

minutes

Finance Committee

MEETING HELD ON **TUESDAY 4 APRIL 2017**

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CITY OF JOONDALUP

MINUTES OF THE FINANCE COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY 4 APRIL 2017.

ATTENDANCE

Committee Members

Cr Tom McLean, JP	<i>Presiding Member</i>	
Mayor Troy Pickard		<i>absent from 5.52pm to 5.54pm</i>
Cr Philippa Taylor	<i>Deputy Presiding Member</i>	
Cr Mike Norman		<i>from 5.50pm</i>
Cr John Logan		
Cr Russ Fishwick, JP	<i>Deputising for Cr Sophie Dwyer</i>	<i>from 5.47pm</i>

Officers

Mr Garry Hunt	Chief Executive Officer	<i>absent from 5.47pm to 5.48pm</i>
Mr Mike Tidy	Director Corporate Services	
Mr Nico Claassen	Director Infrastructure Services	
Mr Brad Sillence	Manager Governance	
Mr Mike Smith	Manager Leisure and Cultural Services	<i>absent from 5.47pm to 5.48pm until 6.27pm</i>
Mr Blignault Olivier	Manager City Projects	
Mr John Byrne	Governance Coordinator	
Mr Scott Collins	Senior Projects Officer	
Mrs Deborah Gouges	Governance Officer	

Observer

Cr John Chester

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.45pm.

DECLARATIONS OF INTEREST

Nil.

APOLOGIES/LEAVE OF ABSENCE**Apologies**

Nil.

Leave of Absence previously approved

Cr Russell Poliwka	28 March to 5 April 2017 inclusive;
Cr Nige Jones	2 April to 7 April 2017 inclusive;
Cr Sophie Dwyer	2 April to 11 April 2017 inclusive;
Cr Liam Gobbert	11 April to 18 April 2017 inclusive;
Cr Sophie Dwyer	12 April to 19 April 2017 inclusive;
Cr Sophie Dwyer	20 April to 30 April 2017 inclusive;
Cr John Logan	22 April to 28 May 2017 inclusive;
Cr Nige Jones	4 May to 13 May 2017 inclusive;
Cr Sophie Dwyer	1 July to 17 July 2017 inclusive;
Cr Sophie Dwyer	9 July to 13 July 2017 inclusive;
Cr Sophie Dwyer	23 September to 8 October 2017 inclusive.

CONFIRMATION OF MINUTES**MINUTES OF THE FINANCE COMMITTEE HELD ON 6 FEBRUARY 2017**

MOVED Cr Logan, **SECONDED** Mayor Pickard that the minutes of the meeting of the Finance Committee held on 6 February 2017 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Logan and Taylor.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the City's *Meeting Procedures Local Law 2013*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**ITEM 1 UPDATE ON THE 2016-17 CAPITAL WORKS PROGRAM**

WARD	All
RESPONSIBLE DIRECTOR	Mr Nico Claassen Infrastructure Services
FILE NUMBER	105564, 101515
ATTACHMENT	Attachment 1 Capital Works Project Report 2016-17
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Finance Committee to note the update on the *2016-17 Capital Works Program*.

EXECUTIVE SUMMARY

The Capital Works Project Report for the 2016-17 program as at 20 March 2017 is attached (Attachment 1 refers).

It is therefore recommended that the Finance Committee NOTES the report on the Capital Works Projects for 2016-17 as at 20 March 2017 forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 3 November 2015 (JSC02-11/15 refers), Council resolved, in part to:

“2 *ESTABLISH a Finance Committee to:*

- 2.1 *oversee the progress of the City’s annual capital works program and review of the City’s Five Year Capital Works Program;*
- 2.2 *make recommendations to Council on modifications of capital works projects outside those projects of the Major Projects Committee;*
- 2.3 *make recommendations to Council on the services to be provided by the City and the standards of service delivery being cognisant of industry best practice;”*

DETAILS

The Capital Works Project Report for the 2016-17 program as at 20 March 2017 is provided at Attachment 1.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications**Legislation**

Sections 5.17 and 6.8 of the *Local Government Act 1995*.

A committee cannot make decisions, on behalf of the Council, that require an absolute majority decision (section 5.17 of the *Local Government Act 1995*), in which case, and in accordance with Section 6.8 of the *Local Government Act 1995*, includes approving expenditure not included in the City's Annual Budget. The Finance Committee may only recommend to Council to approve or modify capital works projects.

Strategic Community Plan**Key theme**

Financial Sustainability.

Objective

Major project delivery.

Strategic initiative

Not applicable.

Policy

Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The Capital Works Project Report for the 2016-17 program provides an update on the capital works activities undertaken as at 20 March 2017.

VOTING REQUIREMENTS

Simple Majority.

Cr Fishwick entered the Room at 5.47pm.

The Chief Executive Officer and the Manager Leisure and Cultural Services left the Room at 5.47pm and entered the Room at 5.48pm.

MOVED Cr Logan, SECONDED Cr McLean that the Finance Committee NOTES the report on the Capital Works Projects for 2016-17 as at 20 March 2017 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan and Taylor.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnFIN170404.pdf](#)

- *MacDonald Park Landscape Master Plan.*
- Ocean Reef Road – Marmion Avenue to Oceanside Promenade Dualling.
- Ocean Reef Road/Joondalup Drive Intersection Upgrade.
- *Leafy City Program.*
- Joondalup City Centre Lighting.
- Admiral Park Flood Lighting Upgrade.
- Penistone Park Facility Refurbishment.
- Grove Child Care/Dorchester Hall/Warwick Hall.
- Sorrento Beach Enclosure.
- Warwick Hockey Centre Project.
- Percy Doyle – Undercroft Extension.

The following project which required bi-monthly project reports was completed and the final report was presented to the Finance Committee held on 3 October 2016:

- Timberlane Park Hall Upgrade.

The following project which required bi-monthly project reports was completed and the final report was presented to the Finance Committee held on 7 December 2016:

- Kingsley Clubrooms.

The following project which required bi-monthly project reports was completed and the final report was presented to the Finance Committee held on 6 February 2017:

- Sorrento Beach Enclosure.

DETAILS

A summary of the projects and their current status is detailed in the bi-monthly project reports forming Attachments 1-11 to this Report.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation Sections 5.17 and 6.80 of the *Local Government Act 1995*.

A committee cannot make decisions, on behalf of the Council, that require an absolute majority decision (section 5.17 of the *Local Government Act 1995*), in which case, and in accordance with Section 6.8 of the *Local Government Act 1995*, includes approving expenditure not included in the City's Annual Budget. The Finance Committee may only recommend to the Council to approve or modify capital works projects.

Strategic Community Plan

Key theme Financial Sustainability.

Objective Major project delivery.

Strategic initiative Not applicable.

Policy Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The attached capital works project reports provide an update on the activities undertaken in the last two months.

VOTING REQUIREMENTS

Simple Majority.

Cr Norman entered the Room at 5.50pm.

Mayor Pickard left the Room at 5.52pm and entered the Room at 5.54pm.

MOVED Cr Norman, SECONDED Cr Taylor that the Finance Committee NOTES the bi-monthly capital works project reports forming Attachments 1 to 11 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnFIN170404.pdf](#)

ITEM 3 COMMUNITY FACILITY REFURBISHMENT PROJECTS - WARWICK SPORTS CENTRE

WARD	South
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	14151, 101515, 105567
ATTACHMENTS	Attachment 1 Aerial map of Warwick Sports Centre Attachment 2 Warwick Sports Centre floorplan (existing) Attachment 3 Greenwood Tennis Clubroom concept plan Attachment 4 Greenwood Tennis Clubroom cost estimate Attachment 5 Warwick Bowling Clubroom concept plan – Option 1 Attachment 6 Warwick Bowling Clubroom cost estimate – Option 1 Attachment 7 Warwick Bowling Clubroom concept plan – Option 2
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to provide feedback on the concept plans, estimated capital costs and recommendations for the Warwick Sports Centre community facility refurbishment projects.

EXECUTIVE SUMMARY

At the November 2015 Finance Committee meeting a request was made for a report to be prepared detailing concept design options and estimated costings to undertake a refurbishment and potential extension of the Warwick Bowling and Greenwood Tennis Clubrooms.

The Greenwood Tennis Clubroom is located on Lloyd Drive, Warwick. The facility was constructed in 2000 and consists of a hall, office, kitchen, toilets, changerooms and storerooms. In 2013 the facility was rekeyed and the kitchen and toilets had some fixtures and fittings replaced. In 2016 the carpets were replaced in the main hall.

This part of the facility is leased to the Greenwood Tennis Club who has approximately 120 members.

The Warwick Bowling Clubroom is located on Lloyd Drive, Warwick. The facility was constructed in 2000 and consists of a hall, offices, kitchen, bar, toilets, changerooms and storerooms. In 2013 the facility was rekeyed, carpet was replaced in the offices and the kitchen and toilets had some fixtures and fittings replaced. Also in 2013, the Warwick Bowling Club installed a new audio-visual system and in 2014 installed new PV (solar) panels.

This part of the facility and adjacent four bowling greens are leased to the Warwick Bowling Club who have approximately 420 members.

Both clubs, along with Perth Outlaws Softball Club, formed the Warwick Sports Association that initially leased both of the facilities. However, some years ago the association dissolved and the Greenwood Tennis Club and Warwick Bowling Club acquired leases over their respective parts of the facility while the Perth Outlaws Softball Club relocated to Penistone Park.

As part of the needs analysis stage of the project, stakeholder consultation was undertaken with the existing user groups who lease the facility (Greenwood Tennis Club and Warwick Bowling Club). Considering the feedback from user groups and priorities identified by the City, a scope of works was developed in order to undertake concept designs and a cost estimate for each project.

Based on the agreed concept design the estimated capital cost for the Greenwood Tennis Clubroom refurbishment project is \$349,000. The proposed facility concept plan for Warwick Bowling Clubroom includes a main hall extension and the estimated capital cost for this project is \$754,000. To improve the aesthetics of the north-east corner of the hall, a second concept plan option was developed and the estimated capital cost for this option is \$954,000.

There are no funds listed in the City's adopted 2016-17 *Five Year Capital Works Program* for these projects.

It is therefore recommended that Council:

- 1 *NOTES the proposed refurbishment works at the Greenwood Tennis Clubrooms as detailed in this Report at a cost estimate of \$349,000;*
- 2 *NOTES the proposed refurbishment works (option 1) at the Warwick Bowling Clubrooms as detailed in this Report at a cost estimate of \$754,000.*

BACKGROUND

Suburb/Location	66 Lloyd Drive Warwick WA 6024.
Applicant	City of Joondalup.
Owner	Crown Land – City of Joondalup Management Order.
Zoning	DPS Parks and Recreation.
	MRS Parks and Recreation.
Site area	34,860m ² .
Structure plan	Not applicable.

At the November 2015 Finance Committee meeting a request was made for a report to be prepared detailing concept design options and estimated costings to undertake a refurbishment and potential extension of the Warwick Bowling and Greenwood Tennis Clubrooms. As a result of this discussion, the City followed its agreed facility refurbishment process.

Since 2007, the City has undertaken one or two community facility refurbishment projects each year. Refurbishment projects intend to improve the functionality and aesthetics of the facility and are not designed to undertake general maintenance. The scope of each project is generally confined to painting, replacing fixtures and fittings, upgrading external environments (for example building pathways, landscaping around the building, signage), kitchen facilities, floor coverings, toilets and changerooms (including refurbishment or new extensions), storage facilities (extensions to the facility), heating/cooling systems and window treatments.

Major structural changes or modification to a facility that include major extensions and/or reconfigurations of areas are normally classified as a redevelopment project. However, due to the Warwick Bowling Club operating at capacity, this project proposes a building extension.

Greenwood Tennis Clubroom

The Greenwood Tennis Clubroom is part of the Warwick Sports Centre and is located on Lloyd Drive, Warwick (Attachment 1 refers). The facility was constructed in 2000 and consists of a hall, office, kitchen, toilets, changerooms and storerooms (Attachment 2 refers). In 2013 the facility was rekeyed and the kitchen and toilets had some fixtures and fittings replaced. In 2016 the carpets were replaced in the main hall.

This part of the facility is leased to the Greenwood Tennis Club who has approximately 120 members.

The facility design and layout meets the needs of the user groups well, however the existing toilets do not meet current universal access requirements and the kitchen needs updating. There are no shade shelters between the existing tennis courts and a lack of footpaths connecting the tennis courts and clubroom. The tennis court car park has no security lighting.

Warwick Bowling Clubroom

The Warwick Bowling Clubroom is part of the Warwick Sports Centre and is located on Lloyd Drive, Warwick (Attachment 1 refers). The facility was constructed in 2000 and consists of a hall, offices, kitchen, bar, toilets, changerooms and storerooms (Attachment 2 refers). In 2013 the facility was rekeyed, carpet was replaced in the offices and the kitchen and toilets had some fixtures and fittings replaced. Also in 2013, the Warwick Bowling Club installed a new audio-visual system and in 2014 installed new PV (solar) panels.

This part of the facility and adjacent four bowling greens are leased to the Warwick Bowling Club (WBC) who have approximately 420 members.

The WBC is currently operating at capacity in their clubroom and would like to accommodate a greater number of members and hirers. In 2015 they provided the City with a suggested layout for a building extension.

The existing facility design and layout meets the needs of the user groups well, however the size of the existing main hall limits the opportunities the club can provide to its members and those who hire the facility. The existing toilets do not meet current universal access requirements and are required to be extended to support the main hall extension. The kitchen also needs updating and power may need to be upgraded to accommodate the main hall extension.

The main car park for the facility services both the tennis and bowling clubrooms and the existing ACROD parking bays do not meet the current universal access requirements.

There are currently no funds listed in the City's *Five Year Capital Works Program* for these projects.

DETAILS

Stakeholder consultation

As part of the needs analysis stage of the project, stakeholder consultation was undertaken with the Greenwood Tennis Club and Warwick Bowling Club.

Greenwood Tennis Club

The following items were identified during consultation with Greenwood Tennis Club and were included for consideration in the scope of works:

- Toilet/changeroom refurbishment.
- Kitchen refurbishment.
- Main hall painting.
- Additional paving/footpaths around tennis courts.
- Additional shade shelters between tennis courts.
- New car park lighting.

Warwick Bowling Club

The following items were identified during consultation with Warwick Bowling Club and were included for consideration in the scope of works:

- Main hall extension.
- Kitchen refurbishment.
- Toilet/changeroom refurbishment.
- Upgrade of the existing bin wash down area.
- Upgrade of the existing ACROD parking bays.
- Power upgrade (if required).

Concept plans and capital cost estimates

A scope of works was developed based on addressing the challenges identified for each facility and stakeholder consultation with the Greenwood Tennis Club and Warwick Bowling Club. Facility concept plans were developed based on the scope of works and cost estimates were obtained from an external Quantity Surveyor.

Greenwood Tennis Clubroom

The proposed facility concept plan (Attachment 3 refers) includes a toilet refurbishment to meet the current universal access requirements. The kitchen will be refurbished and a number of the existing skylights replaced in the passage, stores and kitchen as they are missing or in poor condition. Minor painting will be undertaken in the main hall. The external doors to all rooms on the eastern side of the facility will be replaced due to damage from wet weather. Bench seating will be replaced along the verandah and additional footpaths will be constructed to improve pedestrian access around the tennis courts. Two new shade shelters will be constructed between the tennis courts and security lighting will be installed in the car park to the west of the tennis courts.

The Greenwood Tennis Club operations will be disrupted during construction. Temporary facilities (for example toilets) have been included in the cost estimate to accommodate the Greenwood Tennis Club during construction.

The following is a summary of the items and cost estimate (Attachment 4 refers):

Item	Cost (\$)
Hall works	3,200
Passage and stores	54,000
Changeroom works	4,000
Kitchen refurbishment	39,000
Toilets/Universal Access Toilet (UAT) refurbishment	81,000
External works including footpaths and shade shelters	69,000
Carpark lighting	63,700
Temporary facilities (required during construction)	35,100
TOTAL	349,000

The cost estimate summary table includes preliminaries and small works margin (25%), professional fees in order to undertake detailed design (12%), design contingencies (5%), building contingencies (5%) and cost escalation to June 2018 (2.92%).

All amounts quoted in this report are exclusive of GST.

Warwick Bowling Clubroom

In 2015 the Warwick Bowling Club provided the City with a suggested layout for a building extension and discussed extending the main hall and modifying the existing foyer and main entrance. The club's proposal for the building extension increased the main hall size from approximately 160m² to 220m², and the club also discussed extending the foyer over the existing access ramp and including a platform chair lift (to meet universal access requirements). The proposed plans were developed to increase the number of members and visitors that the club could accommodate.

The proposed facility concept plan – Option 1 (Attachment 5 refers) includes a main hall extension that increases the size from approximately 160m² to 220m² (as the club requested) and a new verandah to match the existing. To accommodate the larger main hall and meet the current universal access requirements the toilets will be refurbished and extended. A number of the cupboards and benchtops and the roller shutters will be replaced in the kitchen. The main entrance will also have a new verandah installed and the ACROD car parking bays will be upgraded.

There is a significant amount of work proposed at the Warwick Bowling Clubroom and the club's operations will be disrupted during construction. Temporary facilities (for example toilets and storage) have been included in the cost estimate to accommodate the Warwick Bowling Club during construction.

The following is a summary of the items and cost estimate for Option 1 (Attachment 6 refers):

Item	Cost (\$)
Main hall extension and verandah (220m ² clubroom)	370,400
Toilets and changeroom refurbishment	124,700
Kitchen refurbishment	56,800
New universal access toilet (UAT) and cleaners store	30,600
New entrance verandah	5,100
Car park works and bin wash down area	30,100
Power upgrade	100,000
Temporary facilities (required during construction)	36,300
TOTAL	754,000

The cost estimate summary table includes preliminaries and small works margin (25%), professional fees in order to undertake detailed design (12%), design contingencies (5%), building contingencies (5%) and cost escalation to June 2018 (2.92%).

A platform chair lift and foyer extension over the existing ramp was investigated, though due to *Building Code of Australia* (BCA) requirements could not be included in the concept plans. To improve the aesthetics of the north-east corner of the hall, a second concept plan option was developed (Attachment 7 refers). The proposed facility concept plan – Option 2, includes a main hall extension that increases the size to 285m² (approximately 65m² larger than Option 1) at an estimated cost of \$954,000.

The cost estimates are based on high level concept plans and tender prices may differ following the detailed design stage (if the projects proceed).

Issues and options considered

The following community sporting facility refurbishment projects are currently listed in the City's *Five Year Capital Works Program*. Below is an overview of the project budgets and status:

- 2016-17: Undercroft Bridge Clubroom; Project budget \$445,547; Construction complete.
- 2016-17: Flinders Park Community Hall; Project budget \$110,000; Construction is underway and due to be completed early 2017.
- 2017-18: Sorrento Football (soccer) Clubroom; Project budget \$662,906; Tender documents are being developed and construction is scheduled to commence in 2017-18.
- 2017-18: Sorrento Tennis Clubroom; Project budget \$606,605; Tender documents are being developed and construction is scheduled to commence in 2017-18.
- 2017-18: Warrandyte Park Clubrooms; Project budget \$250,000; Quotes have been sought and construction is scheduled to commence in 2017-18.
- 2018-19: Duncraig Leisure Centre; Project budget \$822,000; Concept designs and costings have been developed.
- 2018-19: Sorrento Bowling Clubroom; Project budget \$184,000; Stakeholder consultation completed, concept designs and costings have been developed.
- 2018-19: Windermere Park Clubrooms; Project budget \$250,000; Stakeholder consultation and scope of works completed.
- 2019-20: Duncraig Community Centre; Project budget \$232,900; Stakeholder consultation and scope of works completed.
- 2019-20: Mildenhall; Project budget \$369,900; Stakeholder consultation and scope of works completed.
- 2020-21: MacNaughton Park Clubroom; Project budget \$850,000. Project planning due to commence in 2017-18.

There are currently no funds listed in the City's *Five Year Capital Works Program* for the refurbishment of the Greenwood Tennis Clubroom and Warwick Bowling Clubroom facilities.

Greenwood Tennis Clubroom

There are two options for this project:

- do not proceed with the project
or
- proceed with the project and allocate \$349,000 within the *Five Year Capital Works Program*.

Warwick Bowling Clubroom

There are three options for this project:

- do not proceed with the project
- proceed with the project (Option 1) and allocate \$754,000 within the *Five Year Capital Works Program*
or
- proceed with the project (Option 2) and allocate \$954,000 within the *Five Year Capital Works Program*.

The larger main hall extension in concept plan Option 2 was considered for the project as an option due to the aesthetics of the building. Option 1 meets the club's request and is the recommended option.

Legislation / Strategic Community Plan / policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Community Wellbeing.

Objective Quality facilities.

Strategic initiative

- Support a long-term approach to significant facility upgrades and improvements.
- Understand the demographic context of local communities to support effective facility planning.
- Employ facility design principles that will provide for longevity, diversity, inclusiveness and where appropriate support the decentralising of City services.

Policy *Requests for New or Capital Upgrades to Existing Community Buildings Policy.*

Risk management considerations

Any capital project brings risks in relation to contingencies and over runs against original design. The capital cost estimate is based on concept designs and may differ once further detailed designs are undertaken for the projects (if the projects proceed).

Financial / budget implications

There are currently no funds listed in the City's *Five Year Capital Works Program* for these projects.

Future financial year impact

Annual operating cost The existing operating cost for the Warwick Sports Centre (Greenwood Tennis Clubroom and Warwick Bowling Clubroom) is estimated at \$35,432, this includes maintenance and utilities for the clubrooms. The proposed changes for Option 1 of Warwick Bowling Clubroom are estimated to increase operating expenses by \$2,322, with the overall costs estimated to increase to \$37,754.

Estimated annual income The existing income for the Warwick Sports Centre is estimated at \$14,388. This includes utilities reimbursement and lease fees.

It is not expected that the proposed refurbishment works would have an impact on the annual income for the facility.

Capital replacement Services (short life) are estimated to be replaced after 16 years (3% of capital costs). Fixtures and fittings are estimated to be replaced after 24 years (6%). The remaining elements which comprise 91% of the capital costs (building structure, roof and long-life services) are estimated to be replaced after 100 years.

20 Year Strategic Financial Plan impact An overall cost of \$2.4 million is estimated as the impact on the *20 Year Strategic Financial Plan* (20 Year SFP). The total impact of \$2.4 million represents the overall impact to the City of the initial capital cost, capital replacement, additional operating subsidy, costs of borrowing and the lost interest in cash. The proposal is not currently included in the 20 Year SFP, and it is assumed that additional borrowings would be required which results in total repayments of \$1.43 million (\$1.1 million principal and \$0.33 million interest costs).

The City may not necessarily borrow funds for this project, this would be determined as part of the ongoing reviews of the 20 Year SFP and annual budget reviews, but for the purposes of calculating the overall impact on the 20 Year SFP it is reasonable to consider the costs of borrowing as an incremental cost arising from this project.

Impact year For the purposes of calculating the impact on the 20 Year SFP, an assumption has been made that the construction costs would be incurred in 2018-19, and the increase in operating expenses from 2019-20. This is a modelling assumption only and the detailed project timeline, and consideration of other project timelines, will be subject to further review.

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

Environmental

All facility refurbishment projects are planned to reduce the impact of the carbon footprint and consider environmental sustainability design features where possible within the project budget.

Social

The projects have included consultation with the existing user groups to ensure that feedback received represents their needs. Furthermore, refurbishment works consider access and inclusion principles with the aim to enhance the amenity of the public space.

Economic

Not applicable.

Consultation

Consultation was undertaken with the Greenwood Tennis Club and Warwick Bowling Club during the site and needs analysis and concept design stages of the project. Information on the consultation has been included in the details and issues/options sections of this report.

COMMENT

Given the refurbishment projects scheduled over the next three years are already in planning and construction stages, if the Warwick Sports Centre projects are to be undertaken during this time, funds would need to be listed for them.

Currently there are no funds listed in the City's *Five Year Capital Works Program* for the refurbishment of the Greenwood Tennis Clubroom and Warwick Bowling Clubroom facilities.

In 2017 the City will undertake an active reserve and community facility review. As part of this review, the City could reprioritise the community sporting facility refurbishment projects that are currently listed for consideration in the outer years of the *Five Year Capital Works Program*, for example MacNaughton Park Clubrooms.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMENDATION

That Council:

- 1 NOTES the proposed refurbishment works at the Greenwood Tennis Clubrooms as detailed in this Report at a cost estimate of \$349,000;
- 2 NOTES the proposed refurbishment works (Option 1) at the Warwick Bowling Clubrooms as detailed in this Report at a cost estimate of \$754,000.

MOVED Cr Fishwick, SECONDED Mayor Pickard that the Finance Committee:

- 1 NOTES the proposed refurbishment works at the Greenwood Tennis Clubrooms as detailed in this Report at a cost estimate of \$349,000;**
- 2 NOTES the proposed refurbishment works (Option 1) at the Warwick Bowling Clubrooms as detailed in this Report at a cost estimate of \$754,000;**
- 3 REQUESTS the proposed refurbishment works of the Greenwood Tennis Clubrooms and the Warwick Bowling Clubrooms be listed for consideration at the next budget workshop.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnFIN170404.pdf](#)

ITEM 4 CHICHESTER PARK, WOODVALE - PROPOSED REDEVELOPMENT

WARD	Central
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	00428, 101515, 03179
ATTACHMENT	Attachment 1 Chichester Park aerial map Attachment 2 Chichester Park existing clubroom floorplan
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to note the commencement of the Chichester Park, Woodvale redevelopment project and to note the funding required by the City to plan and construct the project.

EXECUTIVE SUMMARY

Chichester Park located on Trappers Drive, Woodvale is classified as a 'District Park' within the City's existing *Parks and Public Open Spaces Classification Framework*. The park includes two active sporting fields (north and south), a clubroom, floodlighting, car parking and a playground.

The clubroom was constructed in 1992 and consists of a small meeting room, kitchen, toilets, change rooms and user group storage. In 2008-09 the facility was refurbished with a new kitchen, change rooms, painting and user group storage. The current size, location and layout of the existing facility is considered poor and it is not well utilised.

As a district park, the ovals and infrastructure service the local area and several surrounding suburbs. Currently, five sporting clubs hire the ovals and the clubroom.

As part of the 2014 Active Reserve and Community Facility Review, The City identified Chichester Park as the next redevelopment project to be undertaken due to the existing clubroom facility's functionality, size, layout and location issues. In addition, a number of challenges have been identified in relation to Chichester Park and the clubroom, these are as follows:

- Meeting room within the clubroom is small (32m²) and used mainly for storage so is not suitable for community group use or casual hire arrangements. The existing sporting clubs that use Chichester Park also need to hire alternative facilities to hold club functions/events and the like.
- Limited available storage for the current and potential user groups.
- Kitchen facilities are small, inadequate and in poor condition.

- Clubroom currently has limited change rooms to service multiple senior size playing fields.
- Clubroom is currently located on a lower point of the site in comparison to the car park which causes issues with rain water run-off 'pooling' in areas around the facility. It also makes access difficult due to the site level differences.
- Change rooms are not on the same level as the oval and players have to use stairs to access the pitches.
- Parking issues at peak sporting use times.
- South oval has major drainage issues which impacts sporting club usage in winter.
- Irrigation of the south oval could be improved and address the high iron issue at the site.

Due to the identified challenges, it is proposed that a new Community Sporting Facility is developed at Chichester Park and the existing car parking provisions and drainage issues on the southern oval are investigated as part of the project.

Currently \$4 million has been listed from 2018-19 to 2020-21 of the City's *Five Year Capital Works Program* for the redevelopment of Chichester Park. Construction is proposed to be undertaken in 2020-21 with detailed design and forward works to be undertaken in the two years prior. The project budget is based on potential project costs only as project scoping, concept design and cost estimates have not been undertaken.

The next stage of the project is to undertake an initial round of community consultation to seek sporting club and the local community's feedback on the project. A further report will then be presented to Council outlining the results of the community consultation and seek direction on progressing the Chichester Park redevelopment project.

It is recommended that Council:

- 1 *NOTES the listing of \$4,000,000 from 2018-19 to 2020-21 of the City's Five Year Capital Works Budget for detailed design and construction of the Chichester Park redevelopment project;*
- 2 *REQUESTS the Chief Executive Officer to arrange for community consultation to be undertaken for the Chichester Park redevelopment project;*
- 3 *NOTES that a further report will be presented to Council outlining the results of the community consultation and seeking direction on progressing the Chichester Park redevelopment project.*

BACKGROUND

Suburb/Location	Chichester Park (south oval) 109 Trappers Drive Woodvale WA 6026.
Applicant	City of Joondalup.
Owner	Crown Land – City of Joondalup Management Order.
Zoning	DPS Parks and Recreation.
	MRS Urban.
Site area	81,666.4m ² .
Structure plan	Not applicable.

Chichester Park located on Trappers Drive, Woodvale (Attachment 1 refers) is approximately 8.2 hectares (south oval) and is classified as a 'District Park' within the City's existing *Parks and Public Open Spaces Classification Framework*. The park includes two active sporting fields (north and south), a clubroom, floodlighting, car parking and a playground.

The clubroom (Attachment 2 refers) was constructed in 1992 and consists of a small meeting room, kitchen, toilets, change rooms and user group storage. In 2008-09 the facility was refurbished with a new kitchen, change rooms, painting and user group storage. The current size, location and layout of the existing facility is considered poor and it is not well utilised.

The northern sporting field is used by the adjacent school (North Woodvale Primary School) as part of a 'shared use' agreement with the City. The southern sporting field is one of the most heavily utilised sporting grounds in the City of Joondalup. It is used predominately for soccer with the ability to hold three soccer pitches. There are drainage issues on the southern sporting field during winter which impact sporting club usage of the area.

The playground was upgraded in 2009 and an upgrade of the sports floodlighting on the southern oval was completed in July 2016.

There are no annual hire groups of the existing facility (due to the size, location and layout issues). There are five sporting clubs with over 1,800 registered members that currently use Chichester Park:

- Kingsley Soccer Club.
- Woodvale FC (soccer).
- WA Christian Football Association (soccer).
- Kingsley Woodvale Junior Cricket Club.
- Kingsley Woodvale Cricket Club.

The City identified the need to redevelop Chichester Park in 2010 and allocated funds within the *20 Year Strategic Financial Plan* for the project. At the July 2014 Council meeting (CJ116-07/14 refers) the 2014 Active Reserve and Community Facility Review report was considered and a list of redevelopment projects and the recommended priority order was agreed to be used in the development of the City's future *Five Year Capital Works Program* and *20 Year Strategic Financial Plan*. The Chichester Park project was listed as the next redevelopment project to be undertaken.

DETAILS

Currently, the existing clubroom facility's functionality is limited due to its size, layout and position on the site. In addition, a number of challenges have been identified in relation to Chichester Park and the clubroom, these are as follows:

- Meeting room within the clubroom is small (32m²) and used mainly for storage so is not suitable for community group use or casual hire arrangements. The existing sporting clubs that use Chichester Park also need to hire alternative facilities to hold club functions/events and the like.
- Limited available storage for the current and potential user groups.
- Kitchen facilities are small, inadequate and in poor condition.
- Clubroom currently has limited change rooms to service multiple senior size playing fields.
- Clubroom is currently located on a lower point of the site in comparison to the car park which causes issues with rain water run-off 'pooling' in areas around the facility. It also makes access difficult due to the site level differences.
- Change rooms are not on the same level as the oval and players have to use stairs to access the pitches.
- Parking issues at peak sporting use times.

- South oval has major drainage issues which impacts sporting club usage in winter.
- Irrigation of the south oval could be improved and address the high iron issue at the site.

Due to the identified challenges, it is proposed that a new Community Sporting Facility is developed at Chichester Park and the existing car parking provisions and drainage issues on the southern oval are investigated as part of the project.

It has been identified that this project will be suitable for consideration as part of the Department of Sport and Recreation's *Community Sporting and Recreation Facilities Fund* (CSRFF) for a possible grant contribution to the relevant project components.

Issues and options considered

It is considered that Council has two options, either to endorse commencement of the project or not endorse commencement of the project. If Council endorses commencement of the project, the City will undertake community consultation to determine the level of community support for the project. The results of the community consultation will be presented back to Council and if the project is not supported by the community, Council can choose to defer or cease the project.

If Council chooses not to commence the project, Chichester Park user groups will continue to operate at the existing clubroom facility.

Legislation / Strategic Community Plan / policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Community Wellbeing.

Objective Quality facilities.

Strategic initiative

- Support a long-term approach to significant facility upgrades and improvements.
- Understand the demographic context of local communities to support effective facility planning.
- Employ facility design principles that will provide for longevity, diversity and inclusiveness and where appropriate, support decentralising the delivery of City services.

Policy *Requests for New or Capital Upgrades to Existing Community Buildings Policy.*

Risk management considerations

If the project does not commence, Chichester Park user groups will continue to operate with the limited infrastructure. Based on the classification of the park (District Park), heavy utilisation of the southern oval and inadequate existing facilities, a redevelopment is required to better service the sporting clubs and local wider community's needs. Furthermore, the clubroom will be nearing 30 years old at the time of the proposed redevelopment therefore it is pertinent to upgrade it.

Financial / budget implications

Currently \$4 million has been listed from 2018-19 to 2020-21 of the City's *Five Year Capital Works Program* for the redevelopment of Chichester Park. Construction is proposed to be undertaken in 2020-21 with detailed design and forward works to be undertaken in the two years prior. The project budget is based on potential project costs only as project scoping, concept design and cost estimates have not been undertaken.

Current financial year impact

Budget Item	MPP2058 – Chichester Park redevelopment project.
Budget amount	\$ 4,000,000 (2018-19 to 2020-21)
Amount spent to date	\$ 0
Proposed cost	\$ 100,000 (2018-19)
	\$ 900,000 (2019-20)
	\$ 3,000,000 (2020-21)
Balance	\$ 0

Future financial year impact

Annual operating cost As included in the 2017-18 draft budget, the annual operating cost for the Chichester Park and clubroom is approximately \$178,000 per annum. It is unknown at this early stage in the project if the operating expenses will increase or decrease as a result of the project. If the project proceeds, as further details of the proposed development are determined, the impact on the annual operating costs can be estimated.

Estimated annual income As included in the 2017-18 draft budget, the annual income for the Chichester Park and clubroom is approximately \$30,000 per annum. It is unknown at this early stage in the project if the operating income will increase or decrease as a result of the project. If the project proceeds, as further details of the proposed development are determined, the impact on the annual income can be estimated.

Capital replacement The capital replacement is unknown at this early stage in the project. If the project proceeds, as further details of the proposed development are determined, the capital replacement can be estimated.

20 Year Strategic Financial Plan impact The adopted *20 Year Strategic Financial Plan* (June 2016) includes \$4 million for this project. It is estimated that \$900,000 may be funded from grants, with the remaining \$3.1 million funded by the City.

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

Environmental

All facility redevelopment projects are planned to reduce the impact of the carbon footprint and consider environmental sustainability design features where possible within the project budget.

Social

The project will include consultation with existing user groups and the local wider community to ensure that feedback received represents their diverse needs. It is expected that if the redevelopment works occur, the project will lead to higher utilisation rates of the facility. Furthermore, any development at the site will consider access and inclusion principles and will aim to enhance the amenity of the public space.

Economic

One of the main principles of the City's *Masterplan Framework* is the development of 'shared' and 'multi-purpose' facilities to avoid their duplication, and to reduce the ongoing maintenance and future capital expenditure requirements.

Consultation

Consultation for this project will be conducted in accordance with City's approved *Community Consultation and Engagement Policy and Protocol*.

The initial round of community consultation with residents, user groups and the local wider community will be conducted outlining the existing and proposed site features, retention of infrastructure, facility layout, overall design and facility management. This consultation will be used to develop a site plan and facility floor plan which will be used for the second round of community consultation once approved by Council.

It is proposed that targeted consultation will be undertaken with the following stakeholders:

- Residents living within a 500 metre radius of the site.
- Representatives from the sporting clubs.
- Representative from the local Residents' Association.
- Representative from the North Woodvale Primary School.

In addition, consultation documentation will be available on the City's website for the public to comment.

Consultation will be conducted for 21 days and advertised through the following methods:

- Direct mail out - a cover letter and frequently asked questions sheet to be sent to the identified stakeholders.
- Site signage – three signs to be placed at Chichester Park during the consultation period.
- City's website – frequently asked questions sheet and comment form to be added to the 'Community Consultation' section during the consultation period.
- Newspaper – advertisement to be published in the '*Joondalup Weekender*' during the consultation period.

The feedback received as part of the community consultation will be collated and included in a report for Council's consideration and to seek direction on progressing the Chichester Park redevelopment project.

COMMENT

The City identified Chichester Park as the next redevelopment project to be undertaken due to the existing clubroom facility's functionality, size, layout and location issues and a number of challenges that have been identified in relation to the site.

In order to improve the facilities at Chichester Park to service the sporting clubs and local community's needs, it is proposed that a new Community Sporting Facility is developed and the existing car parking provisions and drainage issues on the southern oval are investigated as part of the project.

The next stage of the project is to undertake an initial round of community consultation to seek sporting club and the local community's feedback on the project. A further report will then be presented to Council outlining the results of the community consultation and seek direction on progressing the Chichester Park redevelopment project.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMENDATION

That Council:

- 1 NOTES the listing of \$4,000,000 from 2018-19 to 2020-21 of the City's *Five Year Capital Works Budget* for detailed design and construction of the Chichester Park redevelopment project;
- 2 REQUESTS the Chief Executive Officer to arrange for community consultation to be undertaken for the Chichester Park redevelopment project;
- 3 NOTES that a further report will be presented to Council outlining the results of the community consultation and seeking direction on progressing the Chichester Park redevelopment project.

MOVED Mayor Pickard, SECONDED Cr Norman that Council:

- 1 **NOTES the listing of \$4,000,000 from 2018-19 to 2020-21 of the City's *Five Year Capital Works Budget* for detailed design and construction of the Chichester Park redevelopment project;**
- 2 **REQUESTS the Chief Executive Officer to arrange for community consultation to be undertaken for the Chichester Park redevelopment project following finalisation of the budget process for the 2017-18 financial year;**

- 3 NOTES that a further report will be presented to Council outlining the results of the community consultation and seeking direction on progressing the Chichester Park redevelopment project;**
- 4 REQUESTS the listed funds in the City's *Five Year Capital Works Budget* be adjusted to \$3,000,000 in total for the Chichester Park redevelopment project.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

The Manager Leisure and Cultural Services left the Room at 6.27pm.

Appendix 4 refers

To access this attachment on electronic document, click here: [Attach4agnFIN170404.pdf](#)

ITEM 5 PROVISION OF A CAFÉ/KIOSK/RESTAURANT AT NEIL HAWKINS PARK

WARD	North
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	102656, 101515
ATTACHMENT	Attachment 1 Location Plan Attachment 2 Area View – Surrounding Neighbourhood Attachment 3 <i>Yellagonga Regional Park Management Zone Plan 2003-2013 – Area 5</i> Attachment 4 Cafés/Kiosks/Restaurants Project Philosophy and Key Parameters Council Endorsement
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to authorise the progression of the development for a café/kiosk or restaurant on City managed land, known as Neil Hawkins Park.

EXECUTIVE SUMMARY

Neil Hawkins Park is located within Area 5 of the *Yellagonga Regional Park Management Plan 2003-2013* (YRPMP 2003-2013) under the Recreation Zone in the Management Zoning system (Attachment 3 refers).

The YRPMP 2003-2013 provides a broad direction for the protection and enhancement of the conservation, recreation and landscape values of the Yellagonga Regional Park (the park).

Under the commercial value of the YRPMP 2003-2013 it is outlined that there is a possible opportunity for a development of a café/kiosk or restaurant within the park.

Neil Hawkins Park is owned by the Crown under a City of Joondalup Management Order, without power to lease. Any developments within the park must be authorised by the Western Australian Planning Commission (WAPC).

For the City to develop a café/kiosk or restaurant within Neil Hawkins Park it must follow the process outlined in the YRPMP 2003-2013.

To determine if a development of a café/kiosk or restaurant is feasible within Neil Hawkins Park it is considered that further investigations are required.

Therefore it is recommended that Council:

- 1 *NOTES the report for the provision of a café/kiosk/restaurant at Neil Hawkins Park;*
- 2 *AUTHORISES the Chief Executive Officer to undertake further investigations for the provision of a café/kiosk/restaurant at Neil Hawkins Park;*
- 3 *AUTHORISES the Chief Executive Officer to seek the amendment of the Management Order to obtain a Power to Lease to accommodate a potential development of a café/kiosk/restaurant at Neil Hawkins Park.*

BACKGROUND

The City owns and manages a number of strategically located land parcels that in terms of accommodating cafés/kiosks/restaurants have the potential to increase the enjoyment of popular recreational locations and provide the City with a level of commercial gain.

The Cafés/Kiosks/Restaurants – Project Philosophy and Parameters was endorsed by Council at its meeting held on 22 June 2010 (CJ103-06/10, Attachment 4 refers).

The following four sites were investigated for suitability in terms of location, site development potential, visitor use frequency, suitable aesthetics (aspect, view corridor – marine/terrestrial) and popularity:

- Burns Beach Park – Reserve No. 42219 (40) Ocean Parade, Burns Beach.
- Neil Hawkins Park – Reserve No. 28544 (200) Boas Avenue, Joondalup.
- Pinnaroo Point (Central Nodes Foreshore) Reserve No. 39497 (239) Whitfords Avenue, Hillarys.
- Tom Simpson Park (South), (5) Oceanside Promenade, Mullaloo.

At its meeting held on 27 May 2013 Council considered a report detailing research undertaken of the four identified sites (CJ069-05/13 refers). It was agreed:

That Council:

- 1 *NOTES the Provision of Cafés/Kiosks/Restaurants on City Owned or Managed Land – Project Status and Progression Options Report;*
- 2 *AUTHORISES the Chief Executive Officer to initiate an Expression of Interest process for the development of a café/kiosk facility at Pinnaroo Point;*
- 3 *AUTHORISES the Chief Executive Officer to initiate an Expression of Interest process for the development of a café/restaurant facility at Burns Beach.*

The City commenced the Expression of Interest (EOI) process for the development of a café/kiosk facility at Pinnaroo Point in October 2013 and a café/restaurant facility at Burns Beach in December 2013.

DETAILS

Location	Reserve 28544 (200) Boas Avenue, Joondalup, known as Neil Hawkins Park.
Owner	Crown Land – City of Joondalup Management Order.
Zoning	DPS: Parks and Recreation. MRS: Parks and Recreation.
Site area	63584.7m ² .
Bush Forever	Yes. Site No. 299.

Neil Hawkins Park sits within the park and is owned by the Crown with a City of Joondalup Management Order, without 'power to lease'. For the City to obtain a grant of 'power to lease' as a condition of the Management Order, it would require the approval of the Department of Lands (DoL), who will assist in the provision of appropriate tenure after consideration of the proposed development. The site is zoned 'Parks and Recreation' under the *Metropolitan Region Scheme* (MRS).

There are a number of amenities located within and around Neil Hawkins Park for visitors use, these are:

- toilet block
- boardwalk and jetty
- shared pedestrian and bicycle pathway
- picnic shelters, picnic tables and benches, park benches, play equipment, barbeques, and drinking fountain.

Neil Hawkins Park is situated to the east of the Joondalup City Centre and within easy walking distance of the Joondalup rail and bus stations (Attachment 2 refers). Located adjacent to Neil Hawkins Park are 172 car parking bays, with up to four hour free parking between the hours of 9.00am – 5.00pm (Monday to Friday) for park visitor's use.

The City under the *Local Government and Public Property Local Law 2014* currently allows two mobile Traders Permits within Neil Hawkins Park to operate on a daily basis. The City has recently received proposals from other parties who are interested in developing a commercial café within Neil Hawkins Park. There are no static commercial facilities currently operating within the park that offers visitors food and beverage.

Yellagonga Regional Park Management Plan 2003-2013

The YRPMP 2003-2013 was developed by the Department of Parks and Wildlife (DPaW) in consultation with the Cities of Joondalup and Wanneroo and is still the guiding document for the park's management.

Park Management Zone – Area 5

The YRPMP 2003-2013 outlines the Management Zoning system in order to protect the park. Neil Hawkins Park is under the zone of Recreation in the Management Zoning system and located in Area 5. The prime emphasis of the management of Area 5 is to provide a variety of recreation opportunities that attracts visitors to the park for a range of passive and active recreation pursuits within its natural environments (Attachment 3 refers).

Recreational Value

The YRPMP 2003-2013 identified the park as having a high recreational value providing opportunities for a wide range of passive and active recreation attracting visitors to its relatively undisturbed natural environment. The park supports various activities including picnics, bushwalking, bird watching, bicycle riding, fitness and exercise and general nature observation.

Management Zones and Land Tenure – Recreation

The YRPMP 2003-2013 outlines the Management Emphasis and Acceptable Uses and Facilities for the Recreation zone of Area 5 and states that *“the prime emphasis of management will be to provide a variety of recreation opportunities. The type of and intensity of facility provision will depend on the values of any given area, community demand for recreation and the appropriate management of the Park”*. It is also stated that *“public use may be high in these areas, allowing for park and picnic facility development and Commercial Concessions for visitor services may be considered appropriate within this management zone”*.

Commercial Value

The commercial value recognises development opportunities within the park enabling visitors to engage and interact in new ways, without compromising or degrading the park's environmental qualities. These commercial opportunities range from:

- hire facilities at activity nodes within the park
- kiosk or restaurant
- education facilities providing interpretation and information about the natural environment and cultural values of the park
- commercial concessions.

Under the Principal Management Directions for the Recreation Zone the YRPMP 2003-2013 states that commercial concessions for park visitor services may also be considered appropriate.

The commercial goal allows for appropriate commercial uses within the park in a manner that minimises impact on other values and contributes to the management of the park. The Commercial Guiding Principles are as follows:

- 1 Commercial activities must be compatible with the assigned purpose of reserves within the park and should be of service to the park visitors.
- 2 Commercial use should not compromise the natural and cultural values of the park. Future developments should be of a character and arrangement that do not detract from the natural settings and landscape amenity of the park. Through the tendering process proponents of significant developments within the park will be required to assess the environmental impacts of the proposed commercial use.
- 3 Commercial use within the park should be of a nature that promotes multiple uses by park visitors. Commercial uses that impair other forms of acceptable use or jeopardise the safety of other visitors should be specifically managed, directed to more appropriate places or not permitted. All development applications will be assessed in terms of the overall commercial requirement for the park.
- 4 Commercial activities within the park should be either through a lease or license arrangement, or where the State or relevant local government owns and operates the facility.
- 5 Through the tendering process, proponents of significant developments within the park will be required to document the financial viability of the proposed commercial use. Revenue generated by commercial concessions on land managed by the DPaW within the park will be used to help meet the overall cost of managing the regional parks.

- 6 Activities and facilities must comply with the managing authorities' requirements. If effective management of commercial facilities or activities cannot be provided they should be restricted to appropriate levels, relocated or removed from the park.
- 7 The objective is to ensure that commercial operations and leases are consistent with the YRPMP 2003-2013 and that any leases and commercial operations help offset the park management costs.

Feasibility Study – Environment Centre

In 2006 a Feasibility Study was undertaken by the City of Joondalup and the City of Wanneroo for an Environment Centre within the park.

During the initial phase of the feasibility study there was an assessment on whether or not a facility was required for the proposed purpose and several sites were identified. A detailed site analysis for each location was carried out and ranked as unsatisfactory, satisfactory or preferred. The location of Neil Hawkins Park was identified as satisfactory.

The Feasibility Study identified a range of complementary activities and features as part of its recommendations, two of which are stated as follows:

- A retail outlet for the sale of appropriately themed foods and goods including possible sale of produce from a community garden.
- The provision of a leasable food and beverage outlet to act as an additional attractor for the facility, and to support and promote produce that is aligned with best practice environmentally sustainable principles.

Council at its meeting held on 19 June 2007 deferred the consideration of the *Yellagonga Regional Park Environment Centre Feasibility Study* (CJ103-06/07 refers) and subsequently removed the item from the City's *20 Year Strategic Financial Plan 2011-12 – 2030-31* due to the number of other priority and new facilities and infrastructures approved by Council for the period of the *20 Year Strategic Financial Plan* (CJ138-07/12 refers).

Planning Approval Considerations

The WAPC is responsible for administering the MRS and local government must provide detailed plans for their part of the region consistent with the MRS. An environmental review would also be required by the Environmental Protection Authority (EPA).

The DoP *State Planning Policy No. 3.7: Planning in Bushfire Prone Areas* may also apply to this site. Further investigation is required.

The WAPC are the responsible authority for the potential site location for a café/kiosk or restaurant and the City must follow the process outlined in the YRPMP 2003-2013 and submit the following relevant documentation for consideration:

- Land use feasibility study investigating the feasibility of the development options and considerations of community aspirations for the site, environmental constraints, business and operations planning and required funding and resources.
- Business Plan.
- Consultation with the community regarding possible changes in land use at the park.
- A Site Development Plan outlining the proposed concept for the park.

Issues and options considered

The Issues for a potential development of café/kiosk or restaurant facility for Neil Hawkins Park are discussed in the Details section of this report.

Legislation / Strategic Community Plan / policy implications

Legislation Besides the legislation that covers the eventual planning and building requirements, with regard to the land related matters the *Land Administration Act 1997* and the Department of Planning (DoP) and Department of Lands (DoL) relevant policies deal with the administration of Crown land. The *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* deal with local governments' disposition of property which includes leasing.

Strategic Community Plan

Key theme Economic Prosperity, Vibrancy and Growth.

Objective Destination City.

Strategic initiative Facilitate the establishment of major tourism infrastructure.

Key theme Community Wellbeing.

Objective Quality facilities.

Policy Not applicable.

Risk management considerations

The potential risks to the successful progression of the project include the inability to obtain support from the statutory approval authorities, limited commercial interest and negative community reaction. Any risk with regard to approval process outcomes can be mitigated by establishing and maintaining a working relationship with representatives of the relevant approvals agencies. Furthermore, well developed management plans can assist with obtaining a successful outcome.

A lack of commercial viability could result in little or no interest in developing a facility. There is also the possibility that expected returns from a developed facility are not met, causing potential rental payment difficulties or cessation of a business.

It is considered that a planned, environmentally acceptable and aesthetically pleasing development is likely to gain community support and meet visitor needs. These measures are likely to make any potential development more acceptable to the community and mitigate potential negative reaction.

Risk management assessments will continue as the project progresses and particularly as formal proposals are developed.

Financial / budget implications

Revenue generated from any commercial lease arrangements will be used to assist in the management of the park.

Current financial year impact

Account no.	1-220-C1060.
Budget Item	Cafes/Kiosks/Restaurants.
Budget amount	\$ 180,000
Amount spent to date	\$ 77,474
Proposed cost	\$ 0
Balance	\$ 102,526

Figures above are current as at March 2017 and exclusive of GST.

Regional significance

The provision of cafés/kiosks or restaurants on City owned or managed land will provide significant resident/visitor/tourist benefit by enhancing the City's existing natural assets and amenities and potentially bring additional visitors to the region.

The park contains a wide variety of ecosystems from upland forest, fringing wetland and aquatic vegetation to open water bodies. The rich diversity and complexity of ecosystems has a very high conservation value within an urban setting. The wetlands within the park are some of the last remaining freshwater wetland systems on the Swan Coastal Plain. Lake Joondalup is considered a national significance and is listed on the Department of the Environment and Energy directory of important wetlands within Australia.

Sustainability implications

The YRPMP 2003-2013 was developed by the Department of Parks and Wildlife (DPaW) in consultation with the Cities of Joondalup and Wanneroo and is still the guiding document for the park's management.

The purpose of the YRPMP 2003-2013 was to provide a broad direction for the protection and enhancement of the conservation, recreation and landscape values of the park.

The *Yellagonga Integrated Catchment Management Plan 2015-2019* (YICMP 2015-2019) was developed by the City of Joondalup and City of Wanneroo to provide a holistic and strategic direction to continue to implement a wide range of initiatives aimed to conserve the ecological values of the park. The co-management of the park is guided by the YRPMP 2003-2013.

The Cafés/Kiosks/Restaurants Project Philosophy and Parameters Sustainability Considerations are outlined as follows (CJ103-06/10, Attachment 4 refers):

- Project Vision.
- Land Use and Build Form.
- Environmental Strategy.
- Liaison Protocol.
- Fiscal Responsibility and Commerciality.
- Governance.

It is anticipated that as the development of the Joondalup City Centre continues to grow the utilisation of Neil Hawkins Park will intensify and become part of a fully functional City Centre.

Consultation

There may be a potential impact regarding the cultural heritage of the Nyoongar people, relating to any development of the park.

COMMENT

The *Yellagonga Regional Park Management Plan 2003-2013* (YRPMP 2003-2013) was developed by the Department of Parks and Wildlife (DPaW) in consultation with the Cities of Joondalup and Wanneroo and is still the guiding document for the park's management.

Neil Hawkins Park currently does not have a static commercial facility that offers food and beverage to park visitors.

The park's commercial values recognises the opportunity for a commercial development operation of a café/kiosk or restaurant facility allowing park visitors to interact in new way.

Further, the park's commercial concessions allows for appropriate commercial uses within the park in a manner that minimises impact on other values and contributes to the management of the park.

Under the Principal Management Directions for the Recreation Zone the YRPMP 2003-2013 it states that commercial concessions for park visitor services may also be considered appropriate.

It is therefore considered that further investigations should be undertaken with the relevant government agencies to establish a better understanding of the parks YRPMP 2003-2013, in relation to a possible commercial development of a café/kiosk or restaurant within Neil Hawkins Park.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Pickard, SECONDED Cr Logan that Council:

- 1 NOTES the report for a provision of a café/kiosk/restaurant at Neil Hawkins Park;**
- 2 AUTHORISES the Chief Executive Officer to undertake further investigations for a provision of a café/kiosk/restaurant at Neil Hawkins Park;**
- 3 AUTHORISES the Chief Executive Officer to seek the amendment of the Management Order to obtain a Power to Lease to accommodate a potential development of a café/kiosk/restaurant at Neil Hawkins Park.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

Appendix 5 refers

To access this attachment on electronic document, click here: [Attach5agnFIN170404.pdf](#)

ITEM 6 STATUS REPORT ON CITY FREEHOLD PROPERTIES PROPOSED FOR DISPOSAL AND A PROPOSED CROWN LAND ACQUISITION

WARD	All		
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO		
FILE NUMBER	63627, 101515		
ATTACHMENT	Attachment 1	Lot 2 (20)	Kanangra Crescent, Greenwood
	Attachment 2	Lot 803 (15)	Burlos Court, Joondalup
	Attachment 3	Lot 1001 (14)	Camberwarra Drive, Craigie
	Attachment 4	Lot 900 (57)	Marri Road, Duncraig
	Attachment 5	Lot 12223 (12)	Blackwattle Parade, Padbury
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').		

PURPOSE

For the Finance Committee to note the progress towards the disposal of a number of City owned freehold properties and the proposed acquisition of a Crown land community purpose reserve.

EXECUTIVE SUMMARY

The City's freehold land disposal project initially included 14 sites with two sites being withdrawn from consideration and eight sites having now sold (Table 1 below refers).

Of the four sites that remain, three are ready for disposal being, Lot 2 (20) Kanangra Crescent, Greenwood, Lot 803 (15) Burlos Court, Joondalup and Lot 1001 (14) Camberwarra Drive, Craigie. Lot 900 (57) Marri Road, Duncraig is likely to be available for disposal early in April 2017.

At its meeting held on 13 December 2016 (CJ234-12/16 refers) Council resolved to authorise the Chief Executive Office (CEO) to take the four remaining properties to public auction planned for April 2017. In the interim, based on the prevailing property market conditions, the CEO sought the advice from a property expert. The advice provided to the CEO was to take one property to auction only. This will be Lot 900 (57) Marri Road, Duncraig and the main reason for this decision is Duncraig's high demand market.

With regard to the City's proposed acquisition of Lot 12223 (12) Blackwattle Parade, Padbury, the Department of Lands (DoL) is proposing to forward the City a revised contract of sale once the matter of an access easement has been resolved. On execution of the contract by the City, land transfer actions will commence. Additionally, a report seeking Council's approval to initiate the rezoning of Lot 12223 was submitted to Council at its meeting held on 21 March 2017 (CJ021-03/17 refers).

Table 2 of this report provides a summarised account of the progress towards the disposal of the remaining four freehold sites and the acquisition of Lot 12223 (12) Blackwattle Parade, Padbury.

It is therefore recommended that the Finance Committee:

- 1 *NOTES the status report on the progress of the City's proposed disposal of four freehold land sites;*
- 2 *NOTES that the Chief Executive Officer will initiate the necessary actions to take Lot 900 (57) Marri Road, Duncraig to public auction;*
- 3 *NOTES a further status report on the progress of the City's proposed disposal of freehold land and proposed acquisition of a Crown land site will be submitted to the Finance Committee meeting to be held on 12 June 2017.*

BACKGROUND

The City's freehold land disposal project initially included 14 sites. Lot 181 (4) Rowan Place, Mullaloo (CJ096-05/12 refers) and Lot 971 (52) Creaney Drive, Kingsley (CJ103-06/14 refers) were withdrawn from sale. The total value of the two sites was in the vicinity of \$4.5 million.

Table 1 indicates the eight sites that have sold to-date.

Except for the site that was sold to Masonic Care WA in Kingsley, Council approved the sale of these properties for the development of 'Aged or Dependent Persons' Dwellings' – or unit developments for people over 55 years of age.

Table 1 (GST exclusive)

Property	Date Sold	Sale Price
Lot 200 (18) Quilter Drive, Duncraig.	March 2013	\$1,350,000
Lot 766 (167) Dampier Avenue, Kallaroo.	March 2013	\$1,055,000
Lot 147 (25) Millport Drive, Warwick.	March 2013	\$1,340,000
Lot 613 (11) Pacific Way, Beldon.	March 2013	\$ 700,000
Lot 671 (178) Camberwarra Drive, Craigie.	March 2013	\$ 828,000
Part Lot 702 (11) Moolanda Boulevard, Kingsley.	August 2015	\$1,050,000
Lot 745 (103) Caridean Street, Heathridge.	December 2015	\$ 874,000
Lot 23 (77) Gibson Avenue, Padbury	December 2016	\$1,800,000
	TOTAL	\$8,997,000

At its meeting held on 13 December 2016 (CJ234-12/16 refers) Council resolved the following in part:

“That Council:

- 1 *NOTES the status report on the progress of the City's proposed disposal of five freehold land sites;*

- 2 *NOTES that Council authorised the Chief Executive Officer to dispose of Lot 803 (15) Burlos Court, Joondalup by public auction or private treaty, at its meeting held on 18 October 2016 (CJ167-10/16 refers);*
- 4 *AUTHORISES the Chief Executive Officer to dispose of the following sites by public auction:*
- 4.1 *Lot 2 (20) Kanangra Crescent, Greenwood;*
- 4.2 *Lot 900 (57) Marri Road, Duncraig;*
- 4.3 *Lot 1001 (14) Camberwarra Drive, Craigie;*
- 5 *NOTES that a further status report on the progress of the City's proposed disposal of freehold land and proposed acquisition of a Crown land site will be submitted to a Finance Committee meeting in 2017, at a date to be determined."*

DETAILS

Table 2

	Property Address	Land Disposals – Current Status
1	<p>Lot 2 (20) Kanangra Crescent, Greenwood.</p> <p>Land Area: 3005m².</p> <p>Attachment 1 refers.</p>	<p>This site is ready for disposal, is zoned Residential with a restricted use to 'Aged or Dependent Persons' Dwellings' and it has a density code of R40. At its meeting held on 13 December 2016, Council authorised the CEO to dispose of this property by public auction (CJ234-12/16 refers).</p> <p>Subsequent to the response to the proposed auction of Lot 900 (57) Marri Road, Duncraig, the City will be able to ascertain the level of interest and report back to the Finance Committee.</p>
2	<p>Lot 803 (15) Burlos Court, Joondalup.</p> <p>Land Area: 4,410m².</p> <p>Attachment 2 refers.</p>	<p>This site is zoned Residential with a restricted use to 'Aged or Dependent Persons' Dwellings' and it has a density code of R60.</p> <p>Council declined all tenders received for the sale of Lot 803 (15) Burlos Court, Joondalup at its meeting held on 18 October 2016 (CJ167-10/16 refers) and authorised the CEO to dispose of the property by public auction or private treaty.</p> <p>Under Regulation 30(2)(2a)(b) of the <i>Local Government (Functions and General) Regulations 1996</i>, the City has six months from Council's determination of the tender to dispose of the site by private treaty which would mean the site would need to sell prior to 18 April 2017. The City has not received any offers on this site.</p> <p>As the City has not received any offers on Lot 803, this site will go to auction in due course. At the proposed auction of Lot 900 (57) Marri Road, Duncraig, the City will be able to ascertain the level of interest and report back to the Finance Committee.</p>

	Property Address	Land Disposals – Current Status
3	<p>Lot 1001 (14) Camberwarra Drive, Craigie.</p> <p>Land Area: 2,055m².</p> <p>Attachment 3 refers.</p>	<p>This site is ready for disposal and at its meeting held on 13 December 2016, Council authorised the CEO to dispose of this property by public auction (CJ234-12/16 refers).</p> <p>At the proposed auction of Lot 900 (57) Marri Road, Duncraig, the City will be able to ascertain the level of interest and report back to the Finance Committee.</p>
4	<p>Lot 900 (57) Marri Road, Duncraig.</p> <p>Land Area: 1,366m²</p> <p>Attachment 4 refers.</p>	<p>The Duncraig Child Health Centre (CHC) service based at Lot 900 (57) Marri Road, Duncraig is to be relocated to the Carine CHC at Lot 159 (487L) Beach Road, Duncraig once the Beach Road facility has been refurbished to accommodate the additional clients.</p> <p>Refurbishment of the Beach Road facility should be completed by the end of March 2017. The planned demolition of the Marri Road facility is currently being organised and real estate agents with experience in selling developments for people over 55 are being requested to provide quotations for an auction service.</p> <p>Council requested that on disposal of this site, the purchaser be encouraged to retain existing significant trees.</p>

		Acquisition – Current Status
1	<p>Lot 12223 (12) Blackwattle Parade, Padbury</p> <p>Land Area: 3,332m².</p> <p>Attachment 5 refers.</p> <p>.</p>	<p>At its meeting held on 24 June 2014 (CJ104-06/14 refers), Council accepted in-principle the Department of Land's (DoL) concessional purchase price of \$88,000 (exclusive of GST) subject to the outcome of a 30-day public advertising period. The DoL advised the City on 13 May 2016 that the Minister for Lands had approved this acquisition.</p> <p>A contract of sale previously received from the DoL was considered to be unsuitable and the DoL has since advised that a revised contract will be forwarded to the City once the access easement matter concerning Lot 12223 has been finalised.</p> <p>An access easement is required over Lot 12223 in favour of the adjoining shopping centre to allow continued right of carriageway to and from the shopping centre's service area. The City is endeavouring to progress this easement with the DoL and the strata owners of the shopping centre. A land surveyor is awaiting instructions from the DoL to prepare the required Interest Only Deposited Plan.</p> <p>Certain remedial works are also required on the easement land or "driveway" due to damage caused by delivery trucks to the shopping centre's service area. It is envisaged that the strata owners will pay for these works and quotations are currently being obtained.</p>

Acquisition – Current Status	
	<p>A report was submitted to Council at its meeting held on 21 March 2017 (CJ021-03/17 refers), requesting the initiation of Amendment No. 87 for the purpose of advertising. The recommendation in the report is that Lot 12223 is rezoned to 'Commercial' to provide consistency of land uses at this location. Based on the land area being over 1,000m², the density code for the site is proposed to be R80.</p> <p>During this acquisition process, the DoL advised that the Department of Planning's (DoP) support was required and the DoP's conditional support was provided. One of the DoP's conditions is that the future sale proceeds from this site are spent on community projects in line with the definition of 'Community Purposes' under DPS2.</p> <p>The City's community consultation regarding this matter not only dealt with the proposed acquisition of the site, but the consideration of three capital improvement projects for the area. One of these options was Council's preferred project of the installation of traffic lights at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury.</p> <p>Advice from the DoP is that projects connected with parking, traffic and pedestrian issues were not considered to fall within the definition of "Community Purposes" under DPS2.</p> <p>On acquisition of the site, and in accordance with Council's resolution at its meeting held on 24 June 2014 (CJ104-06/14 refers), the City will seek clarification from the Minister for Planning and the Minister for Lands regarding the conditions provided to the City on how the disposal proceeds should be utilised.</p> <p>At its meeting held on 19 May 2015 (CJ082-05/15 refers), Council requested that an advocacy plan be developed. The purpose of the plan was to gain support from the relevant State Government departments to enable the future sale proceeds for this site be utilised on the community's and Council's preferred project which is to install traffic lights at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury. This advocacy plan has been developed and will be implemented subsequent to the transfer of the site to the City.</p>

Issues and options considered

As detailed in Table 2.

Multiple Dwellings

It is noted that currently where land is coded R40 or higher, there is the potential for multiple dwellings to be developed in accordance with the provisions of the Residential Design Codes (R-Codes). A multiple dwelling is basically defined as one dwelling vertically placed above another dwelling. It is not possible to determine the potential number of multiple dwellings that could be achieved on sites coded R40 or higher. The number of multiple dwellings possible is not directly controlled, rather the total amount of floor space is limited through plot ratio requirements based on the overall size of the lot/s.

Legislation/Strategic Community Plan/Policy Implications

Legislation Sections 3.58 and 3.59 of the *Local Government Act 1995*, together with the *Local Government (Functions and General) Regulations 1996* determine how a local government may dispose of property.

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.

Strategic initiative Buildings and landscaping is suitable for the immediate environment and reflect community values.

Key theme Financial Sustainability.

Objective Financial diversity.

Strategic initiative Identify opportunities for new income streams that are financially sound and equitable.

Policy *Asset Management Policy.*

Sustainability Policy.

Risk management considerations

Disposal of property needs to comply with the requirements of sections 3.58 and 3.59 of the *Local Government Act 1995*, which are designed to ensure openness and accountability in the disposal process.

It is possible that the reserve price as per the market valuations obtained may not be realised and the City needs to determine reserve prices below which it will not sell.

The recommendations for disposal are based on a combination of the best financial return, planning outcomes and community benefit.

Financial / budget implications

Council has agreed that the proceeds from the sale of freehold land are to be transferred to the Joondalup Performing Arts and Cultural Facility Reserve Fund. The balance of the reserve fund on 28 November 2016 was \$12,258,984. This balance was updated through the Mid-Year Review process to include proceeds from the disposal of Lot 23 (77) Gibson Avenue, Padbury.

Proceeds achieved from the future sale of Lot 12223 (12) Blackwattle Parade, Padbury are required to be spent on capital/community projects in line with the definition of 'Community Purposes' under DPS2.

The associated main expenditure costs related to the City's disposal of freehold land are legal and settlement fees, advertising costs, valuation costs, land surveying and costs related to subdivision/amalgamations.

Regional significance

Not applicable.

Sustainability implications

The disposal of City freehold land that has been set aside for community use should not be disposed of without there being a nominated purpose addressing a community need.

Concerning the freehold land disposal project to date, Council has supported the restricted use of aged or dependent persons' dwellings providing alternative housing choices for the City's ageing population. The sale proceeds from the eventual disposal of Lot 12223 (12) Blackwattle Parade, Padbury will be used for community projects.

Consultation

Public auction, public tender and private treaty methods have been used with regard to the City's land disposal project. Advertising is a requirement with all three methods unless, in respect of private treaty, the disposal is exempt under Regulation 30 of the *Local Government (Functions and General) Regulations 1996*.

The statutory public advertising period of 42 days for amendments to DPS2 provides an opportunity for the community to make a submission on the future intent for the site on disposal.

The method of community consultation followed during the proposed acquisition of Lot 12223 (12) Blackwattle Parade, Padbury, was conducted in accordance with the City's approved *Community Consultation and Engagement Policy* and *Community Engagement Protocol*.

COMMENT

Council has provided authorisation for the CEO to dispose of the four remaining sites by public auction. Due to the current property market conditions, the CEO sought advice from a property expert on the City's portfolio of properties for sale. The advice provided was that the City should take one property to auction to ascertain the level of interest.

It is planned to take Lot 900 (57) Marri Road, Duncraig to auction in late April first and this property was chosen due to the aging demographic of the area and evidence suggesting that the supply and demand factors for the Duncraig suburb are favourable.

Concerning the City's acquisition of Lot 12223 (12) Blackwattle Parade, Padbury once the easement matter has been finalised, the City will receive a revised contract of sale from the Department of Lands. In the interim the rezoning process has commenced, with Council being requested, at its meeting held on 21 March 2017, to consider the initiation of Amendment No. 87 for the purpose of public advertising to rezone the site to 'Commercial.'

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Norman, **SECONDED** Cr Logan that the Finance Committee:

- 1** NOTES the status report on the progress of the City's proposed disposal of four freehold land sites;
- 2** NOTES that the Chief Executive Officer will initiate the necessary actions to take Lot 900 (57) Marri Road, Duncraig to public auction;
- 3** NOTES a further status report on the progress of the City's proposed disposal of freehold land and proposed acquisition of a Crown land site will be submitted to the Finance Committee meeting to be held on 12 June 2017.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

Appendix 6 refers

To access this attachment on electronic document, click here: [Attach6agnFIN170404.pdf](#)

ITEM 7 BURNS BEACH CAFÉ / RESTAURANT - PROJECT STATUS

WARD	South West
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	102656, 101515
ATTACHMENT	Nil
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting')

PURPOSE

For the Finance Committee to note the status of the Burns Beach café/restaurant project.

EXECUTIVE SUMMARY

At its meeting held on 13 December 2016 (CJ235-12/16 refers) Council authorised the Chief Executive Officer to request expressions of interest (EOI) for the development of a café/restaurant at Burns Beach.

Although the City has prepared documentation for an EOI process, recently undertaken investigations into other café/kiosk/restaurant developments in Perth (particularly the new restaurant precinct at City Beach, constructed by the Town of Cambridge) indicated that alternative development models need to be investigated.

The Town of Cambridge adopted a different development model to that previously adopted by the City for the Burns Beach EOI and as currently negotiated for the Pinnaroo Point café development. The City's approach is one where the City would lease land to a developer/operator to construct a building and operate a business. The Town of Cambridge approach involved the Town of Cambridge constructing its own buildings and then entering into a commercial leasing arrangement with an operator.

This development model could result in less complex lease negotiations and more favourable financial returns to the City and provide the City with greater control and flexibility regarding the design, scale and location of the development.

It is therefore recommended that the Finance Committee:

- 1 *NOTES the report on the status of the Burns Beach café/restaurant project;*
- 2 *NOTES that the Chief Executive Officer will undertake further investigations into alternative development models for a café/restaurant at Burns Beach.*

BACKGROUND

The City owns and manages a number of strategically located land parcels that in terms of accommodating cafés, kiosks and restaurants have the potential to increase the enjoyment of popular recreational locations and provide the City with a level of commercial gain.

At its meeting held on 22 June 2010 (CJ103-06/10 refers), Council endorsed the philosophy and parameters for the cafés/kiosks/restaurants project, to articulate for historical purposes its intent to progress the project and to address the project objectives. The cafés/kiosks/restaurants project vision recognises the provision of facilities which will:

- advance the City's ability to attract visitors/tourists for entertainment and socialising
- provide more employment, increase business opportunities, a greater awareness of the City's natural assets and a greater social and economic contribution by tourists
- provide equitable community based facilities that acknowledges and provides for the lifestyle and alfresco culture of Western Australia.

The fiscal responsibility and commerciality development parameters of the project aim to provide:

- assurance of commercial viability
- due diligence and financial/cost benefit analysis
- future financial and social benefit for City residents and visitors
- high quality, appropriate commercial operations
- consideration of co-location opportunities
- creation of an asset/s that maintains its capital value throughout its economic life cycle.

At its meeting held on 27 May 2013 Council considered a report entitled 'The Provision of Cafés/Kiosks/Restaurants on City Owned or Managed Land – Project Status and Progression Options Report' (CJ069-05/13 refers) and resolved in part:

“That Council AUTHORISES the Chief Executive Officer to initiate an Expression of Interest process for the development of a café/restaurant facility at Burns Beach.”

At its meeting held on 6 October 2014 the former Strategic Financial Management Committee (SFMC) considered a report entitled 'Confidential – Burns Beach Café/Restaurant – Expression of Interest' (Item 3 refers). The report detailed the evaluation results from Stage One of the EOI, including details of the six submissions received. After due consideration of the report the SFMC resolved:

“That the confidential item in relation to the Burns Beach Café/Restaurant – Expression of Interest be DEFERRED pending the adoption of the Burns Beach Master Plan by Council”.

At its meeting held on 18 October 2016 Council resolved in part to adopt the *Burns Beach Master Plan* (CJ158-10/16 refers). The *Burns Beach Master Plan* contains a design for the coastal node precinct of Burns Beach which includes a location for a café/restaurant development.

At its meeting held on 13 December 2016 (CJ235-12/16 refers) Council considered a status report on the progress of the café/kiosk/restaurant project and in relation to the Burns Beach café/restaurant resolved in part that it:

“AUTHORISES the Chief Executive Officer to request Expressions of Interest for the development of a café/restaurant at Burns Beach, commencing in March 2017.”

DETAILS

Since the 13 December 2016 Council meeting (CJ235-12/16 refers) the City continued with the preparation of the necessary documentation for an EOI process for a café/restaurant at Burns Beach, with a view of releasing a request for submissions in March 2017. The EOI is intended to identify a preferred developer/operator to enter into a land lease with the City and to build and operate a facility on the land.

During the preparation of the EOI documents it became apparent that in order for the City to attract the best commercial operator for a facility, appropriate development parameters needed to be determined in advance of commencing the EOI process. With the previous EOI process undertaken by the City at Burns Beach in 2013 - 2014 the City received six submissions ranging from a café franchise up to a large-scale tavern-style development. The variability of these proposals made it difficult for the City to decide on an appropriate development.

Recently the City held discussions with representatives from the Town of Cambridge regarding their experience with the development of three new food and beverage facilities on freehold land owned by the Town of Cambridge at City Beach, comprising of Hamptons City Beach, Rise and Odyssey. In a short period these developments have proved to be commercially successful for both the Town of Cambridge and the businesses involved and have created a new food and beverage precinct servicing both the local and wider community and tourists alike.

The process followed by the Town of Cambridge differs from that adopted by the City for the previous EOI process for the Burns Beach café/restaurant project. The Town of Cambridge constructed the facility themselves and sought EOI's for suitable operators to lease the buildings, undertake commercial fit-out and operate their business. In this approach, the Town of Cambridge undertook a feasibility study and market analysis with the assistance of commercial real estate, leasing and food and beverage consultants. This allowed the Town of Cambridge to develop a detailed project brief before identifying a design for the development, which was undertaken through an architectural design competition.

The EOI process undertaken previously for the Burns Beach café/restaurant was the same that is currently being adopted at Pinnaroo Point where the City is considering leasing land from the Crown and then subleasing that land to a developer/operator who will finance the cost of construction and fit out of the facility and also operate the business. The City has recently received a draft Crown Land lease for Pinnaroo Point from the Department of Lands (DoL) for a 42 year lease. The draft Crown Land lease requires that the City pays the Crown 25% of the market rent (as determined by the Valuer General) for the first 20 years of the lease and then 50% of any market rent for the remainder of the 42 years. The process adopted by the City has proven to be a lengthy process due to complex negotiations between the City, the DoL and the operator, potentially resulting in marginal financial benefit to the City.

In contrast, the Town of Cambridge has adopted shorter lease terms of approximately 20 years, which is considered a reasonable payback period for all parties to recoup the costs incurred from the development. The DoL has also advised the City that approximately 20 years is an appropriate lease term for a developer to recoup the costs incurred in a development of this nature.

Issues and options considered

The Finance Committee has the following options:

- continue with an EOI process at Burns Beach to identify a preferred developer/operator to enter into a land lease with the City and to build and operate a café/restaurant on the land
or
- undertake further investigations into alternative development models including where the City constructs its own building on Crown Land.

Legislation / Strategic Community Plan / policy implications

Legislation Besides the legislation that covers the eventual planning and building requirements, with regard to the land related matters the *Land Administration Act 1997* and the Department of Planning (DoP) and Department of Lands (DoL) relevant policies deal with the administration of Crown land. The *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* deal with local governments' disposition of property which includes leasing.

Strategic Community Plan

Key theme Economic Prosperity, Vibrancy and Growth.

Objective Destination City.

Strategic initiative Facilitate the establishment of major tourism infrastructure.

Policy Not applicable.

Risk management considerations

The DoP's *State Coastal Planning Policy No. 2.6* applies to development along the City's coastline, particularly with regard to potential long term risks from severe storm erosion and sea level rise. The City has recently undertaken the required *Coastal Hazard Risk Management and Adaptation Plan* in accordance with this legislation.

DoP's *State Planning Policy No. 3.7: Planning in Bushfire Prone Areas* also applies to these sites. The City has recently undertaken a Bushfire Attack Level (BAL) assessment and *Bushfire Management Plan* for the proposed sites, in accordance with the legislation.

Other potential risks to the successful progression of the project include:

- inability to obtain support from the statutory approval authorities
- negative community reaction
- failure of negotiations on lease agreements
- a proponent, or the City, may opt not to proceed with the development.

Financial / budget implicationsCurrent financial year impact

Account no.	1-220-C1060.
Budget Item	Cafés/Kiosks/Restaurants.
Budget amount	\$ 180,000
Amount spent to date	\$ 78,989
Proposed cost	\$ 0
Balance	\$ 101,011

Figures above are current at March 2017.

All figures in this report are exclusive of GST.

Future financial year impact

Annual operating cost	Alternate development models will have different impacts regarding operating costs. Once the optimum development model has been determined, respective responsibilities towards operating costs will be clear. If the City was to construct its own building it will be responsible for external maintenance of the building. All other annual operating costs including rates and consumption of services would be borne by the operator.
Estimated annual income	The City would receive the market rent negotiated with a developer/operator, less any payments to the Crown. Rates would also be payable by the operator.
Capital replacement	If the City was to lease land to a developer/operator, they would be responsible for capital replacement of building and improvements. If the City was to develop a facility and lease the building to an operator the City would be responsible for capital replacement.
20 Year Strategic Financial Plan impact	\$180,000 (includes project costs for two sites being Pinnaroo Point and Burns Beach).
Impact year	2016-2017.

All amounts quoted in this report are exclusive of GST.

Regional significance

The provision of cafés/kiosks/restaurants on City owned or managed land will provide significant resident/visitor/tourist benefit by enhancing the City's existing natural assets and amenities.

Sustainability implications

The project philosophy and parameters (CJ103-06/10 refers) outlines the intent of Council in progressing the project and addresses the following sustainability implications:

- Project Vision.
- Land Use and Built Form.

- Environmental Strategy.
- Liaison Protocol.
- Fiscal Responsibility and Commerciality.
- Governance.

Consultation

The City may be required to publically advertise the proposed development in accordance with the *Local Government Act 1995*, pending final decisions on the leasing arrangements.

COMMENT

Before continuing with an EOI process, similar to that currently adopted for the Pinnaroo Point café project and as previously adopted for the Burns Beach café/restaurant EOI, where the City subleases Crown Land to a third party to develop and operate a facility, the City should consider alternative development models.

This may include the City leasing Crown Land and developing its own building at Burns Beach which potentially could be a more commercially viable approach. This could result in a less complex and time consuming negotiation period, constructive progress towards development, more favourable financial returns to the City and provide the City with greater control and flexibility with regard to the design, scale and location of the development.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION

That the Finance Committee:

- 1 NOTES the report on the status of the Burns Beach café/restaurant project;
- 2 NOTES that the Chief Executive Officer will undertake further investigations into alternative development models for a café/restaurant at Burns Beach.

MOVED Mayor Pickard, SECONDED Cr Logan that Council:

- 1 **NOTES the report on the status of the Burns Beach café/restaurant project;**
- 2 **NOTES that the Chief Executive Officer will undertake further investigations into alternative development models for a café/restaurant at Burns Beach;**
- 3 **AUTHORISES the Chief Executive Officer to initiate an Expression of Interest process for the development of a café/restaurant facility at Burns Beach.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

ITEM 8 CONFIDENTIAL – PINNAROO POINT CAFÉ - PROJECT STATUS

WARD	South West
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	102656, 101515
ATTACHMENT	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This Report is confidential in accordance with section 5.23(2)(c) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr Norman, SECONDED Cr Fishwick that the Finance Committee:

- 1 NOTES the Confidential - Pinnaroo Point Café - Project Status Report;**
- 2 NOTES the estimated costs for the upgrade of existing services and additional services required for the café facility lease area are approximately \$488,000 (excluding GST);**
- 3 NOTES that the Chief Executive Officer will seek agreement from the Department of Lands to amend the draft Crown Land lease to acknowledge the costs of the City providing services to the proposed lease area, in the form of a rent free period of a term reflective of the costs of providing the services;**
- 4 NOTES that the Chief Executive Officer will continue negotiations with Rock (WA) Pty Ltd trading as White Salt to match the terms negotiated in the Crown Land lease, including matters relating to:**
 - 4.1 expiry of lease options;**
 - 4.2 market rent;**
 - 4.3 market rent review periods.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Fishwick, Logan, Norman and Taylor.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 7.00pm; the following Committee Members being present at that time:

Cr Tom McLean, JP
Mayor Troy Pickard
Cr Philippa Taylor
Cr Mike Norman
Cr John Logan
Cr Russ Fishwick, JP