

ITEM 4. INVESTIGATION OF 42-44 PINE STREET, CHIPPENDALE FOR POSSIBLE EXPANSION OF PEACE PARK**FILE NO: S050396****SUMMARY**

Following a Notice of Motion by Councillor Harris on 23 October 2006, Council requested a report on the cost implications and process involved to purchase and develop parkland at 42-44 Pine Street Chippendale, including the closure of Paints Lane for the expansion of Peace Park. In preparing this report, consideration is also to be given to the Open Space and Recreation Needs Study and the Chippendale Improvement Plan.

Estimates have been obtained as to the likely cost of purchasing the property, demolishing the improvements, closing part of Paints Lane and landscaping the area. The acquisition is not recommended.

RECOMMENDATION

It is resolved that:

- (A) Council note the likely cost of acquiring and developing a park on 42-44 Pine Street and part of Paints Lane; and take no further action in respect of this matter;
- (B) investigation be undertaken of possible enhancements of open space in the area as outlined in confidential Attachment C to the subject report; and
- (C) Attachment C, Possible Enhancements of Open Space in the Area, remain confidential in accordance with Section 10A(2)(d) of the Local Government Act 1993.

ATTACHMENTS

Attachment A: Open Space Acquisition Guidelines from the Draft Open Space and Recreation Needs Study

Attachment B: Aerial Site Plan Photograph of Subject Property

Attachment C: Possible Enhancements of Open Space in Area (Confidential)

BACKGROUND

1. Following a Notice of Motion by Councillor Harris, on 23 October 2006, Council requested the Chief Executive Officer to prepare a report on the cost, implications and process involved to:
 - (a) Purchase a vacant warehouse building on Paints Lane, Chippendale for the purpose of demolition and conversion into an existing park (Peace Park).
 - (b) Conversion of Paints Lane into parkland.
2. Council further requested that the report also give consideration to the advisability of purchase in light of:
 - (a) The findings of the Open Space and Recreation Needs Study, due to be reported to council this year.
 - (b) The open space projects being developed with the local community through the Chippendale Improvement Plan, including:
 - (i) improved links to existing larger open spaces of Victoria Park and Price Alfred Park;
 - (ii) possible closure of Balfour Street at O'Connor Street; and
 - (iii) improved maintenance of existing pocket parks in the area, including Peace Park; and
 - (c) Continued work to ensure a minimum 5,000 square metre new public park as part of the redevelopment of the Carlton and United Breweries site, accessible to all Chippendale residents.
3. The warehouse building the subject of this report comprises a two level brick structure in need of refurbishment, located on a site of approximately 321 square metres. The owners have a current Development Consent for renovation of the existing building to create a three level commercial office, with a rooftop deck.
4. The property is currently being marketed through Jones Lang LaSalle and was put to auction on 28 September 2006. Bidding did not reach the reserve and the property is now for sale by private treaty at \$2.2 million or \$6,853 per square metre.
5. Compared to other open space acquisitions completed by the City, ie, Water Police Site (1.8 hectares for \$11 million which equals \$611 a square metre) and Surry Hills Park (7,424 square metres for \$5.5 million equals \$740 a square metre), the acquisition of 42-44 Pine Street is an expensive option.
6. Further investigation has concluded that it would cost in the vicinity of \$500,000 to \$800,000 to demolish the building, remediate the site, close Paints Lane and landscape the site, with fees and contingencies. The additional land achieved would total 444 square metres including Paints Lane (123 square metres).

7. The closure of Paints Lane would require the consent of the Minister for Lands and would involve notification of the closure to the local community. Given that the laneway provides local access between Shepherd and Buckland Streets, it is expected that objections would be received in respect of the closure. The City would also be responsible for the relocation of services within the road reserve. Estimates of the cost of this work will be in addition to the costs shown in paragraph 6.
8. Whilst the acquisition of 42-44 Pine Street and closure of Paints Lane would enlarge Peace Park by 444 square metres to a total area of approximately 1,747 square metres, the added amenity does not justify the significant cost.
9. The City has been working with the Chippendale community to develop a Chippendale Improvement Plan, an early project from the Inner West Local Action Plan. Whilst the draft Chippendale Improvement Plan identifies the lack of open space in the area, the plan recommends the improvements of links to the existing larger open spaces of Victoria Park and Prince Alfred Park, closure of Balfour Street and O'Connell Streets, as part of the creation of 5,000 square metres of open spaces associated with the development of the Carlton United Brewery site (CUB) and improvement in the maintenance of existing pocket parks. The draft Plan is expected to be reported to Council in early 2007.
10. The Draft Open Space and Recreation Needs Study has developed open space guidelines to assess whether particular sites will provide useful, open space. One of the key criteria is that new allotments should be in the order of 3,000 to 5,000 square metres for local parks. Refer Open Space Acquisition Guidelines (Attachment A).

CONCLUSION

11. Further investigation of this proposal confirms that, due to the small site area of the subject property, the cost of acquiring the property, closing Paints Lane and redeveloping the site as an extension of Peace Park, the cost is considered to be disproportionate to the benefits that the additional open space would obtain.
12. Notwithstanding the above, further investigation should take place regarding the improvement of open space in the area consistent with the details contained in the confidential Attachment C.

KEY IMPLICATIONS

13. The acquisition and development of 42-44 Pine Street as a park is not consistent with the recommendations of the Chippendale Improvement Plan and does not meet the Open Space Acquisition Guidelines contained in the Open Space and Recreation Needs Study.

FINANCIAL IMPLICATIONS

14. The total acquisition and park construction costs plus fees is estimated at \$2.7 to \$3 million.

RELEVANT LEGISLATION

15. Section 34, Roads Act 1993, Notification of proposed closure of Paints Lane.

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