

## 10.7. Creation of a Plaza at Grosvenor Lane, Neutral Bay

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<b>ENDORSED BY</b>	Therese Cole, Chief Executive Officer
<b>ATTACHMENTS</b>	1. CONFIDENTIAL - Creation of a Plaza at Grosvenor Lane, Neutral Bay [10.7.1 - 12 pages]
<b>CSP LINK</b>	<p>1. Our Living Environment</p> <p>1.3 Clean and green places</p> <p>1.4 Well utilised open space and recreational facilities</p> <p>2. Our Built Infrastructure</p> <p>2.1 Infrastructure and assets meet diverse community needs</p> <p>2.2 Vibrant public domains and villages</p> <p>3. Our Innovative City</p> <p>3.1 Our commercial centres are prosperous and vibrant</p> <p>3.3 Distinctive sense of place and design excellence</p> <p>5. Our Civic Leadership</p> <p>5.2 Strong civic leadership and customer focussed services</p> <p>5.4 Council services are efficient and easy to access</p>

### PURPOSE:

The purpose of this report is to provide Council with an outline of the recent history of actions to pursue the creation of a plaza at Grosvenor Lane, Neutral Bay and options to pursue that outcome consistent with the vision endorsed under the *Neutral Bay Village Planning Study*.

### EXECUTIVE SUMMARY:

- In April 2023, Council granted owner's consent to Coles to lodge a development application (DA) for its site at 41-53 Grosvenor Street Neutral Bay for a mixed-use development including a supermarket and shop top housing. That DA was lodged in September 2023 and included the undergrounding of public parking (under Council land, being the Grosvenor Lane carpark) (Council Land) to facilitate the creation of a public pedestrian plaza above. This included an in-principle offer to enter into a planning agreement with Council.
- In September 2023, Council granted owner's consent to a nearby landowner, Arkadia, to also lodge a DA concerning that Council Land. At the time of writing, a DA had not been lodged by Arkadia.
- In May 2024, Council endorsed the *Neutral Bay Village Planning Study* which identified the vision to convert the existing carpark, to a pedestrianised plaza.

- To date, discussions with Coles about a future plaza have been limited, given the challenging merit issues associated with the assessment of its proposed development under the current DA process.
- This report outlines negotiations with Coles to date and provides an overview of potential options to realise Council's vision for the creation of a new plaza at Neutral Bay.
- Should Council wish to discuss this report it is noted that the attached confidential document includes commercial information that would, if disclosed, prejudice the commercial position of the person who supplied it. Further, release of the information would, on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services. As such, should this matter be discussed it should be considered in closed session.

**RECOMMENDATION:**

**1.THAT** Council invite tenders under Section 55 of the *Local Government Act 1993* (NSW) to interested parties to enter into commercial dealings with Council to deliver an at grade plaza as per the Neutral Bay Village Planning Study endorsed by Council on 27 May 2024 for land generally described as the Grosvenor Lane carpark in Neutral Bay and ancillary adjacent areas.

**2.THAT** Council provide a community update on its website to assist with the community's understanding of the potential pathways for delivery of a pedestrian plaza for Neutral Bay.

**3.THAT** Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the *Local Government Act* for the following reason under section 10A(2) of the *Local Government Act*:

*(d) commercial information of a confidential nature that would, if disclosed*

*(i) prejudice the commercial position of the person who supplied it*

It is further noted that release of this information would, on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services.

## Background

Since 2018, Council has prepared several iterations of draft planning studies for the Neutral Bay village centre which have incorporated high levels of community and landowner engagement. The broad aim of these studies has been to ensure that the centre remains economically vibrant by stemming the loss of commercial floor space, and to leverage value from carefully managed increases in development potential to create public benefits to enhance the centre from an amenity, usability, and ongoing viability perspective.

One of the key public benefits that the different versions of the study sought to deliver was the creation of a largely pedestrianised plaza in place of the existing car park 'Grosvenor Lane'. It is noted that this objective has been in place for over a decade and is reflected in Council's Development Control Plan.

In April 2023, Council granted owner's consent to Coles to lodge DA for its site at 41-53 Grosvenor Street Neutral Bay for a mixed-use development including a supermarket and shop-top housing. That DA was lodged in September 2023 and included the undergrounding of public parking (under Council land) to create a public pedestrian plaza. This included an offer to enter into a planning agreement with Council. The use of Council Land as proposed by Coles is conceptually identified in Figure 1 below (shown in light blue, with Coles' site identified in red, and Council's carpark in dark blue).



*Figure 1 – Site Plan indicatively showing Coles and Council land and Council's desired underground parking*

In September 2023, Council granted owner's consent to a local landowner, Arkadia, to also lodge a DA that concerned Council Land. At the time of writing, a DA had not been lodged by Arkadia.

In May 2024, Council endorsed a Probity Plan prepared by O'Connor Marsdens that was prepared to guide its interactions with Coles in pursuing any agreement with Coles and included the governance arrangements that were to be observed in this negotiation process. One of the matters identified was the direct and exclusive dealings with Coles regarding the Council Land. Council resolved to enter into direct negotiations with Coles in this regard.

In May 2024, Council endorsed the *Neutral Bay Village Planning Study* which identified the conversion of the existing carpark, as a future pedestrianised plaza.

To date, discussions with Coles about a future plaza have been limited given the significant merit issues associated with the assessment of its DA, and in particular, the variation to the existing Local Environment Plan (LEP) 16m height limit. An initial offer to enter into a planning agreement was made by Coles which is described further in the attached confidential report.

### **Financial/Resource Implications**

There are no immediate financial or resourcing implications associated with the actions identified in this report apart from drafting documents and conducting tender processes, which can occur within existing resourcing. Realising the long-term vision to create a pedestrian plaza, however, will require careful consideration of potential options and an outcome that will be assisted by testing the market in the short term.

### **Legislation**

The requirements of section 55 of the Local Government Act have been outlined in this report. As stated, conducting a tender process for interested parties to utilise Council land at the Grosvenor Lane car park is recommended.