

Late Agenda Ordinary Council Meeting 19 May 2022

Council will commence consideration of
all business paper agenda items at **7.00 pm.**



OFFICER REPORTS FOR DETERMINATION

- 1. UPDATE ON THE LONG TERM LEASE OF 266 LONGUEVILLE RD TO DESIGN, CONSTRUCT AND OPERATE A SENIORS LIVING VILLAGE 3**

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UPDATE ON THE LONG TERM LEASE OF 266 LONGUEVILLE RD TO DESIGN, CONSTRUCT
AND OPERATE A SENIORS LIVING VILLAGE

Subject: Update on the Long Term Lease of 266 Longueville Rd to Design, Construct and Operate a Seniors Living Village
Record No: SU6831 - 23486/22
Division: General Managers Unit
Author(s): David Stevens; Craig Wrightson

Executive Summary

The 99 year lease agreement for 266 Longueville Road, Lane Cove has reached a significant milestone with Council receiving the full payment in respect of the lease which commenced in September 2021. Australian Unity have elected to assign the lease to an entity related to the Pathways organisation ("Pathways"). It is recommended the report be received and noted.

Background

Council at its meeting of 21 March 2022 considered a report in Closed Session and resolved:-

"That Australian Unity be advised that Council:-

- 1. Does not agree to vary the Lease and Agreements For Lease terms;*
- 2. Expects Australian Unity to meet its legal obligations;*
- 3. Authorise the General Manager to write to Australian Unity on a without prejudice basis to explain Council's legal position and seeking to resolve the dispute; and*
- 4. Authorise the General Manager and Mayor to determine an outcome acceptable to Council in respect of the dispute resolution processes and advise councillors of the proposal prior to finalisation."*

Discussion

Further to Council's resolution, Australian Unity have exercised their rights under the 99 year Lease which commenced on 11 September 2021 to assign the Lease. The obligations relating to assignment have been met. Council has now received pre-payment of all rent, being approximately \$32.5M excluding GST, and approximately \$1.4M excluding GST in interest on delay in payment.

The new lessee is Longueville The Village Pty Ltd, which is related to the Pathways organisation ("Pathways") which is currently constructing a Residential Aged Care facility and ancillary wellness services at 4 Northwood Road, some 80 metres to the south. Pathways have indicated they are intending to build a seniors community at the 266 Longueville Road site that provides the opportunity for independent apartment living, with optional access to all the care services that are available in a Residential Aged Care facility. These services will be sourced from the 4 Northwood facility, effectively supporting residents to remain in their apartments long term.

To facilitate this, Pathways have indicated they intend to lodge an application to modify the existing Development Consent which will retain the approved building envelope but replace the Residential Aged Care component with apartments. Council has been advised that the minimum apartment size will be 2 bedrooms.

This process is possible as under the terms of the assignment, Pathways now has use of the Development Consent granted in respect of the land under that DA 117/2017. As per the Development Application process, Council has not fettered its discretion in relation to the outcome of any future s4.55 Development Consent Modification application. Any such application will be

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independently assessed by an external consultant and referred to the Sydney North Planning Panel for determination.

A condition of the DA 117/2017 Development Consent is that an easement for right of access is to be granted to the adjacent Timbertops development. As part of the assignment process agreement was reached for the granting of the easement with Pathways accommodating the requests made by Timbertops, which will allow the process to be completed promptly.

The history of this site for use for seniors living dates back to 2015, and can be summarised as follows:-

1996	Former Lane Cove Womens Bowling Club merged with the Mens Club (The Diddy) and vacated the site.
1997	Lane Cove Music and Cultural Society granted use of the old Clubhouse
15-Oct-07	Council adopted the Major Projects Strategic Plan which identified the site for redevelopment for seniors living.
17-Mar-14	Council rezoned the site to R4 High Density Residential.
20-Jul-15	Council determined to proceed with utilisation of the site for Seniors Living to meet the demand identified in Council's Seniors Social Plan 2010–2014.
2016	Lane Cove Music and Cultural Centre relocated to 1 -5 Little Street purpose-built facility.
21-Nov-16	Council resolved to enter into a 99 year lease with Australian Unity (or their nominated related entity) to deliver the facility.
17-Jul-17	Council announced to the community that Australian Unity were selected to deliver a Seniors Living facility on the site.
6-Aug-17	Transaction documents executed
10-Aug-17	Development Application lodged.
23-Apr-19	New Development Application plans lodged responding to original panel decision.
6-Sep-21	Sydney North Planning Panel Granted Development Consent.
11-Sep-21	The Lease of the land automatically commenced (pre signed 6-Aug-17).
21-Mar-22	Council declined to vary the lease and AFL to grant an extension to Australian Unity for payment of the rent due.
16-May-22	Australian Unity assigned the lease to Pathways (related entity) and payment was received in full.

Conclusion

The payment of the rent effectively concludes the transaction in relation to the site. The funds have been earmarked for funding of a Sport and Recreation facility. A full funding strategy for that project will be provided in a future report to Council.

RECOMMENDATION

That the report be received and noted.

Craig Wrightson
General Manager
General Managers Unit

ATTACHMENTS:

There are no supporting documents for this report.