



ACT

Government

Economic Development

MINUTE

DIRECT SALE PANEL AGENDA ITEM 4.1

SUBJECT: 2013-178 - Direct Sale Application by the Tzanetos Family Group of part of Primmer Court and part Block 53 Section 346 Kambah

To: Direct Sale Panel

From: Chair, Direct Sale Panel

Date: 23 September 2014

Purpose

To seek the Direct Sale Panel's (the Panel) agreement to recommend to government that it supports the direct sale of Primmer Court and part Block 53 Section 346 Kambah that is contiguous to Block 5 Section 346 Kambah.

Background

The previous Panel Brief at [Attachment A](#) refers.

Issues

The Panel did not support the direct sale of part of Primmer Court and part Block 53 Section 346 Kambah by direct sale at the 5 June 2014 meeting.

It is recorded in the minutes that the Panel did not consider the land contiguous and that further investigation was required to decide the most appropriate method of release (sale) of the block.

Consultation

Valuation

ED Direct Sales sought the advice of a property valuer to determine the value of the block of land if it were to be sold as a stand-alone parcel of land noting the requirement to meet the planning restrictions of the Territory Plan and Kambah Group Centre Master Plan. The planning requirements include a 2 storey limit, basement car parking and replacement car parking.

The outcome of the valuation is that it is not feasible sell the parcel of land as a stand-alone block. The valuation of the block is [REDACTED] In addition this

figure does not take into account the additional costs of realigning Primmer Court. Attachment B refers.

The second scenario, where the block is sold by direct sale to the Tzanetos Family Group, provides a [REDACTED] (approximate, subject to valuation again after a DA is approved) – Attachment C.

Planning outcome

The realisation of the Kambah Group Centre Master Plan in a coordinated and integrated method can only be achieved by direct selling the subject block of land to the proponent.

The proponent has the unique benefit of being able to integrate the north, central and southern sites and achieve efficiency in design and construction, thereby improving the feasibility of the project and being able to deliver a development that meets all the planning requirements for the site.

CBRE has provided a detailed planning report to support the argument Attachment D.

Block configuration

The subject block is subject to accurate survey. The block size is approximately 1017m² - see Attachment E (not 860m² as previously noted in the previous Panel Brief).

Financial

The financial advice as stated in the attached Panel Brief at Attachment A is still valid. The Tzanetos Family Group has the financial capacity to purchase and develop the land.

Eligibility

Tzanetos Family Group meets the eligibility criteria as set out in section 122 of the *Planning and Development Regulation 2008*. An assessment of the appropriate eligibility criteria is at Attachment E.

Recommendations

The Panel agree to recommend to the Minister that:

1. The Tzanetos Family Group is eligible for the direct sale of part of Primmer Court and part Block 53 Section 346 Kambah as it has met the eligibility

criteria in accordance with section 122 of the Planning and Development Regulation 2008; and

2. if the Tzanetos Family Group is found eligible for a direct sale, the sale will be conditional on obtaining development approval for the consolidated development. Noting that the consolidation will be required to include the land to the south of Block 5 to ensure compliance with the Minister's approval for the direct sale of that block.

AGREED/NOT AGREED

Louise Gilding

Action Officer: Katherine Hicks
Extension: 54868



DIRECT SALE PANEL AGENDA ITEM 4.2

SUBJECT: 2013-178 - Direct Sale Application by the Tzanetos Family Group of part of Primmer Court and part Block 53 Section 346 Kambah

To: Direct Sale Panel
From: Chair, Direct Sale Panel

Date: 4 June 2014

Purpose

To seek the Direct Sale Panel's (the Panel) agreement to put a recommendation to the Minister for the Environment and Sustainable Development supporting the direct sale of a lease over part of Primmer Court and part Block 53 Section 346 Kambah to the Tzanetos Family Group (S & M Tzanetos).

Background

The Tzanetos Family Group lodged an application in August 2009 for the direct sale of land contiguous to its existing lease (Block 5 Section 346 Kambah, Block 5) to facilitate the expansion of the supermarket. The application suggested three options for consideration; these were:

- Option A – expansion of the supermarket to the north of Block 5 which would increase the existing GFA by 847 square metres;
- Option B – expansion of the supermarket to the south of Block 5 which would increase the existing GFA by 1,097 square metres; and
- Option C – expansion of the supermarket to the north and south of Block 5 by 1,944 square metres.

A decision on the eligibility of the applicant was deferred until the review of the ACT Supermarket Competition Policy was undertaken. The former Supermarket Competition Coordination Committee provided its assessment on 6 February 2013 and advised that it had no objection from a supermarket competition perspective to a direct sale as per Option B. (It should be noted that the supermarket competition policy is no longer operational). The Panel supported the direct sale application on 4 April 2013. The Minister for the Environment and Sustainable Development approved the direct sale in accordance with **Option B** on 6 May 2013. This approval is subject to the consolidation of the Crown lease granted over the southern block with the existing Crown lease over Block 5.

Block 5 and the contiguous land to the south (combined area of approximately 2,784m²) will be the focus of an expansion and redevelopment of the existing supermarket. This will facilitate the modernisation of the key tenancy (Woolworths) to permit the

establishment of a full line supermarket (with dedicated loading zone) that will secure the role of the major anchor tenancy within the centre in the immediate future. The proposal includes a basement car park with access from the southern alignment of Primmer Court that will provide undercover parking to the centre in a convenient location that is closely related to the central pedestrian plaza. Infrastructure works required to support the development of the southern site include the realignment of Primmer Court to facilitate truck movement and improve access through the centre, and provide additional on-grade public parking along the re-aligned Primmer Court.

On 8 October 2013, CBRE requested that the lease offer for the land to the south of Block 5 be put on hold until such time as the outcome of the direct sale application of land to the north is known. On 10 October 2013, CBRE was advised that the direct sale offer would be deferred pending the decision on the direct sale application of part of Primmer Court and part Block 53 Section 346 Kambah, to the north of Block 5.

Issues

Current Application

On 24 April 2014 CBRE, on behalf of the lessee of Block 5, lodged a direct sale application for approximately 860m² of contiguous land to the north of Block 5, being part of Primmer Court and part Block 53 Section 346 Kambah. The application is to facilitate: a new front entrance for the centre facing the Marconi Crescent/Drakeford Drive intersection; specialty stores; a secondary anchor store (adjacent to the supermarket redevelopment); and an active frontage facing Primmer Court. A map of the land being sought is at Attachment A.

The development of this site will integrate with the southern site redevelopment and the realignment of Primmer Court and effectively complete the implementation of Stage A of the endorsed Kambah Group Centre Master Plan (July 2012) in one coordinated proposal. Further, the coordination of staging for both the north and the south developments will ensure minimal disruption to the centre.

The master plan encourages existing shops and services to expand and diversify to allow them to be resilient and prosper into the future. The direct sale will assist in meeting this objective. The activation of the front entrance to the centre is also supported by the master plan.

The acquisition of the 1,097m² (under **Option B**) to the south and 860m² to the north of Block 5 will result in total block area of approximately 3,644m².

Land Requests Advisory Committee (LRAC)

This proposal was circulated by LRAC on 20 December 2013 for comment. Comments received indicate that there are no objections to the direct sale subject to the approval of a Development Application (DA). The proponent will be encouraged to discuss its proposal with the Strategic Planning and Policy Section of the Environment and Sustainable Development Directorate (ESDD) prior to seeking a pre-application meeting.

ESDD recognises that the proposal to expand Block 5 to the north and south is consistent with the objectives of the master plan for the centre.

Eligibility Criteria

The relevant eligibility requirements for the direct sale of contiguous land are set out in section 122 of the *Planning and Development Regulation 2008*. An assessment against the criteria is provided at Attachment B.

Planning Legislation

The Land being sought through the direct sale application is subject to Commercial CZ1 – Core Zone under the Territory Plan, which is consistent with the zoning of Block 5.

Consultation

The land being sought is un-leased Territory land under the custodianship of the Territory and Municipal Services Directorate.

The proponent will be required to lodge a DA for the proposed development on the land as well as the consolidation of this land and the land to the south (the previously approved direct sale) with the proponent's existing Crown lease over Block 5. The DA will be subject to public notification.

Financial

On 26 May 2014, the Chief Minister and Treasury Directorate advised that the Tzanetos family have the financial capacity to develop the land allowing for further consideration of the direct sale application.

Recommendations

The Panel agree to recommend to the Minister that:

1. the Tzanetos Family Group is eligible for the direct sale of part of Primmer Court and part Block 53 Section 346 Kambah as it has met the eligibility criteria in accordance with section 122 of the *Planning and Development Regulation 2008*; and
2. if the Tzanetos Family Group is found eligible for a direct sale, the sale will be conditional on it obtaining development approval for the consolidated development, noting the consolidation will be required to include the land to the south of Block 5 to ensure compliance with the Minister's approval for the direct sale of that block.

AGREED/NOT AGREED

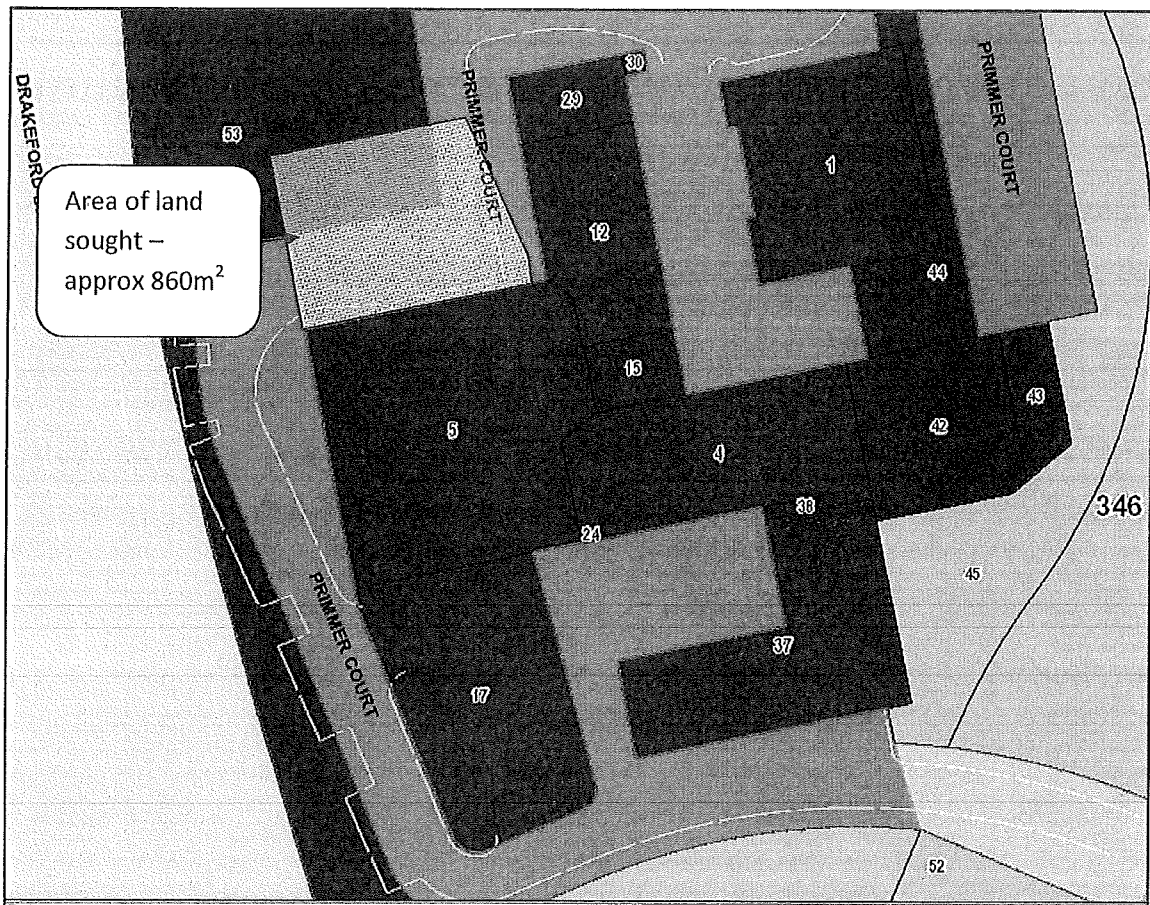
Louise Gilding

Action Officer: Dulce Lander
Extension: x75923

Direct Sale Application

part of Primmer Court and part Block 53 Section 346 Kambah

Applicant: Tzanetos Family Group (S & M Tzanetos)



Assessment against Criteria – Direct Sale of Land

Tzanetos Family – S & M Tzanetos

Criteria: s122 Direct Sale criteria for leases of contiguous unleased land other than public land – Act, s 240 (1) (a) (ii)

- (1) The criteria for the direct sale of a lease of unleased land other than public land (the **proposed lease**) to the lessee of a lease (the **existing lease**) that is contiguous with the proposed lease are that–
- (a) the grant of the proposed lease will–
 - (i) rectify an existing encroachment on the proposed lease by a building or structure on the existing lease for the purpose of consolidating the proposed and existing leases for subdivision under the *Unit Titles Act 2001*; or
 - (ii) facilitate the achievement of a good planning outcome; and
 - (b) the proposed use of the land is compatible with Territory or Commonwealth government policies applicable to the proposed use; and
 - (c) because of the size, location or configuration of the proposed lease, it is not reasonable or viable to grant the proposed lease as a separate independent lease; and
 - (d) the grant of the proposed lease–
 - (i) will not detract from the amenity of the surrounding area; and
 - (ii) will promote better land management; and
 - (iii) will not unreasonably restrict public access to other land.

Note **Public land**—see the Act, dictionary.

- (2) In this section:

encroachment includes a projection at, above or below ground level.

Response: s122 Direct Sale Criteria for leases of contiguous unleased land other than public land

- (1) (a) (ii) the proponent is in a unique position to develop to the north of its existing lease to spark off the implementation of the Kambah Group Centre Master Plan and deliver most of the works included in Stage A of the Master Plan including the realignment of Primmer Court and additional public parking. The development represents a large capital investment that could trigger other owners in the centre to undertake a much needed upgrade or redevelopment of the existing facilities and infrastructure.

- (b) the proposed use of the land is consistent with the Kambah Group Centre Master Plan and the proposal is intended to deliver most of the works included in Stage A of the Master Plan. Development to the north of the proponent's existing lease holding permits design flexibility and a unique opportunity to deliver a better design outcome than could be achieved by selling the land on the open market.
- (c) although on the face of it the area of land being sought could be sold independently it is believed that selling the land to the lessee of Block 5 Section 346 Kambah would achieve a better design outcome and a more cohesive development to benefit the Kambah community.
- (d)
 - (i) the direct sale will result in a better design outcome that will better address the planning outcomes of the Kambah Group Centre Master Plan and thereby improving the amenity of the centre.
 - (ii) by the direct sale going ahead it achieve a better land management outcome by the lessee of Block 5 being required to improve the public realm and help to revitalise the centre.
 - (iii) the proposal will enhance public access both pedestrian and vehicular by implementing the requirements of the Master Plan and improving the connectivity through the centre.