

10.3. Council Owned/Leased Properties - 1st Quarterly Property Portfolio Report 2020/2021 - July to September 2020

AUTHOR: Risha Joseph, Property Officer

ENDORSED BY: Duncan Mitchell, Director Engineering Services

ATTACHMENTS:

1. Attachment 1 - Letter from Tf NSW 13.11.2020 from Marcus M. [10.3.1 - 4 pages]
2. Attachment 2 - Ltr to Tf NSW 13.11.2020 from Awindra P [10.3.2 - 8 pages]

PURPOSE:

The purpose of this report is to provide Council with information on Council's Property Portfolio for the quarter ending 30 September 2020.

EXECUTIVE SUMMARY:

This report provides Council with information on the Property Portfolio for the 1st Quarter 20/21 - 1 July 2020 to 30 September 2020. The report addresses the following matters:

- Consolidated summary of income received through the Property Portfolio
- Property Portfolio Vacancy Rates
- Leasing Transactions for the quarter
- Acquisitions and Disposals for the quarter
- COVID-19 Pandemic updates on Commercial & Outdoor Dining
- Implementation of Council's Policy D5-49, "Waiving Charges during COVID-19"
- Update on Council's Car Parking Stations
- Update on COVID-19 Hygiene Measures put in Place
- Major Property Projects (Maintenance and Capital works) for the quarter

FINANCIAL IMPLICATIONS:

Council's budgeted income from its entire Property Portfolio for 2020/21 was originally forecast at \$7,235,387. However due to COVID-19, the income forecast has been revised down to \$5,726,500.

The Year-to-Date total actual income for the 1st quarter of 20/21 which was received on a cash basis through Colliers International was \$1,371,591 as at 30 September 2020, which is \$249,557 less than the original forecast at \$1,621,148 for the quarter, 85% of the projected budgeted income for the quarter.

The Year-to-Date income which is received on an accrual basis is \$1,738,920 as at 30 September 2020.

RECOMMENDATION:

1. THAT the Quarterly Property Portfolio Report for the 1st Quarter of 20/21 (July to September 2020), be received.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

2. Our Built Infrastructure

2.1 Infrastructure and assets meet community needs

BACKGROUND

This Quarterly Property Portfolio report is designed to give Council and the Community a detailed overview of the performance of Council Property Portfolio for the quarter ending 30 September 2020:

The report comprises both a Public and Confidential Report (see Confidential Item 10.3) that provides detailed information on the following key business activities of the Property Portfolio.

- Consolidated summary of income received through the Property Portfolio
- Property Portfolio Vacancy Rates
- Leasing Transactions for the quarter
- Acquisitions and Disposals for the quarter
- Covid-19 Pandemic updates on Commercial & Outdoor Dining
- Implementation of Council's Policy D5-49, "Waiving Charges during COVID-19"
- Update on Council's Car Parking Stations
- Update on COVID-19 Hygiene Measures put in Place
- Major Property Projects (Maintenance and Capital works) for the quarter

To effectively manage Council's large and varied Property Portfolio, Council engages Property Management Consultants. The current Property Management Services Contract was awarded to Colliers International (NSW) Pty Ltd in 2019, with options to extend the contract based on performance on a 2+ 2-year basis up to a total of 6 years.

CONSULTATION REQUIREMENTS

Community engagement is not required.

DETAIL

Financial Position of North Sydney Council's Property Portfolio – Q1 -2020/2021

The following information is a consolidated summary of North Sydney Council's Property Portfolio financial performance for Q1, for the period commencing 1 July 2020 and ending 30 September 2020.

Commercial Leases and Outdoor Dining Licences

Total number of leases: 311 including 166 Outdoor Dining Licences

Total number of Outdoor Dining Licences: 166

Note: This is slightly up from 165 in the quarter March to June 2020 but down from 181 Outdoor Dining Licences in June – September 2019.

Note: Council's Director Engineering and Property Services is currently the key contact person at North Sydney Council for the NSW Governments Taskforce which has been set up *with the aim to improve Sydney's outdoor drinking and dining scene in the wake of Covid-19.*

The task force – which includes government agencies such as Liquor & Gaming NSW, NSW Health and the NSW Police Force, as well as local governments – has been established to look at ways to cut down on red tape to encourage venues to take advantage of al fresco dining (and reduce the risk of Covid-19 transmission associated with indoor dining) over this summer period.

The program is being piloted for 12 months in the "Rocks" adjacent to Circular Quay and is then looking to expand beyond the "Rocks" after the completion of the pilot. In general, the new regulations as part of the pilot stipulate that Businesses with outdoor dining and drinking can now have one person per two (2) square metres if they are registered as COVID Safe and using digital mediums such as the Service NSW QR code to check customers in.

Overall vacancy rate: 9.43%

Note: This is slightly up from 9.34% in the quarter *March to June 2020*

Vacancy rate excluding short term leases: 4.82%

Note: This is slightly up from 4.73% in the quarter *March to June 2020*

The total income received through Council's Property Portfolio as at 30 September 2020 was \$1,371,591.

The total arrears for Council's Property Portfolio for this quarter forms part of the Confidential Memorandum.

Vacancy Position of the North Sydney Council's Property Portfolio

The following Properties are currently listed as vacant in North Sydney Council's Property Portfolio. Council's Property Managing Agents, Colliers International manage all of Council's leasing transactions and are responsible for all aspects of lease negotiation and management of Council's Properties that are under lease.

Overall the vacancy rate of Council's Property Portfolio is 9.43% including vacant properties at 43 to 49 Hume Street and 90-92 Willoughby Road that are earmarked to be demolished in November / December 2020 for the Hume Street Park project.

Table 1. Current Vacancies within the North Sydney Council Property Portfolio

<u>Building</u>	<u>Unit</u>	<u>Area (m2)</u>	<u>Comments</u>
52 Alfred Street South, Milsons Point	Car Park Spaces	7	Colliers are currently marketing the car spaces for Lease
36 Hume Street, Crows Nest	Shop 1	83.8	Tenant vacated. Colliers are currently marketing the property.
36 Hume Street, Crows Nest	Shop 3	83.1	Tenant vacated. Colliers are currently marketing the property.
43 Hume Street, Crows Nest	Ground Floor	79.72	Vacated due to the proposed Hume Street Park Development - Building to be demolished
43 Hume Street, Crows Nest	Level 2	210	Vacated due to the proposed Hume Street Park Development - Building to be demolished
45-47 Hume Street, Crows Nest	Ground Floor	281	Vacated due to the proposed Hume Street Park Development - Building to be demolished
45-47 Hume Street, Crows Nest	Parking	1	Vacated due to the proposed Hume Street Park Development - Building to be demolished

<u>Building</u>	<u>Unit</u>	<u>Area (m2)</u>	<u>Comments</u>
49 Hume Street, Crows Nest	Level 1	254.6	Vacated due to the proposed Hume Street Park Development - Building to be demolished
49 Hume Street, Crows Nest	Level 2	198	Vacated due to the proposed Hume Street Park Development - Building to be demolished
1 James Place, North Sydney	Suite 4.01	250.1	Lease has been executed by both parties. Solicitors have been instructed.
1 James Place, North Sydney	Suite 5.01	273.2	Colliers are currently marketing the property.
232 Miller Street, North Sydney	Retail Shop	232.5	Lease has been executed by both parties. Solicitors have been instructed to prepare the lease. Tenant has taken possession.
242 Miller Street, North Sydney	Retail Shop	93	Pre-approval has been granted by the General Manager. Solicitors have been instructed to prepare the lease.
246 Miller Street, North Sydney	Shop	63	Premises not on market due to extensive structural repairs required.
Munro Street, Shed McMahons Point	Shed	21.2	Colliers are marketing the property for Lease
80 Pacific Highway, North Sydney	Retail Shop	45.8	Potential tenant has been sourced. Negotiations are underway.
80 Pacific Highway, North Sydney	Basement Car Space	1	Colliers are marketing the property for Lease
90-92 Willoughby Rd, Crows Nest	Shops 1 & 2	188	Vacated due to the proposed Hume Street Park Development - Building to be demolished

Table 1(a): Summary of Vacancies as an overall area (m²) and % of the total property portfolio

MONTH	July	August	September	Comments
Total Vacant Areas (m2)	2,310.02	2,310.02	2,357.02	
Portfolio NLA (m2)	24,988	24,988	24,988	
Vacancy % of Portfolio NLA	9.24%	9.24%	9.43%	Vacancy rate high because this figure includes all Hume Street Park project properties that can no longer be leased as they are earmarked for demolition as part of the Hume Street Park redevelopment.
Total Short Term Lease Areas	1211.32	1211.32	1210.32	
Vacancy % of Portfolio NLA less Short Term Lease Areas	4.62%	4.62%	4.82%	

Table 1(b): Parking Spaces for lease in the Property portfolio

MONTH	July	August	September	Comments
Total Vacant Parking Spaces	9	9	7	Colliers are currently marketing the Property for Lease

MONTH	July	August	September	Comments
Total Parking Spaces under Portfolio	11.00	11.00	11.00	Most parking spaces are at 52 Alfred Street.

Leasing Transactions for the Quarter

The following information is provided to Council in relation to the leasing transactions for Council's owned and leased properties for the period ending 30 September 2020.

As per the report to Council in August 2019, Council's General Manager was delegated authority, in accordance with Section 377 of the Local Government Act 1993, to enter into leases and will be the signoff authority for Council when entering into a lease. It is no longer a requirement for Council to have its Official Seal affixed to Leases pursuant to Section 400(4) of the Local Government (General) Regulation 2005. Whereby:

- (a) the use of the Council seal only in circumstances where the Council has resolved that
 - the seal is to be affixed.
- (b) the discontinuing of the use of the Council Seal relating to the following documents:
 - (i) The sale or purchase of land;
 - (ii) The entering into leases relating to Council property;
 - (iii) The entering into of Voluntary Planning Agreements.

Table 2. Council's Leasing Transactions for the Period Ending 30 September 2020

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
New Lease	Address: 232 Miller Street, North Sydney	Period: In the quarter commencing December 2020 to the period ending November 2025 01/12/2020 - 30/11/2025 Term: 5 years Option: 5 years	Cafe	161.7m ²	Lessor to pay for the preparation of the lease. Lessee is responsible for the cost of the registration of the lease. The rental has decreased as Level 1 is now separated from this tenancy and will be leased separately.
New Lease	Address: 242 Miller Street, North Sydney	Period: In the quarter commencing January 2021 to the period ending January 2026 8/01/2021- 7/01/2026 Term: 5 years Option: 5 years	Café	90 m ²	Lessor to pay for the preparation of the lease. Lessee is responsible for the cost of the registration of the lease.

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
New Lease	Address: Suite 4.01, 1 James Place, North Sydney	Period: In the quarter commencing November 2020 to the period ending October 2024 01/11/2020 - 31/10/2024 Term: 4 years Option: 2 years	Commercial Office	250m ²	Lessor to pay for the preparation of the lease. Lessee is responsible for the cost of the registration of the lease.
Renewal Licence Agreement	Address: 52 Alfred Street South, Milsons Point	Period: In the quarter commencing November 2020 to the period ending October 2021 01/11/2020 - 31/10/2021 Term: 1 year Option: Nil	Car park	N/A	Colliers International utilising standard licence agreement. No legal costs involved.

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
New Licence Agreement	Address: 52 Alfred Street South, Milsons Point	Period: In the quarter commencing October 2020 to the period ending January 2021 26/10/2020– 25/01/2021 Term: 3 months Option: Nil	Car Park	N/A	Colliers International utilising standard licence agreement. No legal costs involved.
Renewal - Licence Agreement	Address: 96 Bank Street, North Sydney	Period: In the quarter commencing November 2020 to the period ending October 2022 01/11/2020– 31/10/2022 Term: 2 years Option: Nil	Community Services	10.36m ²	Lessor to pay for the preparation of the lease. Lessee is responsible for the cost of the registration of the lease.
Renewal of Lease	Address: Scout Hall, Smoothey Park, 6	Period: In the quarter commencing January 2021 to the period ending December 2025	Woodworking Shop for men's Community Centre	529m ²	Lessor to pay for the preparation of the lease.

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
	Russell Street, Wollstonecraft	01/01/2021– 31/12/2025 Term: 5 years Option: Nil			Lessee is responsible for the cost of the registration of the lease.
Renewal of Lease	Address: Mollie Dive Grandstand, 283A Miller Street, North Sydney	Period: In the quarter commencing January 2020 to the period ending December 2025 01/01/2020-3/12/2025 Term: 5 years Option: n/a	Community Childcare Centre	738m ²	
Renewal of lease	Address: Lower Level, Kendall Community Centre, Warwick Avenue, Cammeray	Period: In the quarter commencing January 2021 to the period ending December 2025 01/01/2021-31/12/2025 Term: 5 years	Preschool	837m ²	

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
Renewal of lease	Address: 16-18 Fitzroy Street, Kirribilli	Period: In the quarter commencing January 2021 to the period ending December 2025 01/01/2021-31/12/2025 Term: 5 years Option: N/A	Community Centre	1081m ²	Lessor to pay for the preparation of the lease. Lessee is responsible for the cost of the registration of the lease.
Renewal of lease	Address: Forsyth Park, 2A Montpelier Street, Neutral Bay	Period: In the quarter commencing January 2021 to the period ending December 2025. 01/01/2021-31/12/2025 Term: 5 years Option: N/A	Community Centre	N/A	Lessor to pay for the preparation of the lease. Lessee is responsible for the cost of the registration of the lease.
Renewal of lease	Address:	Period:	Arts and Crafts Activity Centre	216m ²	

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
	Primrose Park, Matora Street, Cremorne	In the quarter commencing January 2021 to the period ending December 2025 01/01/2021-31/12/2025 Term: 5 years Option: N/A			
Renewal of lease	Address: 41 Alfred Street South, Milsons Point	Period: In the quarter commencing July 2020 to the period ending June 2025 01/07/2020-30/06/2025 Term: 5 years Option: N/A	Telecommu- cations site	31.2m ²	
Variation of Lease	Address: 165 Blues Point Road	Period:	Cafe	142.7m ²	Council installed the Solar PV System to reduce the tenant's annual electricity costs, which

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
		<p>In the quarter commencing September 2019 and ending April 2021</p> <p>Previous Lease: 1/05/2018 to 30/04/2021</p> <p>Assigned: 15/09/2019</p> <p>Term: 1 year and 8 months</p> <p>Option: 3 years</p>			<p>has an estimated savings of \$3,170 per annum.</p> <p>Both parties to share the costs for the preparation of the variation to the lease equally.</p>
Renewal of lease	<p>Address: Upper Level, Kendall Community Centre, Warwick Avenue, Cammeray</p>	<p>Period: In the quarter commencing April 2021 and ending April 2026</p> <p>16/04/2021-15/04/2026</p> <p>Term: 5 years</p> <p>Option: Nil</p>	Preschool	N/A	<p>The rent was due to increase by CPI, however the rental is to remain the same due to the negative CPI for 2020.</p>

Proposed Transaction	Subject Property & Lessee/Tenant	Term	Permitted Use	Lettable Area	Terms of Lease / Remarks
New Residential Agreement	Address: 5 Figtree Lane, St Leonards Park, North Sydney	Period: In the quarter commencing October 2020 to the period ending September 2021 1/10/2020-30/09/2021 Term: 1 year	Caretakers residence	n/a	The tenant is an on-site live-in caretaker overseeing the North Sydney Oval in St Leonards Park The lease has been on hold-over for the past few years. A single car space forms part of the residential lease.

Refer to the Confidential Memorandum for details relating to the rental income Council will receive through these leasing transactions.

Table 3. Acquisitions and Disposals within the North Sydney Council Property Portfolio for Q1 20/21

	Address	Reason	Date	Remarks
Acquisition	Nil			

	Address	Reason	Date	Remarks
Disposal	Nil			

COVID-19 Update on Commercial Leasing and Footpath / Outdoor Dining Licenses – Rental waivers and deferrals

A separate report is being submitted by Council’s Property Asset Manager to the November 2020 Council meeting with recommendations on a way forward for Council in managing rental waivers and rental deferrals for Council’s Property portfolio that is consistent with the National Cabinet Code of Conduct – SME Commercial Leasing Principles during COVID-19.

The impacts of COVID-19 on Council’s Property Portfolio:

The total Outdoor Dining Licences is slightly up from 165 in the quarter March to June 2020 but down from 181 Outdoor Dining Licences in June – September 2019.

Details of Council’s Loss of Revenue in the Outdoor Dining Licences portfolio is provided for in the Confidential Attachment to this report.

Update on Hygiene Measures put in place to manage COVID-19 at Council Properties

In the previous Property Portfolio Quarterly update, it was reported in detail on the various measures that were put in place to mitigate the risks of COVID 19 at Council Properties and Venues. These measures are still in place and are summarised below.

- extra touchpoint cleaning including the wiping and disinfection of all door handles, communal surfaces and bathrooms.
- Additional cleaners employed to undertake these special tasks are still being maintained.
- Hand sanitisers and dispensers which were installed are still in use.
- Antibacterial wipes for the wiping down of all chairs and surfaces are still being used at Stanton Library and other community venues.

- The Perspex screen installed at the customer service desk and the open plan areas which have low partitions are currently still functional.

The additional costs for these measures being implemented in the 2019/20 Financial year as reported in detail in the last Quarterly Property Report was \$92,873. The total costs per annum to continue with these measures which includes the installations of Perspex screens at a number of staff office's and workstations areas is now estimated at \$330,949 per annum.

Carparking Stations:

Council's network of Car Parking Stations has been performing well this quarter compared to the last quarter mainly due to the inclusion of the Ward Street Carpark into Council's overall network of carparking stations.

Ward Street Carpark.

As reported to Council in September last year the lease that Council had with Wilson Parking expired on 24 August 2020 and Council has been planning to take back the Carpark for over 12 months.

On the 23rd of August 2020, the carpark was successfully handed back to Council by Wilson Parking. To Wilson Parking's credit, the handover was smooth and all the makegood works (painting, structural repairs, removal of equipment and minor property repairs), were undertaken to a high quality and as per the requirements of the lease.

The Ward Street Carpark is located off Berry Street in the North Sydney Centre. The Carpark has a capacity of approximately 550 spaces across four levels. The carpark and land its constructed on has been leased to various carpark operators for 50 years, with the first lease being signed in August 1970.

When the lease expired on 24 August 2020 and the carpark was handed back to Council, Council's Works Manager, Carparking Stations Manager, Property Manager and Property Officers immediately put the takeover plan into action which resulted in the carpark being operational and amalgamated back into Council's overall network of Carparks within 5 Business days. The takeover plan which included the ordering, supply and installation of Council's carpark equipment, procurement and management of contractors to do takeover works and the carparks marketing plan were all 12 months in planning.

Credit and congratulations must be given to all Council Staff involved for getting the Carpark operational and amalgamated into Council's network of Carparking Stations in such a short period of time.

The financial performance of the Carpark could only be estimated before being handed back to Council as Wilsons Parking would not share with Council any of the revenue figures for the carpark.

Since Council has taken over the carpark the revenue figures are very positive. Even in a COVID-19 impacted environment the Ward Street Carpark is taking between \$17K and \$20K each week and is only currently at 50% capacity. 90% of the carpark income is coming from “Early Bird” parking which is at full capacity most days.

Council is now in the process of dedicating another level of the carpark to “Early Bird” Parking.

In January 2021, Council’s Works Manager and Carparking Stations Manager will be implementing Stage 2 of the marketing plan for the carpark which is to target more permanent customers to take up long term leases. Council has been approached by a number of large customers wanting between 50 and 100 spaces on a permanent basis, negotiations are ongoing.

Council’s Property Management and Leasing Agents, Colliers International are also approaching car wash operators to see if they are interested in taking up a commercial lease at the carpark.

Council’s Property Department will be undertaking a major upgrade of the toilets and shower facility at the carpark in the new year.



Photo of Ward Street carpark – Structural Repairs and painting undertaken by Wilson parking as part of the handover to Council on 23 August 2020.



Photo of Ward Street carpark – Roof top level – now used for “Early Bird Parking” new line marking undertaken by Wilson parking as part of the handover to Council on 23 August 2020.



Photo of Ward Street carpark – Level 2 – new line marking undertaken by Wilson parking as part of the handover to Council on 23 August 2020.



Photo of Ward Street carpark – New Carparking Equipment installed at entry to the carpark by NSC after takeover on 23 August 2020.

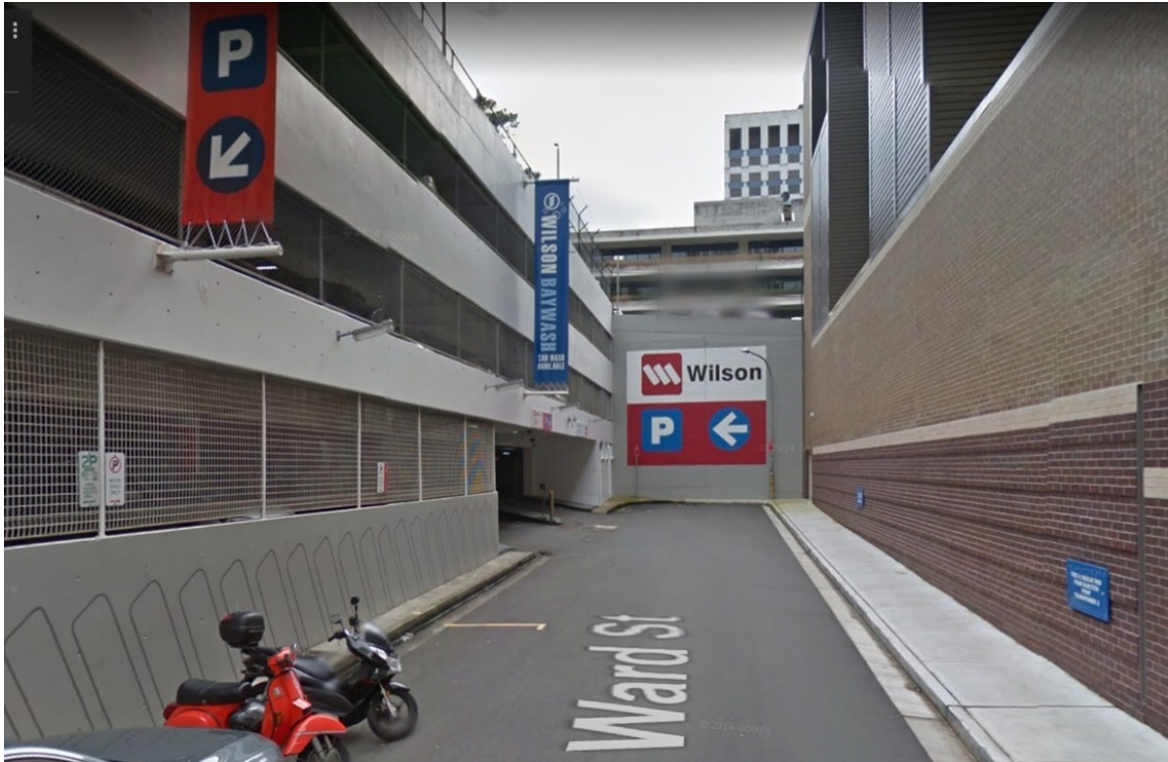


Photo of Ward Street carpark – Eternal painting Wilsons – Before



Photo of Ward Street carpark – Eternal painting North Sydney Council – After

Table 4. Council's Carparking Stations Revenue for Q1 2020/21

Carpark	Q1 20/21 - Actual	Q1 20/21 - Target	Q1 20/21 - Net Position
Alexander St - Permanent	\$16,704	\$16,000	\$704
Holtermann St - Permanent	\$22,627	\$25,875	-\$3,248
Hume St - Permanent	\$59,357	\$77,000	-\$17,643
Nicholson St - Permanent	\$30,280	\$28,500	\$1,780
Parraween St - Permanent	\$709	\$2,500	-\$1,791
Ridge St - Permanent	\$125,181	\$123,000	\$2,181
Ward St - Permanent	\$340	\$0	\$340
Casual Parking Income	\$383,358	\$374,000	\$9,358
Discount Parking Income	44151.38	57452	-\$13,301
TOTAL	\$682,707	\$704,327	-\$21,620

Note: the casual income for Ward Street Carpark alone in the quarter since it came into operation in August 2020 is \$38,310.

Table 5. Council's Carparking Stations Revenue for Q4 2019/20

	Q4 19/20 - Actual	Q4 19/20 - Target	Q4 19/20 - Net Position
Alexander St - Permanent	\$7,583	\$15,250	-\$7,667
Holtermann St - Permanent	\$19,573	\$28,200	-\$8,627
Hume St - Permanent	\$56,994	\$81,875	-\$24,881
Nicholson St - Permanent	\$27,019	\$30,250	-\$3,231
Parraween St - Permanent	\$2,501	\$2,500	\$1
Ridge St - Permanent	\$100,256	\$121,050	-\$20,794
Ward St - Permanent	\$0	\$0	\$0
Casual Parking Income	\$173,672	\$430,250	-\$256,578
Discount Parking Income	\$34,209	\$64,468	-\$30,259
TOTAL	\$421,807	\$773,843	-\$352,036

Table 6. Council's Carparking Stations Revenue for Q1 2019/20

	Q1 19/20 - Actual	Q1 19/20 - Target	Q1 19/20 - Net Position
Alexander St - Permanent	\$17,631	\$15,250	\$2,381
Holtermann St - Permanent	\$32,561	\$28,200	\$4,361
Hume St - Permanent	\$105,860	\$81,875	\$23,985
Nicholson St - Permanent	\$34,284	\$30,250	\$4,034
Parraween St - Permanent	\$478	\$2,500	-\$2,022

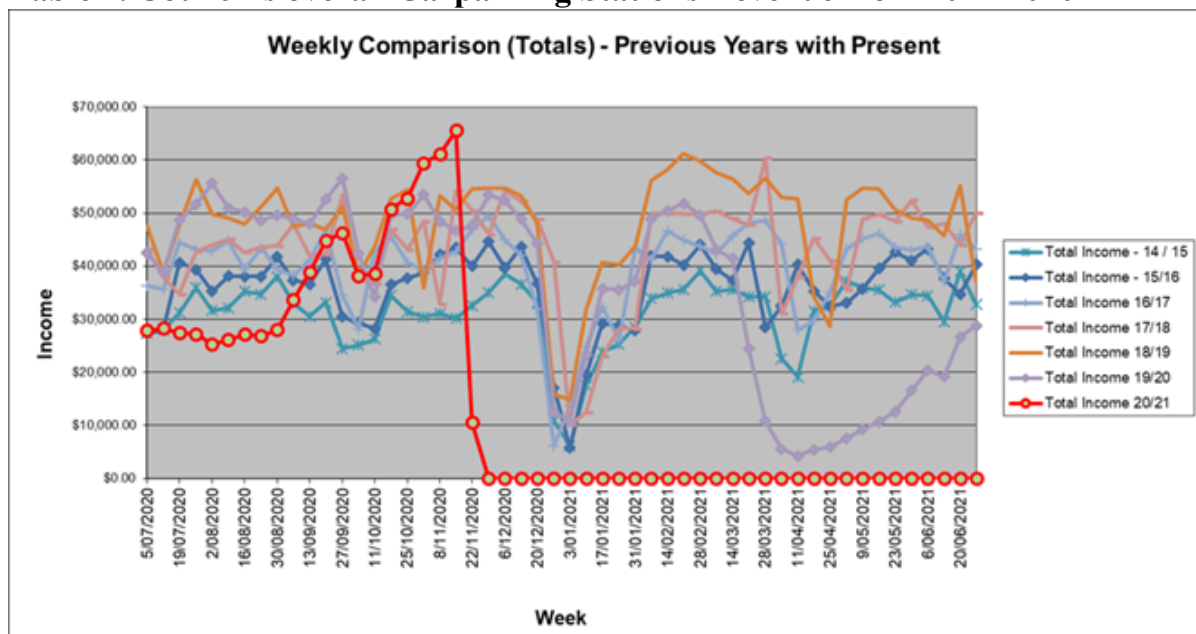
Ridge St - Permanent	\$136,795	\$121,050	\$15,745
Ward St - Permanent	\$0	\$0	\$0
Casual Parking Income	\$613,616	\$430,250	\$183,366
Discount Parking Income	\$64,679	\$64,468	\$211
TOTAL	\$1,005,904	\$773,843	\$232,061

As can be seen in Tables 4,5 and 6 Council’s Carparking Stations revenue has been significantly impacted by COVID-19. The Q1 results for 2019 show that Council’s carparks received \$1,005,904 in income. By comparison in Q1 this year the amount is down to \$682,707.

Table 5 shows that Council’s carpark revenue is improving when compared to Q4 2019/20 where the income was only \$421,807. Table 4 demonstrates the positive impact the Ward Street carpark is now having on Council’s Car Parking Stations revenue with a contribution of \$38,310 in just under 3 x months of operation.

The total number of carparking spaces in Council’s network of Parking Stations is now 1696.

Table 7. Council’s overall Carparking Stations Revenue from 2014-2020



Note: The large increase in revenue in Council’s Car Parking Station Portfolio is due to the inclusion of the Ward Street Carpark into the network since 23 August 2020.

List of Property Projects for the Quarter (Major Periodic maintenance and Upgrades)

Apart from routine maintenance for Council properties, the Property Asset Management Plan has identified major periodic maintenance and capital works upgrades for properties throughout Council’s Property portfolio. These essential works need to be carried out in each financial year. These works are funded from the annual Property

Capital Works program which is essential to avoid asset deterioration that would result in operational and functional degradation of the buildings.

Table 8: Major Maintenance and Capital Works to Council Properties for the first quarter 2020/21

Property	Project Description	Commencement Date	Completion Date
Alexander Street Car Park	Line-marking pedestrian crossing	23 June 2020	7 July 2020
Holtermann Street Car Park	Solar PV car shade and Tesla battery system	9 June 2020	28 Oct 2020
35-41 Ridge Street	External re-painting	18 August 2020	11 Sept 2020
NS Oval Music Shell	External re-painting	3 August 2020	25 August 2020
NS Oval Scoreboard	External re-painting	23 Sept 2020	12 Oct 2020
Ward Street Car Park	External re-painting	07 Sept 2020	25 Sept 2020



Alexander Street Car Park Pedestrian Crossing repainting



Alexander Street Car Park Pedestrian Crossing repainting



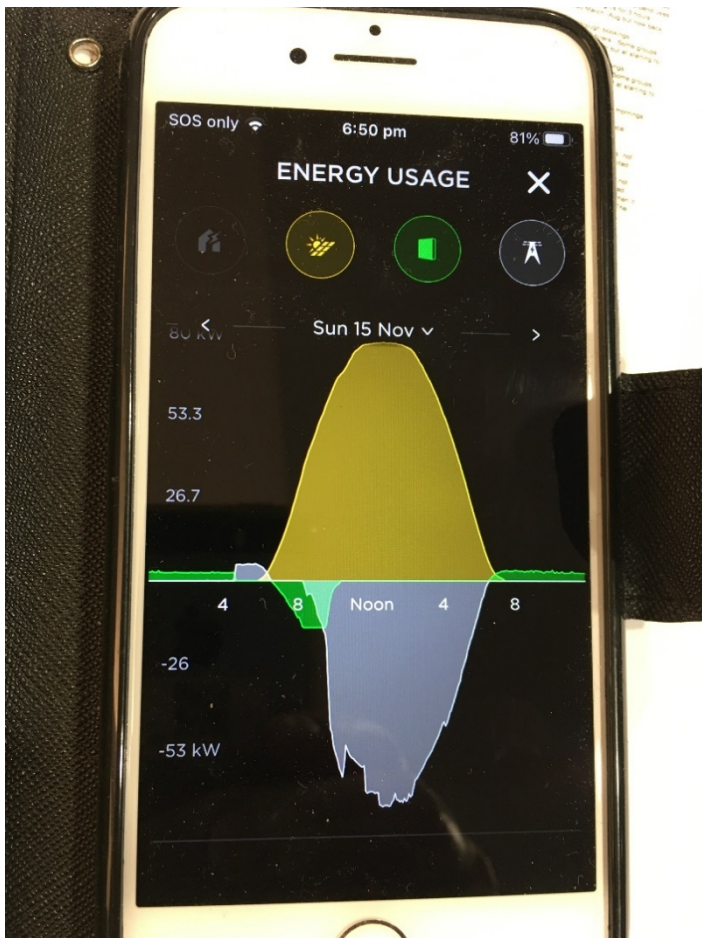
282 x Trina Solar panels at Holtermann Street Car Park roof level



SolarEdge Inverters for the Solar PV system at Holtermann St Car Park



3 x Tesla Powerwall batteries for the Solar PV system



Tesla App on phone



35-41 Ridge Street External repainting



NS Oval Music Shell – external repainting



Music Shell back entrance



NS Oval Scoreboard repainting



Ward Street Car Park external repainting



Ward Street Car Park external repainting



Transport
for NSW

1

Reference: SF2019/236994
Mr Marcus McClintock
Telephone: (02) 8849 2919
Facsimile: (02) 8849 2969

E-mail: marcus.mcclintock@transport.nsw.gov.au

13 NOV 2020

Mr Duncan Mitchell
Director Engineering & Property Services
North Sydney Council
200 Miller Street
NORTH SYDNEY NSW 2059

Also by email: Duncan.Mitchell@northsydney.nsw.gov.au

Dear Mr Mitchell

WARRINGAH FREEWAY UPGRADE PROJECT. (PROJECT) PROPOSED ACQUISITION OF INTEREST IN VARIOUS LOTS WITHIN THE LOCAL GOVERNMENT AREA OF NORTH SYDNEY (NORTH SYDNEY LGA), BEING WITHIN ANZAC, ST LEONARDS AND CAMMERAY PARKS

I refer to previous correspondence, discussions and in particular Council's letter, dated 26 February 2020.

The Council's acknowledgement of the need for the acquisition of various lots within the North Sydney LGA on either a temporary or a permanent basis, for the purposes of the Project, is noted and appreciated.

Please note that since TfNSW' letter of 27 March 2020, the area for the temporary construction lease has been revised to 28,950 m², as shown by green hatching only and the area designated for permanent acquisition as shown by pink shade with green hatching is 29,955.3 m² as shown on the attached Sketch Plan SR 5439 (Amended 30/10/2020) in Annexure A.

PURPOSE

The purpose of this letter is to provide Council with further information on the development of the design and scope of the proposed "adjustment works" to the 9-hole Cammeray Golf Course, Cammeray Park.

I also note Council's request for information about the specific details of the proposed acquisitions (ie dimensions, design plans etc).

Finally, Council has requested that details be provided of TfNSW's proposal to restore the land that is required for temporary construction purposes at the end of its temporary occupation. These details are currently being finalised, and will be provided for in the relevant property adjustment plans which will be prepared in consultation with Council and the Cammeray Golf Club respectively.

Transport for NSW

27-31 Argyle Street, Parramatta NSW 2150 | PO Box 973, Parramatta NSW 2124

W transport.nsw.gov.au | ABN 18 804 239 602

Our reference: SF2019/236994

ADJUSTMENT WORKS

Cammeray Golf Course

TfNSW is consulting and collaborating with the Cammeray Golf Club in relation to the design and nature of the works required to reconfigure the golf course to ensure continued operations as a 9-hole golf course in light of the adjacent Project works.

TfNSW is also currently in the process of identifying all adjustment works that will need to be undertaken on the golf course land to facilitate temporary TfNSW occupation, such as dam relocation and fencing works to relocate fencing to the boundary between the golf course land and the land to be temporarily occupied by TfNSW during construction.

Subject to the above, TfNSW has prepared a Property Adjustment Plan (**PAP**), which provides concept drawings for the temporary adjustment works. The PAP was developed in consultation with the Cammeray Golf club and is attached for Council's reference.

Further adjustment works will then be proposed once the permanent land take for the Project is known. A PAP is also under preparation for these works. This PAP cannot be finalised until the Project contract tender process has occurred and the permanent land requirements for the Project are known. However, we can confirm that every effort will be made to minimise the permanent land take and temporary and permanent adjustment works will be undertaken to ensure continued operations as a 9-hole golf course both during and after construction of the Project.

ANZAC & St Leonards Parks

For the land at Anzac and St Leonards Parks, TfNSW is similarly committed to adjusting and reinstating, at the end of the temporary access arrangements, any improvements on the land that are disturbed by the Project works.

TfNSW will be informed by Council's Asset Register and will similarly seek to consult with Council on these reinstatement works.

LAND REQUIREMENTS

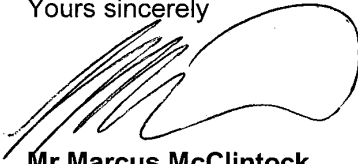
TfNSW's temporary land access requirements for the parks are depicted in Sketch Plan SR 5439 (amended 30/10/2020), being the areas denoted by green hatching. For these areas, TfNSW requires occupation on a temporary basis for the construction phase of the Project, following which they are to be restored in accordance with the relevant property adjustment plan and occupation terminated. This occupation is expected to be for a term of four (4) years and eleven (11) months from the commencement date. Occupation of this land for the Project is likely to be required in March 2021.

Our reference: SF2019/236994

The pink hatching on these sketch plans provides an indication of TfNSW's expected permanent land take for the Project, however, the specific details for this permanent acquisition are currently unknown and will be determined when the Project has been constructed. TfNSW expects this will be finalised by 2026.

Further, TfNSW is also considering the required access rights to the land to undertake the Project. Compulsory acquisition is not preferred if access can be obtained by agreement from relevant entities.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a stylized, somewhat abstract shape.

Mr Marcus McClintock
Property Acquisition Manager
Infrastructure and Place
Transport for NSW

Our reference: SF2019/236994

Annexure A



Transport
for NSW

Reference: SF2019/248918

Mr Awindra Prasad

Telephone: (02) 8849 2308

Facsimile: (02) 8849 2969

E-mail: Awindra.Prasad@transport.nsw.gov.au

The General Manager
North Sydney Council
PO Box 12
North Sydney NSW 2059

13 NOV 2020

Also by email: Duncan.Mitchell@northsydney.nsw.gov.au

Attention: Mr Ken Gouldthorp

LOCAL GOVERNMENT AREA OF NORTH SYDNEY. WARRINGAH FREEWAY UPGRADE PROJECT. PROPOSED ACQUISITION OF A LEASE OF LAND BEING PARTS OF THE PROPERTIES KNOWN AS "CAMMERAY GOLF COURSE", "ST LEONARDS PARK" AND "ANZAC PARK" FROM NORTH SYDNEY COUNCIL (CROWN LAND MANAGER).

I refer to previous correspondence and discussions in this matter and in particular to Transport for NSW's (TfNSW) letter of 11 December 2019 and subsequent correspondence regarding the acquisition of a lease of the land shown by green hatching on the attached copy of TfNSW's Sketch Plan 5439 (amended 30/10/2020).

We note that at this stage no formal agreement has been reached with Council for its interest in the subject land. I confirm that TfNSW would prefer to reach agreement with Council. However, TfNSW's program for construction work for the Warringah Freeway Upgrade Project requires possession as soon as practicable.

Accordingly, to ensure that timely possession of the land is achieved for roadwork, if agreement is not received within 21 days of the date of this letter, it will be recommended to the Minister for Transport and Roads that Council be given a Proposed Acquisition Notice (PAN) in accordance with the provision of the *Land Acquisition (Just Terms Compensation) Act 1991*.

If Council is given a PAN, and a binding agreement is not reached within 90 days of the date of the PAN (or a shorter period by agreement or if approved by the Minister) Council's interest will be compulsorily acquired under the provisions of the aforesaid Act.

If the interest in the subject land is compulsorily acquired, North Sydney Council's interest in it will automatically vest in TfNSW upon the gazettal of the acquisition and will be converted into an entitlement to be paid compensation as determined by the Valuer General.

However, the provisions of section 2.24 of the Crown Land Management Act 2016 apply to Council's interest in this Crown land, as Crown land manager. In accordance with these provisions, the market value of Council's interest in the land would be limited to the value of improvements on the land. In the specific circumstances of this acquisition, in which TfNSW will be adjusting or reinstating any impacted improvements, TfNSW expects that the value of Council's interest for compensation purposes would be nil.

Transport for NSW

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-2-

Our Reference: SF2019/248918

If you wish to discuss this matter further please telephone Mr James Natoli, Acquisitions Manager on 8849 2052.

Yours sincerely



Mr Awindra Prasad
Senior Manager Valuations and Acquisitions
Infrastructure & Place
Transport for NSW

SKETCH
SR 5439 Overview

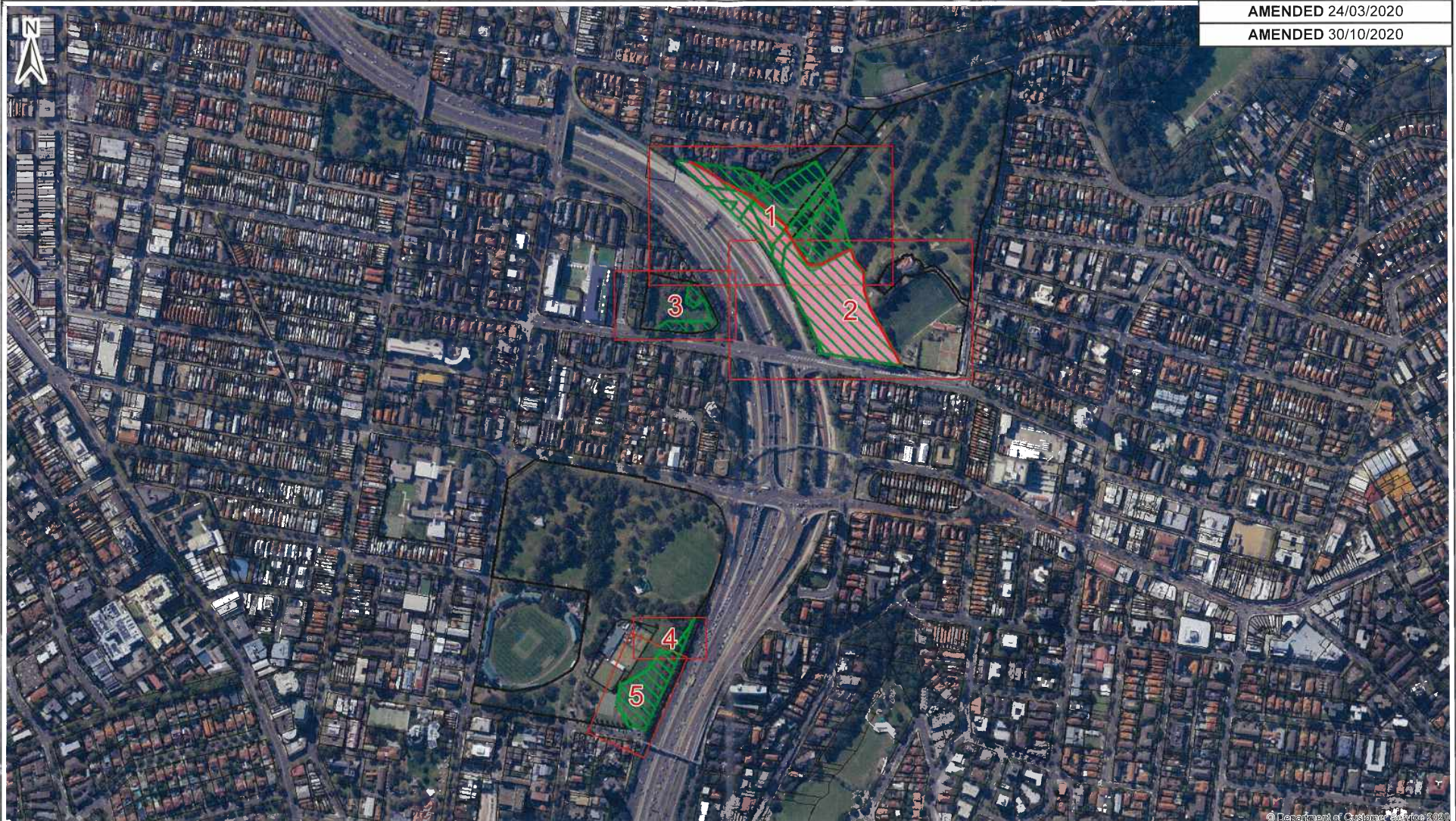
PLAN
SHOWING LAND TO BE LEASED FOR
CONSTRUCTION PURPOSES AT NORTH SYDNEY

Reduction Ratio 1:6000
Lengths are in metres

**TRANSPORT FOR NSW
INFRASTRUCTURE AND PLACE**

LGA: NORTH SYDNEY **Locality:** NORTH SYDNEY
Parish: WILLOUGHBY **County:** CUMBERLAND

DRAWN 28/11/2019
AMENDED 24/03/2020
AMENDED 30/10/2020

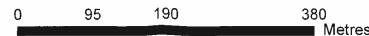


**Transport
for NSW**

File No: SF2019/231058

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Dimensions and positions of improvements in relation to the boundaries are subject to final survey
Offsets are 90° to property boundaries



- PROPOSED NEW ROAD BOUNDARY
- LAND TO BE LEASED AND ULTIMATELY ACQUIRED FOR ROAD PURPOSES
Total land to be leased and ultimately acquired about 2.996 ha
- LAND TO BE LEASED FOR CONSTRUCTION PURPOSES
Total land to be leased for construction purposes about 2.895 ha

SKETCH

SR 5439 SHT 1 OF 5

DRAWN 28/11/2019

AMENDED 24/03/2020

AMENDED 30/10/2020

PLAN
SHOWING LAND TO BE LEASED AND ULTIMATELY
ACQUIRED FOR ROAD PURPOSES AT CAMMERAY

Reduction Ratio 1:1000

Lengths are in metres

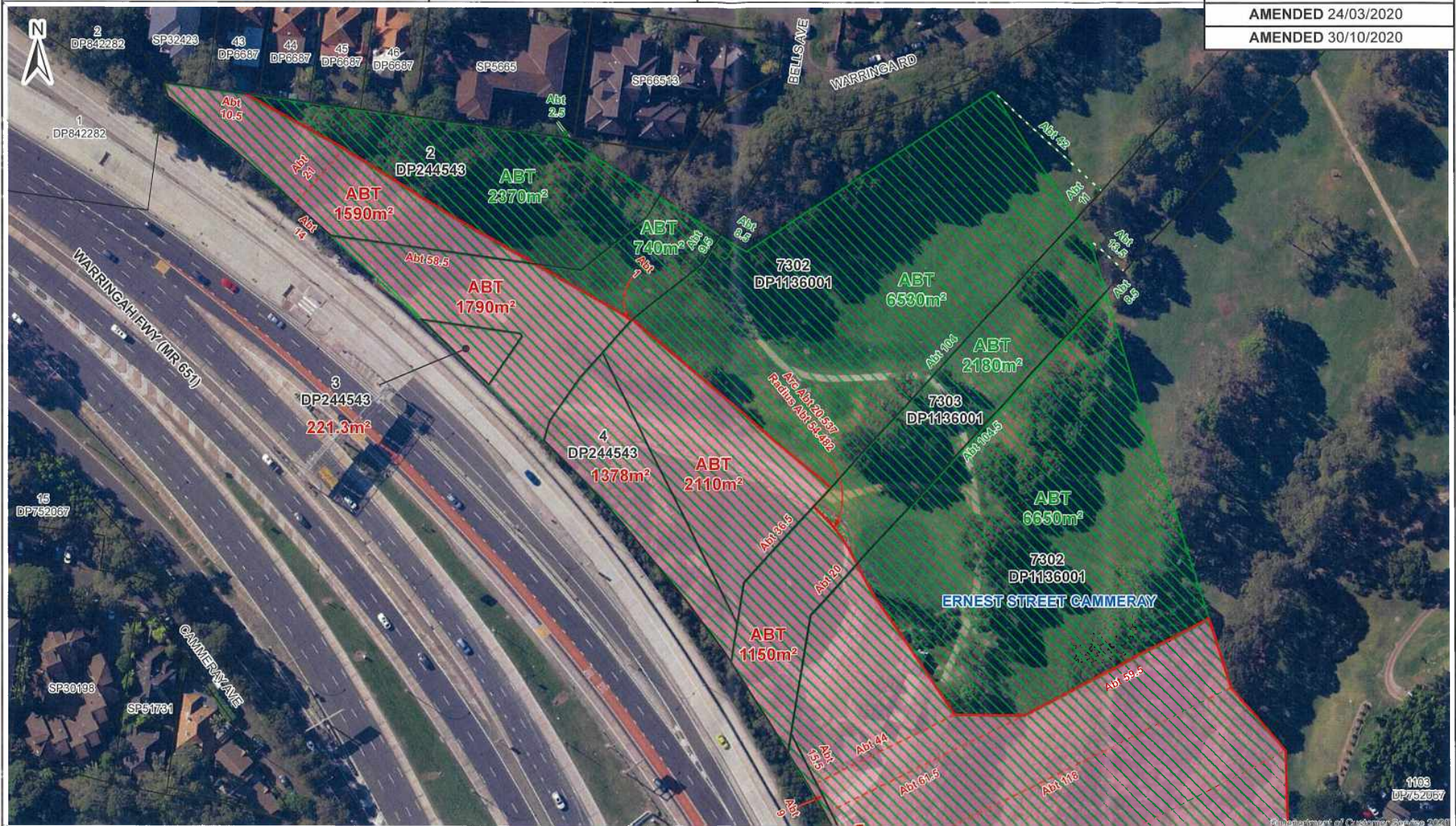
TRANSPORT FOR NSW
INFRASTRUCTURE AND PLACE

LGA: NORTH SYDNEY

Locality: CAMMERAY

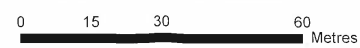
Parish: WILLOUGHBY

County: CUMBERLAND



File No: SF2019/231058

Dimensions and positions of improvements in relation to the boundaries are subject to final survey
Offsets are 90° to property boundaries



- PROPOSED NEW ROAD BOUNDARY
- ▨ LAND TO BE LEASED AND ULTIMATELY ACQUIRED FOR ROAD PURPOSES
Total land to be leased and ultimately acquired about 2.996 ha
- ▨ LAND TO BE LEASED FOR CONSTRUCTION PURPOSES
Total land to be leased for construction purposes about 2.895 ha

PLAN
SHOWING LAND TO BE LEASED AND ULTIMATELY
ACQUIRED FOR ROAD PURPOSES AT CAMMERAY

Reduction Ratio 1:1000

Lengths are in metres

TRANSPORT FOR NSW
INFRASTRUCTURE AND PLACE

LGA: NORTH SYDNEY

Locality: CAMMERAY

Parish: WILLOUGHBY

County: CUMBERLAND



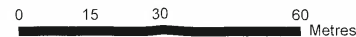
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Transport
for NSW

File No: SF2019/231058

Dimensions and positions of improvements in relation
to the boundaries are subject to final survey
Offsets are 90° to property boundaries





PROPOSED NEW ROAD BOUNDARY

LAND TO BE LEASED AND ULTIMATELY ACQUIRED FOR ROAD PURPOSES
Total land to be leased and ultimately acquired about 2.996 ha

LAND TO BE LEASED FOR CONSTRUCTION PURPOSES
Total land to be leased for construction purposes about 2.895 ha

<p>PLAN SHOWING LAND TO BE LEASED AND ULTIMATELY ACQUIRED FOR ROAD PURPOSES AT CAMMERAY</p>	<p>Reduction Ratio 1:500</p> <p>Lengths are in metres</p>	<p>TRANSPORT FOR NSW INFRASTRUCTURE AND PLACE</p> <p>LGA: NORTH SYDNEY Locality: CAMMERAY Parish: WILLOUGHBY County: CUMBERLAND</p>	<p>SKETCH</p> <p>SR 5439 SHT 3 OF 5</p> <p>DRAWN 28/11/2019</p> <p>AMENDED 24/03/2020</p> <p>AMENDED 30/10/2020</p>
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File No: SF2019/231058

Dimensions and positions of improvements in relation to the boundaries are subject to final survey
Offsets are 90° to property boundaries

0 5 10 20 Metres


LAND TO BE LEASED FOR CONSTRUCTION PURPOSES
 Total land to be leased for construction purposes about 2.895 ha

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SKETCH
SR 5439 SHT 4 OF 5
 DRAWN 28/11/2019
 AMENDED 24/03/2020
 AMENDED 30/10/2020

PLAN
 SHOWING LAND TO BE LEASED FOR
 CONSTRUCTION PURPOSES AT NORTH SYDNEY

Reduction Ratio 1:300
 Lengths are in metres

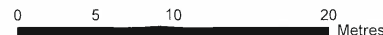
**TRANSPORT FOR NSW
 INFRASTRUCTURE AND PLACE**
LGA: NORTH SYDNEY **Locality:** NORTH SYDNEY
Parish: WILLOUGHBY **County:** CUMBERLAND



ABT
7440m²

JOINS SHEET 5

Dimensions and positions of improvements in relation to the boundaries are subject to final survey
 Offsets are 90° to property boundaries



LAND TO BE LEASED FOR CONSTRUCTION PURPOSES
 Total land to be leased for construction purposes about 2.895 ha

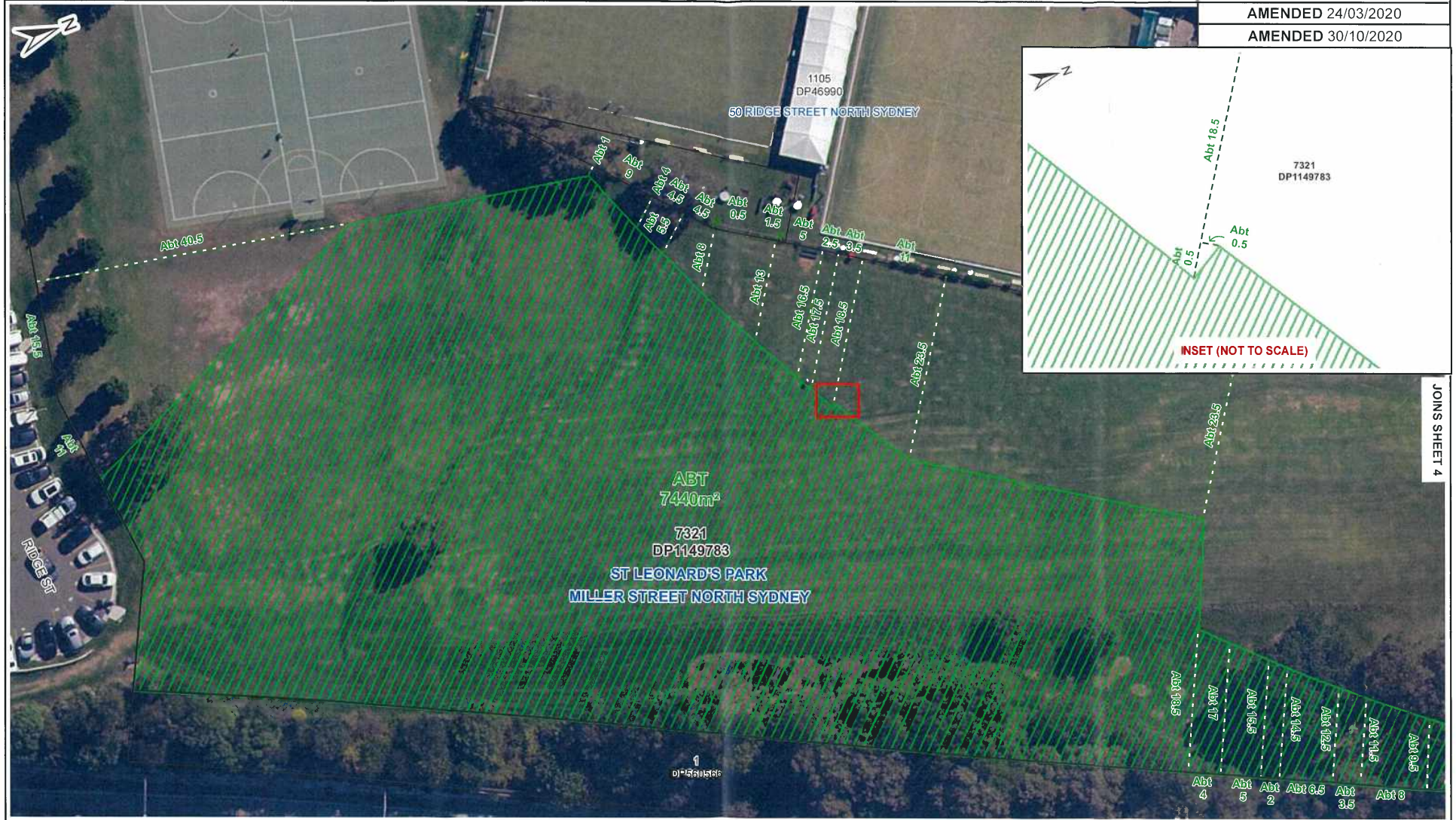
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**Transport
 for NSW**

File No: SF2019/231058

PLAN SHOWING LAND TO BE LEASED FOR CONSTRUCTION PURPOSES AT NORTH SYDNEY	Reduction Ratio 1:450 Lengths are in metres	TRANSPORT FOR NSW INFRASTRUCTURE AND PLACE LGA: NORTH SYDNEY Locality: NORTH SYDNEY Parish: WILLOUGHBY County: CUMBERLAND	SKETCH SR 5439 SHT 5 OF 5
			DRAWN 28/11/2019
			AMENDED 24/03/2020
			AMENDED 30/10/2020



JOINS SHEET 4

	Transport for NSW	File No: SF2019/231058	Dimensions and positions of improvements in relation to the boundaries are subject to final survey Offsets are 90° to property boundaries		LAND TO BE LEASED FOR CONSTRUCTION PURPOSES Total land to be leased for construction purposes about 2.895 ha
			PIMS Copyright N.S.W. For TfNSW use only		