there needs to be appropriate public consultation before any of these elements are revisited.
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As Mayor, I do have these concerns plus much more. My suggestion is that we should wait for further feedback from Council staff before taking the next step, and in the meanwhile we should be open to public feedback on this matter.

**RECOMMENDATION:**

- A. That Council notes this mayoral minute and awaits further feedback and recommendations from Council staff on the implications of the Planning and Public Spaces Minister's letter.
- B. That following the feedback from Council staff, the Mayor writes to the Planning Minister to outline Council's concerns on the feasibility of what is proposed.

Councillor Sam Ngai  
Mayor

**Attachments:**



Letter from the Minister for Planning and Public Spaces, The  
Hon Paul Scully MP - housing strategy

2023/361968

**The Hon Paul Scully MP**  
Minister for Planning and Public Spaces



Ref: MDPE23/3451

Clr Jeff Pettett  
Mayor  
Locked Bag 1006  
GORDON NSW 2072  
via: [jpettett@krg.nsw.gov.au](mailto:jpettett@krg.nsw.gov.au)

Dear Clr Pettett,

I write to you regarding the need to allow for more housing in our low and medium density zones across New South Wales to help increase supply and diversity of homes we are delivering in our suburbs.

New South Wales is in a housing crisis. Through the National Housing Accord, councils and the NSW Government are committed to working together to look at every opportunity to address this crisis.

Our shared task is to approve and encourage the necessary investment and commencements for 377,000 homes by 2029.

The land use planning and assessment functions of councils and the Department will need to quickly adjust towards approaches that lead to more homes in well-located areas.

As a way to increase our housing numbers in NSW, the NSW Government has identified a number of limitations across the residential zones constraining our ability to deliver this diverse housing in our low and medium density areas. In Greater Sydney these include:

- Terraces, townhouses and 2 storey residential flat buildings (i.e. manor houses) are only permitted in the R2 low density residential zone in 2 of 35 Local Environmental Plans (LEPs) in Greater Sydney – just six per cent. This is despite 77 per cent of residential land being zoned R2. Even though the R3 medium density zones do allow terraces, they only make up 13% of residential land; and
- Residential flat buildings (RFBs) are only permitted in the R3 medium density zone in 47% of LEPs. Even though the R4 high density residential zones do allow RFBs, they only make up 3% of residential land.

The story is more mixed outside of our major cities but there are still opportunities available for the planning system to prioritise low and mid-rise housing types in our main residential zones.

We are asking councils to review their local policy settings and approaches in the interests of housing supply. I ask you to identify existing well-located areas where terraces, small unit blocks or well-designed mid-rise apartments can be permitted.

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Research consistently shows that there is unmet demand for additional small apartment and low-rise multi-dwelling housing options as well as purpose-built rental and affordable and social housing.

With this in mind, the Department will be realigning its resources to support councils in these initiatives and is developing a tool kit to help councils and state agencies deliver the outcomes we need. Councils shouldn't wait for this work to happen, rather I am asking you to begin work identifying locations and permitting more low and mid-rise homes immediately.

This urgency for all of us to play our part to approve and deliver housing in all parts of New South Wales brings me to my final point. The upcoming 2024 NSW local government elections are scheduled to be held on Saturday 14 September 2024. The caretaker period will begin 4 weeks before on 16 August 2024.

The NSW local government elections may have an impact on some policy and program timeframes and exhibition dates and may impact on planning assessment timeframe targets.

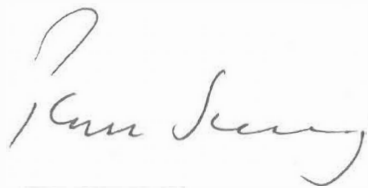
All planning assessments and other council responsibilities and operations should continue as normal until the start of the caretaker period. It is my express view that councils should continue to undertake their legal responsibilities under local government and planning legislation to make sure that we keep up the momentum on delivering the approvals for housing developments across New South Wales.

I would also request that this letter be tabled at your next council meeting so that councillors are clear about the State government's intentions on behalf of the people of NSW to deliver more low and mid-rise homes, while reminding them of their duty during election periods.

We all have a part to play in delivering on the National Housing Accord and a role in helping the next generation into home ownership or long-term rental. I urge you to look at your policy settings with the aim of expanding the number of homes in your LGA.

Should you have any questions regarding the housing reform work or to caretaker conventions for local government elections, please contact the Department at [stakeholder.engagement@dpie.nsw.gov.au](mailto:stakeholder.engagement@dpie.nsw.gov.au).

Yours sincerely



**Paul Scully MP**  
Minister for Planning and Public Spaces

22/10/23

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## LINDFIELD VILLAGE HUB RECOMMENDATION TO ENTER INTO A PROJECT DELIVERY AGREEMENT

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### EXECUTIVE SUMMARY

**PURPOSE OF REPORT:**

To recommend that Council resolve that the Preferred Proponent (Proponent A) be nominated as the Successful Proponent subject to finalisation of outstanding matters, and to authorise the General Manager to finalise and then execute the Lindfield Village Hub Project Delivery Agreement (PDA) with that party.

**BACKGROUND:**

A procurement process was undertaken over several years to identify a suitable party to deliver the Lindfield Village Hub project.

At the Ordinary Meeting of Council held 14 February 2023, Council resolved to enter exclusive negotiations with 'Proponent A', being the Preferred Proponent.

Through exclusive negotiations the terms and conditions of a Project Delivery Agreement have now been resolved to the point where Proponent A can be recommended to Council as the successful Proponent, subject to finalisation of some outstanding matters.

**COMMENTS:**

Following execution of the PDA, the project commencement and Successful Proponent will be announced to the public.

**RECOMMENDATION:**

That subject to resolving outstanding matters, Council authorise the General Manager to finalise and then execute the PDA and associated documents, sell the land on the Lindfield Village Hub site as identified in this report, and affix the Council Seal to necessary documents.

## PURPOSE OF REPORT

To recommend that Council resolve that the Preferred Proponent (Proponent A) be nominated as the Successful Proponent subject to finalisation of outstanding matters, and to authorise the General Manager to finalise and then execute the Lindfield Village Hub Project Delivery Agreement (PDA) with that party.

## BACKGROUND

### Planning for Ku-ring-gai's future

Following more than 10 years of planning and community engagement, Council has now finalised negotiations with a Preferred Proponent (developer) to deliver the Lindfield Village Hub (LVH).

The project will transform a utilitarian car park into a new and exciting place where the Ku-ring-gai community can socialise, experience, and participate. It will bring new life to an area that for too long has been in decline economically, socially, and visually.

The success of this project shall lay the foundations for other local centre redevelopments planned for Turramurra and Gordon, demonstrating that Ku-ring-gai Council can deliver complex projects providing for the present and future needs of our community.

The LVH project will provide much needed new community facilities on the site of the current Woodford Lane car park in Lindfield including a new library, community centre, childcare facility, plaza and park, and commuter and community car parking. The project will create significant community benefit by revitalising the west side of the Lindfield town centre and creating social and economic renewal of the area.

The new library will meet the future needs of our community as a hub of learning and social connectedness and the community centre shall provide a wide range of meeting rooms for community use from small group meeting to larger catered events. The urban park onto which the library shall open extends the number of green open space areas available to the local community. The project will provide an array of places including: a generous grassed area where people can relax in nature; and a Library zone adjacent to the park where people can sit and study in a natural outdoor environment. The plaza shall provide a diverse space including for ad hoc community events and activities, a place for people to meet and congregate, and support alfresco dining for adjoining cafes and restaurants.

The project contributes to the Greater Sydney Commission's strategic planning objectives for Sydney through provision of residential apartments, and retailing including a supermarket, park side dining and shopping. Its proximity to Lindfield Station and local bus routes promotes the use of public transport and the reduction of reliance on private vehicle journeys.

### Procurement and Planning Summary

The procurement process began in 2018/19 when an Expression of Interest (EOI) process was conducted. Concurrently with the EOI and subsequent tender process, a new Planning Proposal was undertaken for the site.

In early 2020 a tender process occurred that unfortunately coincided with the COVID pandemic and this detrimentally impacted on the outcome.

Item GB.4

S12165-4-6

In June 2020, Council resolved to decline to accept any tenders in accordance with Clause 178 (3) (e) of the Local Government (General) Regulation 2005, authorising the General Manager to enter into negotiations with 'any possible providers'.

The first round of post tender negotiations did not result in a viable outcome. In December 2020 Council resolved to review the project objectives and to continue negotiations.

Following the project review, an alternative procurement approach commenced in late 2021 known as the 'Select Market Engagement' (SME) Process. The first stage of the SME Process was a non-binding Request for Preliminary Proposals (RPP) which took place at the end of 2021. The RPP submissions indicated a potentially viable outlook for the project. This gave confidence to move to the next stage, being the Request for Detailed Proposal process (RFDP process).

The revised Planning Proposal process for the site resulted in amendment no.28 of the Ku-ring-gai Local Environmental Plan (LEP), published in March 2022, and the amended LVH Development Control Plan (DCP) was published in May 2022.

The RFDP commenced on 19 April 2022 and closed on 19 July 2022. The submissions were assessed with O'Connor Marsden acting as external probity advisors.

On 14 February 2023 Council resolved to commence exclusive negotiations with 'Proponent A'.

Exclusive negotiations with Proponent A have taken place since that time resulting in a viable outcome and leading to a suite of transaction documents in the form of a Project Delivery Agreement and annexures.

## COMMENTS

### Overview of Project Components

The project comprises two main components as follows, subject to development consent:

#### Community Component (ownership retained by Council on Completion)

Library & Community Centre	2,450 m <sup>2</sup> Gross Floor Area GFA
Childcare facility	550m <sup>2</sup> GFA
Public Domain	min 3,000m <sup>2</sup> park & 900m <sup>2</sup> plaza
TfNSW Commuter Carpark	135 spaces
Car parking	Comprising: <ul style="list-style-type: none"> <li>To replace existing parking on the site, there will be 109 'replacement' car spaces shared on streets immediately adjacent to the site and provided in the LVH basement (the basement spaces will be owned by the retail lot and contiguous with the retail car spaces)</li> <li>Community Facilities car spaces - to statutory requirements</li> <li>Childcare car spaces - to statutory requirements</li> </ul>
External works	A range of traffic infrastructure works on adjoining streets that may be required, plus other works external to site boundary including to Woodford Lane, Drovers Way, Bent St, Beaconsfield Pde

Developer Component

Residential apartments	<ul style="list-style-type: none"> <li>• Approx 14,872 m<sup>2</sup> GFA (~128 apartments) within FSR and Height of Building LEP controls</li> </ul>
Retail component	<ul style="list-style-type: none"> <li>• Supermarket and Specialty Retail (DCP min requirement 5,000m<sup>2</sup>)</li> </ul>
Retail car parking	<ul style="list-style-type: none"> <li>• To statutory requirement</li> </ul>
Residential car parking	<ul style="list-style-type: none"> <li>• To statutory requirement</li> </ul>
Traffic Infrastructure Works (Final scope Subject to Consent Authority conditions)	<ul style="list-style-type: none"> <li>• A range of traffic infrastructure works on adjoining streets that may be required subject to development consent conditions</li> </ul>

Transaction Documents

The following key documents are provided as confidential attachments to this report:

- Project Development Agreement (PDA), including at Schedule 3, the Table of Minimum Requirements - Confidential Attachment A1
- Design and Construct (D&C) contract Community Component - Confidential Attachment A2
- Masterplan - Confidential Attachment A3
- Principal's Project Requirements (PPR) - Confidential Attachment A4
- Project Performance Brief (PPB) - Confidential Attachment A5

For further information refer to the attached Overview of Transaction Documents & Status of Exclusive Negotiations provided at Confidential Attachment A8.

Key Commercial Terms

An Overview of Key Commercial Terms is provided at Cl 1.1.3 of the report 'Analysis of Key Project Risks' provided at Confidential Attachment A6.

Project Delivery Agreement (PDA)

The PDA is the core document for the delivery of the project. It sets out the overarching framework for the design and delivery of all works on the site, including:

- how risk, cost and return is allocated between the parties
- the fundamental layout, design and deliverables for the project and how that is developed and may change throughout the course of the project
- the processes and standards that must be followed in delivery of the project, including approvals to be obtained, requirements for contractors and consultants, standards for the delivery and timing for completion of works
- how the site will be reconfigured into new lots as the works are constructed and what easements and other rights will be recorded on title to the land
- the process for the sale and leasing of the residential apartments and commercial property developed on the site

- how the project may be terminated and what consequences follow if that occurs

A more detailed summary of the PDA and its operating provisions is provided in the attached report 'Lindfield Village Hub - Project Delivery Agreement - Overview' provided as Confidential Attachment A7.

#### Sale of Land

The Lindfield Village Hub site currently comprises 27 different separately titled lots of land, all owned in freehold by Council. As part of the development, these lots of land will be consolidated and subdivided to form the final title structure for the project. On completion of the project Council will sell various lots to facilitate the retail and residential development and will retain ownership of all other lots.

#### Design Development

The PDA requires the developer to ensure the design of the project is progressed consistently with a set of fundamental requirements of Council, referred to as the 'Development Specifications'. These requirements are set out in the Master Plan, the Principal's Project Requirements (PPR), the Project Performance Brief (PPB) and a short table of Minimum Requirements.

Together these set out fundamental design and deliverables, such as building locations, heights, land use, certain materials that must be used in the project, car parking requirements and the locations of the public park and plaza.

#### Development Application

The developer will prepare and submit a development application, which will be assessed in accordance with the relevant statutory provisions. The determination of the development application shall be made by the Sydney North Planning panel (SNPP).

#### Development Program

The Preferred Proponent provided an implementation program that would see the project completed in 2028.

#### Outstanding Matters

A small number of outstanding matters are still to be resolved. Council considers these matters important to manage risk and ensure the successful delivery of the project and expected public benefits.

Refer to the attached Overview of Transaction Documents & Status of Exclusive Negotiations provided at Confidential Attachment A8 including details of the outstanding matters.

## **INTEGRATED PLANNING AND REPORTING**

P4 Places, Spaces and Infrastructure (S&E)

P5 Local Economy (MPU)

Community Strategic Plan Long Term Objective	Delivery Program Term Achievement	Operational Plan Task
P4.1 Our centres offer a broad range of shops and services	P4.1.1 Plans to revitalise local centres are being progressively	P4.1.1.2Progress public domain streetscape

Community Strategic Plan Long Term Objective	Delivery Program Term Achievement	Operational Plan Task
and contain lively urban village spaces and places where people can live, work, shop, meet and spend leisure time	implemented and achieve quality design and sustainability outcomes in collaboration with key agencies, landholders and the community (S&E)	plans for key local centre precincts such as Lindfield, Gordon and Turramurra.
E1.1: Ku-ring-gai is an attractive location for business.	E1.1.3 Secure a development partner for Lindfield Village Hub (MPU)	<p>P4.1.1.5: Finalise Public Domain Plans for St Ives, Roseville, Lindfield and Pymble.</p> <p>P4.1.1.8 Integrate all transport modes for the primary local centres through the Public Domain Plan, traffic and transport studies in collaboration with Transport for NSW.</p> <p>E1.1.3.1: Progress negotiations with prospective developers for the Lindfield Village Hub.</p>

## GOVERNANCE MATTERS

Progress of the project procurement and key issues for consideration have been reported through the Major Projects Governance structure, which includes the Major Projects Steering Committee (MPSC), the Major Projects Advisory Committee (MPAC), the Major Projects Councillor Consultation Forum (MPCCF), and the Ordinary Meetings of Council (OMC).

Key outputs of the Governance process as set out below.

### Capital Expenditure Review

The Office of Local Government has determined that Council has satisfactorily addressed the criteria set out in the Office of Local Government's (OLG) Capital Expenditure Guidelines. The OLG letter is available as Confidential Attachment A9.

### Probity Certification

A probity advisor O'Connor Marsden was retained by Council throughout the procurement process to assure probity of process, providing several probity reports to Council at key procurement milestones, each confirming that there were no probity risks which had not been appropriately managed. A final Probity Certificate is available as Confidential Attachment A10.

### MPAC Report

As part of the Governance framework applying to the Project's procurement, there has been periodic reporting to the external advisory body known as the Major Project Advisory Committee (MPAC). On each occasion the MPAC have reviewed the work undertaken by staff and provided an independent report direct to Council. The final MPAC report to Council is available as Confidential Attachment A11.

## RISK MANAGEMENT

A comprehensive risk assessment has been undertaken by Deloitte for the development phase of the project. The report 'Analysis of Key Project Risks' is provided at Confidential Attachment A6.

A number of risk categories were identified to provide a framework for the project risk assessment, including site risks; planning, legislative, government risks; design, construction and commissioning risks; financial / security risks; market risks; network / interface risks; industrial relations risks; force majeure; risks associated with asset ownership; Council operational / probity risks; and stakeholder risks.

The key driver was understanding of the key risks associated with the development phase of the project in the context of key terms contained within the draft project documentation. The legal and commercial framework provides a comprehensive structure of risk management measures and mitigation strategies.

The risks are considered to be acceptable given the risk mitigation elements incorporated in the project.

## FINANCIAL CONSIDERATIONS

The future costs to construct and fit out the community facilities, public domain and external works, after allowing for project management, construction contingencies and escalation, is in the order of \$85m. Once complete, the additional cost to operate and maintain the public facilities is estimated to be approximately \$2m pa higher than for the existing facilities that would be replaced.

These capital and ongoing operating costs would be fully funded by a combination of the rights fee from Proponent A, a contribution of \$9.8m towards commuter parking by Transport for NSW, Council development contribution funds of \$17m, and the proceeds from the future sale of the existing Lindfield Library site. This is consistent with the Council resolution of 14 February 2023.

More detail on the project costs and funding is provided at Confidential Attachment A12.

## SOCIAL CONSIDERATIONS

The social objective of the Lindfield Village Hub project is to revitalise the western side of the Lindfield local centre through the provision of a mix of green public open space and community buildings including a library and community centre, underground car park, a town square, new housing, dining, and retail outlets.

### Library and Community Facilities

Research work undertaken as part of the Community Facilities Strategy in 2018 highlighted that there are significant issues regarding existing branch library provision in Ku-ring-gai including inadequacies relating to facility size and condition and how these have limited the offerings available. The existing branch libraries were assessed against State Library standards and it was determined that in 2016, all branch libraries were '*significantly below the recommended floor area standard and that with projected population growth in 2036 the libraries will be significantly below recommended standards*'.



**Item GB.4**

**S12165-4-6**

Lindfield Branch Library current floor area is 300m<sup>2</sup>, the study recommended floor area resulting from projected population growth by 2036 as 1,374m<sup>2</sup>. Similarly, community facilities were also found to be underprovided with average of 49m<sup>2</sup> per 1000 people compared with the recommended 80m<sup>2</sup> which equated to a shortfall of nearly 1000m<sup>2</sup> in Lindfield catchment.

The Lindfield Village Hub project will deliver the vision for a mixed use Hub providing a focus for community activities which will reinvigorate the west side of Lindfield.

Open Space

The public domain areas of the Lindfield Village Hub (park & plaza) shall contribute to the available open space in the local centre. Library/Community Centre and the café and restaurant areas alike shall face onto the public domain and an all ages and all abilities children's playground .

Economic benefits

The project will deliver significant economic benefits to the local and wider community from both the construction and future retail and community facility operations.

**ENVIRONMENTAL CONSIDERATIONS**

The project will be subject to environmental assessment during the development assessment process.

**COMMUNITY CONSULTATION**

The project has been through a wide range of community consultation processes over ten years.

From August 2018 to May 2019 Council involved the community in a broad discussion to extend understanding about the Lindfield Village Hub mixed use development, as a Council-led development providing new community facilities and enhanced social outcomes for the Ku-ring-gai and Lindfield communities and the key findings and outcomes were presented to Council at a briefing on 21 May 2019.

The key findings were also included in a report to Council in July and subsequently August 2019 that dealt with Council's endorsement to lodge a Planning Proposal to amend the KLEP (LC) 2012 with respect to the height and Floor Space Ratio (FSR) provisions at the Lindfield Village Hub site.

Community were then engaged as part of the planning process where submissions were sought in relation to the Planning Proposal and a report considering submissions received was presented to Council in November 2021.

**SUMMARY**

Following more than 10 years of planning and community engagement, Council has now finalised negotiations with a Preferred Proponent to deliver the Lindfield Village Hub (LVH). The project is fully funded.

This report recommends that Council resolve that the Preferred Proponent (Proponent A) be nominated as the Successful Proponent subject to finalisation of a number of outstanding matters, and to authorise the General Manager to finalise and then execute the PDA and associated

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documents, sell the land on the Lindfield Village Hub site as identified in this report, and affix the Council Seal to necessary documents.

**RECOMMENDATION:**

That subject to resolving outstanding matters:

- A. Council authorise the General Manager to finalise and execute the Project Delivery Agreement for the Lindfield Village Hub project with the preferred proponent and delegate to the General Manager the authority to perform Council's obligations therein, including finalising and executing all associated legal agreements and other documents.
- B. Council sell the land on the Lindfield Village Hub site as required for the retail and residential lots in accordance with the terms of the Project Delivery Agreement.
- C. The Council Seal be affixed to all necessary documents.

Geoff Douglas

Group Lead - Major Projects

<b>Attachments:</b>	A1	Confidential Attachment A1 - LVH - Project Development Agreement - Final for OMC report 5-11-23	<i>Confidential</i>
	A2	Confidential Attachment A2 - LVH - D&C Contract - Community Component - Final for OMC report 5-11-233	<i>Confidential</i>
	A3	Confidential Attachment A3 - 231010_LVH Masterplan_Final for PDA	<i>Confidential</i>
	A4	Confidential Attachment A4 - 08.11.2023 - LVH - PPR	<i>Confidential</i>
	A5	Confidential Attachment A5 - 08.11.2023 - LVH - PPB	<i>Confidential</i>
	A6	Confidential Attachment A6 -Analysis of Key Project Risks - Project Development Phase - Final for OMC Report 5-11-23	<i>Confidential</i>
	A7	Confidential Attachment A7 - Lindfield Village Hub - Project Delivery Agreement - Overview - Final for OMC report 5-11-23	<i>Confidential</i>
	A8	Confidential Attachment A8 - Overview of Transaction Documents & Status of Exclusive Negotiations - Final for OMC report 5-11-23	<i>Confidential</i>
	A9	Confidential Attachment A9 - Capital Expenditure Review letter from OLG - A881593	<i>Confidential</i>
	A10	Confidential Attachment A10 - LVH - 20231025_OCM Probity Certification_KMC LVH Negotiation Phase	<i>Confidential</i>
	A11	Confidential Attachment A11 - MPAC Report LVH Exclusive Negotiations Review Oct23 Final	<i>Confidential</i>
	A12	Confidential Attachment A12 - Financial Report - Final for OMC report 5-11-23	<i>Confidential</i>

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## LINDFIELD VILLAGE HUB WITHDRAWAL OF COMMUTER CAR PARK GRANT FUNDING BY TfNSW

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### EXECUTIVE SUMMARY

**PURPOSE OF REPORT:**

To advise Council that the \$9.8m grant funding for the LVH commuter car park has been withdrawn by TfNSW.

**BACKGROUND:**

Reasons given were that there have been federal and state infrastructure reviews, funding has been decreased, and priorities have changed with the new government. TfNSW stated that NSW Government policy has moved away from commuter parking and government has reviewed the whole transport program and reallocated funding.

In that context, TfNSW say they will not agree to the LVH project timelines and the Minister has made a decision to terminate the funding deed and seek reimbursement of the unspent portion the \$9.8m grant money paid to Council in late 2021.

**COMMENTS:**

An action plan has been prepared for Council to consider.

**RECOMMENDATION:**

(Refer to the full Recommendation at the end of this report)

That Council:

- A. Authorise the General Manager to implement the Action Plan at Confidential Attachment A1.
- B. Make urgent representations to the NSW Government seeking a commitment to continue to fund the Lindfield Village Hub commuter car park.
- C. Defer the decision to enter into a Project Delivery Agreement and report back to the December Ordinary Meeting of Council.

## **PURPOSE OF REPORT**

To advise Council that the \$9.8m grant funding for the LVH commuter car park has been withdrawn by TfNSW.

## **BACKGROUND**

In 2012 the NSW state government announced that Lindfield would receive 240 commuter car spaces funded by the state government. 105 of those spaces were funded by TfNSW and built by Council at the Lindfield Village Green Project.

Negotiations with TfNSW resulted in the execution of the Lindfield Village Hub Commuter Car Park Funding Deed in 2021. The full amount of grant funding (\$9.8m) for the 135 spaces was paid by TfNSW to Council in Oct 2021.

This morning at a meeting with representatives from Transport for NSW Council staff were informed that the grant funding for the LVH commuter car park has been withdrawn.

Reasons given were that there have been federal and state infrastructure reviews, funding has been decreased, and priorities have changed with the new government. They said that NSW Government policy has moved away from commuter parking and the focus is now on improving public transport. The government has reviewed the whole transport program and reallocated funding. In that context, they say they will not agree to the LVH project timelines and the Minister has made a decision to terminate the commuter parking project.

TfNSW advised that they would not be able to confirm this in writing for a week or two.

## **COMMENTS**

Council resolved in October 2015 to include the commuter car park spaces as a mandatory requirement for the project. That resolution reflected strongly expressed community views that commuter car parking was important.

In the preparation of project feasibility studies leading to the decision to put the project to tender in 2019, the provision of commuter carparking and the TfNSW funding of it was always fundamental to the project brief and project commerce. Council's procurement process conducted since 2019 included the commuter car park as a mandatory requirement.

During exclusive negotiations this year with the preferred proponent, Council have required them to design the commuter car park in accordance with TfNSW requirements. Council staff have been in regular contact with TfNSW during this time, and have kept them informed of progress, including submission of designs to TfNSW.

This Council meeting of 21 November 2023 was to consider the appointment of the preferred proponent as the project developer. The recommendation of agenda item GB.4 was that Council would enter into a Project Delivery Agreement with the preferred proponent. It was anticipated to be executed tomorrow, Wednesday 22 November 2023.

In light of the very late notice by TfNSW that the grant funding is withdrawn, that recommendation needs to be reconsidered.

Staff have prepared an Action Plan from this time forward which is provided as Confidential Attachment A1.

## **INTEGRATED PLANNING AND REPORTING**

Refer: LVH Report Agenda Item GB.4, 21 November 2023

## **GOVERNANCE MATTERS**

Refer: LVH Report Agenda Item GB.4, 21 November 2023

## **RISK MANAGEMENT**

Refer: LVH Report Agenda Item GB.4, 21 November 2023

## **FINANCIAL CONSIDERATIONS**

Withdrawal of the \$9.8m TfNSW Grant Funding means that the commuter parking is no longer funded. As it is an integrated development, this has implications for the entire project.

## **SOCIAL CONSIDERATIONS**

Withdrawal of the TfNSW Grant Funding means that the project proceeding is now uncertain. If the project does not proceed, social implications will be that the various social benefits set out in item GB.4 are unlikely to be realised in the near term.

## **ENVIRONMENTAL CONSIDERATIONS**

Refer: LVH Report Agenda Item GB.4, 21 November 2023

## **COMMUNITY CONSULTATION**

Refer: LVH Report Agenda Item GB.4, 21 November 2023

## **INTERNAL CONSULTATION**

Refer: LVH Report Agenda Item GB.4, 21 November 2023

## **SUMMARY**

Transport for NSW advised Council staff on the morning of this Council meeting (21 Nov 2023) that \$9.8m grant funding for the Commuter Car Park would be withdrawn. This Council meeting was to have considered appointing the preferred proponent as the developer for the project, and was to have authorised the General Manager to execute the Project Delivery Agreement. Since the grant funding has been withdrawn, the commuter car park is no longer funded. As it is an integrated development, this has implications for the entire project.

It is suggested that GB4 be received and noted and the primary recommendation for this matter be resolved as below.

**RECOMMENDATION:**

That Council:

- A. Authorise the General Manager to implement the Action Plan at Confidential Attachment A1.
- B. Make urgent representations to the NSW Government seeking a commitment to continue to fund the Lindfield Village Hub commuter car park.
- C. Defer the decision to enter into a Project Delivery Agreement and report back to the December Ordinary Meeting of Council.

Geoff Douglas  
**Group Lead - Major Projects**

**Attachments:**    A1   Confidential Attachment A1 - Action Plan    *Confidential*