

Tabled by D. Modckhey
25/02/2021.

TENDER

B)

Briefing: Minister for Transport and Infrastructure
FOR APPROVAL

Parramatta Light Rail Transit Compulsory Acquisition of Land at Camellia



Transport
for NSW

Topic: Acquisition of 6 Grand Avenue, Camellia

Analysis: TfNSW has identified a preferred location for the proposed light rail vehicle stabling facility to service the Parramatta Light Rail (PLR) project. Access to the privately owned land is required by 2018 in order to meet the current programmed construction schedule.

Recommendations

1. Approve the compulsory acquisition of Land described in the Schedule to the Notice of Compulsory Acquisition provided at Tab B of the Executive Council Minute by TfNSW
2. Sign the Executive Council Minute provided at Attachment B recommending that His Excellency the Governor approve the acquisition of Land described in the Schedule to the Notice of Compulsory Acquisition provided at Tab B of the Executive Council Minute

Key reasons

Parramatta Light Rail (PLR)

In December 2015 the NSW Government announced the preferred 29 kilometre route for the PLR project. The network will connect Westmead Hospital with Parramatta CBD then to Camellia and travel via Seveney Olympic Park to Strathfield. A light rail line will also branch to Cardiff Road replacing the existing heavy rail line.

Proposed Construction Timeframe

TfNSW has started work on the scoping and definition stage of the PLR project, with the Final Business Case and Assurance due in June 2017. In parallel TfNSW will be preparing a draft Environmental Impact Statement. Procurement for construction contracts is planned for 2017 to allow construction to commence in late 2018.

Depot, Maintenance and Stabling Facility at Camellia

6 Grand Avenue, Camellia has been identified as a suitable site for the stabling and maintenance facility located on the corner of Grand Avenue and Colquhoun Street in adjacent to Rosehill Racecourse. It is geographically central to the PLR corridor with road access.

Agreement on Compensation is unlikely to be achieved by negotiated agreement

Compulsory acquisition of the land is required because it appears unlikely that an agreement on compensation will be achieved.

A recent title search of the subject property confirms the site is owned by Grand 4 Investment Pty Limited, mortgaged to the former registered proprietor Arzo Nobel Chemicals Pty Ltd.



Objective Reference: 4381290

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Document tendered by
<i>Hon Daniel Modckhey MLC</i>
Received by
<i>Tina Mrozovska</i>
Date: 25/02/2021
Resolved to publish Yes / No

Grand 4 Investment Pty Ltd directors are William Kinsella and John Kinsella who are the founders of Bilbergie, a private development company based in Sydney. Bilbergie is the largest developer of waterside apartments in Wentworth Point and Rhodes. Bilbergie are a member of Westlink Partnership group established with the aim of holding fast track the delivery of additional toll roads along Sydney's highway network.

The site has recently been purchased with a view to short/medium term lease with plans to allow residential development planned for within the next 10 years.

Supporting analysis

Risks and Mitigation

The subject site is contaminated and is listed on the Environmental Protection Authority (EPA) register. Compulsory acquisition of the site will be on an 'as is' basis with TNSW dependent on the valuer General making an allowance for site clean up and a site audit statement for a suitable use. In the determination of Compensation, TNSW will then need to undertake the remediation works to a level suitable for the Depot use.

Financial Impact

There are several parties potentially with interests in this land and may have a claim for compensation including:

1. Owner - Grand 4 Investment Pty Ltd
2. Mortgagee - Akzo Nobel Chemicals Pty Ltd.
3. A possible tenant (Iron).

The funding to acquire the land is to be made available from the FLR project budget.

Options

Option	Analysis
1. Acquisition by Compulsory Process	This is carried out under the powers of the <i>Transport Administration Act 1988</i> . It ensures a timely acquisition in accordance with the <i>Land Acquisition (Just Terms Compensation) Act 1991 (LAA)</i> to meet project delivery commitments. The current registered proprietor Grand 4 investment Pty Ltd has advised interim leasing arrangements are being finalised and future development of the land will be planned. The earlier the compulsory acquisition is undertaken the total cost including any litigation costs can be minimised as the future development is not progressed to approval.
2. Acquisition by Negotiated Agreement	TNSW will endeavour to acquire the site by a negotiated agreement. Negotiations can be undertaken in parallel with the compulsory process. TNSW has commenced discussions with Grand 4 Investments Pty Ltd.

Objective Reference: 4981385

Contact: James White, Technical Director Project
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Consultation

High level consultation was conducted with the Department of Planning and Environment. Any future development or structure planning of the Camellia project. Feedback from officers suggests that a light commercial at this location is compatible with proposed future planning controls.

TINSW has commenced discussions with Grand A Investments Pty Ltd. Negotiations to acquire the property by agreement will continue notwithstanding the commencement of the proposed compulsory acquisition process.

Recommendations

1. Approve the compulsory acquisition of Land described in the Schedule to the Notice of Compulsory Acquisition provided at Tab B of the Executive Council Minute for TINSW.
2. Sign the Executive Council Minute provided at Attachment B recommending that the Executive Council approve the acquisition of Land described in the schedule to the Notice of Compulsory Acquisition provided at Tab B of the Executive Council Minute.

Approval

Deputy Secretary, Finance and
Investment

Minister

ca/af/16

cc: Tim Reardon

Objective Reference: 4981895

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Background

Project Works

The Proposed RLR network includes:

1. A more direct, rapid, predicts with Greater Piccadilly including Westmead station, connecting the suburbs of BEL to Camellia
2. The replacement of the existing of existing heavy rail service between Camellia and Newington with a more frequent light rail service
3. A light rail service through Camellia renewal area, Sydney Olympic Park, after connecting to the rail

Camellia Land Requirements

Size/area	0.900 hectares
Lot	Lot 1 DP7643591 (Detailed Plan provided at Attachment A)
Owner	Grand 4 Investment Pty Limited
Location	6 Grand Avenue, Camellia NSW

Rationale for the land acquisition

The property was offered to the market through Real Estate Agents, CBRE, with an EOI Campaign commencing March 2015. TfNSW submitted several LOIs for a conditional sale based on the owner remaining responsible for the contamination liability. There was considerable interest in the property from A REIT's including Goodman and GPT Property Groups, who considered the property ripe for industrial development and possible future residential development. TfNSW was ultimately unsuccessful with a private buyer entering into an unconditional contract in relation to the contamination/clean up risk.

The land size of the subject site is sufficient to serve the projected operation of up to two light rail lines under investigations to at least 2036.

The risk to the project is that land values are increasing in area due to the planned change of use of land in the area, rezoning and the light rail. The land acquisition cost for maintenance depot and staging facilities in this location will continue to increase rapidly in the short to medium term.

It is therefore recommended to commence the compulsory acquisition process in parallel with the negotiation of an agreement for the purchase of 6 Grand Avenue, Camellia.

Land acquisition by TfNSW

The Transport Administration Act authorises the compulsory acquisition of land by TfNSW under the terms of the *Land Acquisition (Just Terms Compensation) Act 1991*.

Objective Reference: 4981295

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