

Rescind Redundant Land Management Agreement - 150 Grenfell Street

Strategic Alignment - Our Economy

Public

Tuesday, 2 July 2024

City Planning, Development and Business Affairs Committee

Program Contact:

Steve Zaluski, Associate Director
Regulatory Services

Approving Officer:

Ilia Houridis, Director City
Shaping

EXECUTIVE SUMMARY

Council has received a request for the rescission of a redundant Land Management Agreement (LMA) associated with 150 and 162 Grenfell Street, Adelaide.

The LMA was entered into with associated parties on 22 November 1996. At the time, the two separate buildings were joined at level two to enable the tenant to occupy the entire floor across both buildings. As this did not comply with building rules in terms of fire separation, the LMA was registered to require a dividing wall to be reinstated should different tenants wish to occupy the respective halves of level two.

In 2020 development approval was obtained to redevelop these two buildings into a single building (DA/264/2018). Considering this, the LMA is now redundant, and the applicant wishes to remove it from the titles.

Should Council authorise the rescission of the LMA it will be wholly at the applicant's cost.

RECOMMENDATION

The following recommendation will be presented to Council on 9 July 2024 for consideration

THAT THE CITY PLANNING, DEVELOPMENT AND BUSINESS AFFAIRS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Approves the rescission of the Land Management Agreement as per Attachment A to Item 7.8 on the Agenda for the meeting of the City Planning, Development and Business Affairs Committee held on 2 July 2024.
 2. Authorises the Administration to undertake the necessary steps to assist the applicant to rescind the Land Management Agreement at the applicant's cost.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Economy Continue to grow our economy in alignment with the community
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The reason for entering into the LMA is now redundant, so there are no risks in its recission.
Opportunities	Not as a result of this report
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. In 1996, the buildings at 150 Grenfell Street and 162 Grenfell Street were located adjoining each other on a shared boundary.
2. Council entered into a Land Management Agreement (LMA) on 22 November 1996 with the then owners of both properties.
3. At that time, the South Australian Health Commission sought to lease a portion of level two of both buildings at 150 and 162 Grenfell Street. This necessitated demolition of a portion of the wall joining the two buildings to allow access between both buildings.
4. This opening did not comply with building rules requirements in terms of fire separation and consequently Council agreed to the opening provided:
 - 4.1. the opening was sealed with fire doors while the lease was current
 - 4.2. an agreement was registered on the relevant Certificates of Title and
 - 4.3. the fire doors and associated fire safety mechanisms were maintained.
5. The LMA entered into satisfied 4.2 above.
6. The agreement contained a clause which required the wall between the two buildings to be reinstated at the end of the lease or any extension or holding over period of the lease.
7. In April 2018, Council received a development application (DA/264/2018) for the sites at 150 and 162 Grenfell Street. The nature of development was *'to convert two, six storey office buildings into a single, seven storey mixed use building which contains two retail tenancies on the ground floor level and multiple office tenancies above'*. Image provided in [Link 1](#).
8. Development Approval was granted on 21 May 2020. The development has been under construction recently and is now nearing completion, with a recent media article in April 2024 announcing the RAA intends to relocate from its Mile End office to this building in the first half of 2026.
9. The buildings as previously constructed and existing built form are shown on location maps in [Link 2](#).
10. Considering the buildings are no longer separated, the requirement to reinstate fire doors in accordance with the LMA is no longer relevant or required.
11. As part of the Development Approval for DA/264/2018, all building and fire safety components were reviewed and certified as meeting the required standards. This will also be further confirmed when the development is completed, with the issuing of a Certificate of Occupancy, which is standard practice.

Next Steps

12. The purpose of this report is to seek a decision from Council to authorise the rescission of the LMA.
13. Should Council agree to authorise the rescission, it will be wholly at the applicant's cost.

DATA AND SUPPORTING INFORMATION

Link 1 – Image office refurbishment currently under construction (DA/264/2018)

Link 2 – Location Maps

ATTACHMENTS

Attachment A – Request to Rescind LMA and Copy of LMA

- END OF REPORT -