

minutes

Finance Committee

MEETING HELD ON **MONDAY 12 JUNE 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 MONDAY 12 JUNE 2017.

ATTENDANCE

Committee Members

Cr Tom McLean, JP	<i>Presiding Member</i>	
Mayor Troy Pickard		<i>from 5.47pm</i>
Cr Philippa Taylor	<i>Deputy Presiding Member</i>	
Cr Russell Poliwka		
Cr Mike Norman		<i>from 5.46pm</i>
Cr John Logan		
Cr Sophie Dwyer		

Observers

Cr John Chester		
Cr Kerry Hollywood		<i>from 5.46pm; absent from 6.19pm to 6.27pm</i>

Officers

Mr Garry Hunt	Chief Executive Officer	
Mr Mike Tidy	Director Corporate Services	<i>absent from 5.58pm to 5.59pm</i>
Mr Nico Claassen	Director Infrastructure Services	
Mr Brad Sillence	Manager Governance	
Mr Mike Smith	Manager Leisure and Cultural Services	<i>to 5.58pm</i>
Mr Blignault Olivier	Manager City Projects	
Mrs Lesley Taylor	Governance Officer	

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.45pm.

DECLARATIONS OF INTEREST

Disclosure Proximity Interest

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision making process if they have disclosed their interest.

Name/Position	Cr Kerry Hollywood.
Item No./Subject	Item 6 – Burns Beach Café/Restaurant – Project Status.
Nature of interest	Proximity Interest.
Extent of Interest	Cr Hollywood lives within 500 metres of the subject site.

Disclosures of interest affecting impartiality

Nil.

APOLOGIES/LEAVE OF ABSENCE

Leave of Absence previously approved

Cr Sophie Dwyer	1 July to 17 July 2017 inclusive;
Cr Christine Hamilton-Prime	14 July to 21 August 2017 inclusive;
Cr Sophie Dwyer	23 September to 8 October 2017 inclusive.

Crs Hollywood and Norman entered the Room at 5.46pm.

CONFIRMATION OF MINUTES

MINUTES OF THE FINANCE COMMITTEE HELD ON 4 APRIL 2017

MOVED Cr Dwyer, **SECONDED** Cr Poliwka that the minutes of the meeting of the Finance Committee held on 4 April 2017 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Dwyer, Logan, Norman, Poliwka 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.

Mayor Pickard entered the Room at 5.47pm.

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 30 April 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 30 April 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 30 April 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 30 April 2017.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Poliwka, **SECONDED** Cr Logan that the Finance Committee **NOTES** the report on the Capital Works Projects for 2016-17 as at 30 April 2017 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (7/0)

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

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnFIN170612.pdf](#)

ITEM 2 BI-MONTHLY CAPITAL WORKS PROJECT REPORTS

WARD	All
RESPONSIBLE DIRECTOR	Mr Nico Claassen Infrastructure Services
FILE NUMBER	105564, 101515
ATTACHMENT	Attachment 1 SES Winton Road Attachment 2 <i>MacDonald Park Landscape Master Plan</i> Attachment 3 Ocean Reef Road - Marmion Avenue to Oceanside Promenade Duelling Attachment 4 Ocean Reef Road/ Joondalup Drive Intersection Upgrade Attachment 5 <i>Leafy City Program</i> Attachment 6 Joondalup City Centre Lighting Attachment 7 Admiral Park Flood Lighting Upgrade Attachment 8 Penistone Park Facility Refurbishment Attachment 9 Grove Child Care/ Dorchester Hall/ Warwick Hall Attachment 10 Warwick Hockey Centre Project Attachment 11 Percy Doyle – Undercroft Extension
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 Bi-Monthly Project Status Reports for capital works projects.

EXECUTIVE SUMMARY

At the Finance Committee meeting held on 10 August 2016 the committee determined which capital works project reports were required and the frequency of reporting. The Bi-Monthly Project Status Reports are attached (Attachments 1-11 refer).

It is therefore recommended that the Finance Committee NOTES the bi-monthly Capital Works Project Reports forming Attachments 1 to 11 to this Report.

BACKGROUND

At its meeting held on 10 August 2016 the Finance Committee requested that the following project reports from the *2016-17 Capital Works Program* be provided on a bi-monthly basis:

- Timberlane Park Hall Upgrade.
- Kingsley Clubrooms.
- SES Winton Road.
- *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.

The following projects which required a bi-monthly project report has now been completed and no further reports will be presented to the Finance Committee:

- SES Winton Road.
- Admiral Park Flood Lighting Upgrade.
- Percy Doyle – Undercroft Extension.
- Ocean Reef Road/Joondalup Drive Intersection Upgrade.

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.

MOVED Cr Logan, SECONDED Mayor Pickard 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 (7/0)

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

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnFIN170612.pdf](#)

ITEM 3 FACILITY REFURBISHMENT - FALKLAND PARK TOILET/CHANGE ROOM FACILITY

WARD	North
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	11042, 69317, 101515
ATTACHMENT	Attachment 1 Falkland Park, Kinross – aerial map Attachment 2 Falkland Park toilet/changeroom floor plan
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 consider the refurbishment of the toilet/changeroom facility located at Falkland Park, Kinross.

EXECUTIVE SUMMARY

Falkland Park, Kinross (Attachment 1 refers) is an active sporting reserve primarily used by the Joondalup Kinross Junior Football Club (JKJFC) (winter) and Joondalup Kinross Cricket Club (JKCC) (summer). The park serves as the sporting oval for the adjacent Kinross College under a shared use agreement with the City. It is also used by a commercial fitness operator (personal trainer) and the Currambine Football (soccer) Club.

Infrastructure on the park includes a toilet/change room facility (Attachment 2 refers), playground, outdoor fitness equipment, three-on-three basketball pad, cricket centre wicket and training nets and floodlights (to Australian Standards).

JKJFC has previously expressed an interest in having the existing toilet/change room facility extended to include a bigger change room, storage and a kiosk. At its meeting held on 15 July 2014 (CJ116-07/14 refers), Council endorsed a report which reviewed the City's community facilities and active reserves and proposed that refurbishment works to the toilet/change room facility at Falkland Park be listed for 2023-24. This is not listed in the current *Five Year Capital Works Program* as it is beyond the time period for the program.

Earlier this year the JKJFC requested that the works at Falkland Park be brought forward to 2018-19 in line with the works at Windermere Park as their usage of Falkland Park is growing.

At its meeting held on 18 October 2016 (CJ176-10/16 refers), Council considered a report on the proposed refurbishment of the facilities at Windermere Park, Joondalup and Falkland Park, Kinross.

Council resolved that it:

- “1 NOTES that an amount of \$250,000 is listed in the Five Year Capital Works Program in 2018-19 for refurbishment works at Windermere Park Clubrooms;
- 2 NOTES that there are no funds listed with the current Five Year Capital Works Program for refurbishment works to the Falkland Park facility and REQUESTS a further report to the Finance Committee on the proposed scope and benefits of refurbishment works for the Falkland Park facility;
- 3 REQUESTS a further report detailing concept design options and estimated costings to undertake a refurbishment and potential expansion of the Windermere Park Clubrooms, following engagement with key stakeholders of the facility.”

At the meeting of the Finance Committee held on 7 December 2016, it was resolved that:

“Item 3 – Facility Refurbishment – Falkland Park Toilet/Change room Facility be referred back to the Chief Executive Officer to enable Ward Councillors to meet with the Joondalup Kinross Junior Football Club to discuss their aspirations for the facility and a further report be provided to a future meeting of the Finance Committee.”

The City consulted with JKJFC and JKCC to seek their feedback on the scope of work requirements and benefits for their club at a meeting held on 20 February 2017. The advice received from both clubs confirmed that their priority was to maximise the funding for the refurbishment of the Windermere Park Clubrooms and seek funding for Falkland Park in the later years. In consideration of the advice provided by the clubs, the City’s extensive *Capital Works Program* and current allocation of reserves, it is proposed to not proceed with refurbishing the Falkland Park facility at this point in time.

It is therefore recommended that Council:

- 1 NOTES that there are no funds listed within the City’s current Five Year Capital Works Program for refurbishment works to the Falkland Park toilet facility;
- 2 DOES NOT AGREE to bring forward the refurbishment project for the Falkland Park toilet facility at this point in time;
- 3 AGREES to review the priority of the refurbishment of the toilet facility at Falkland Park in the next Active Reserve and Community Facility review report.

BACKGROUND

Suburb/Location	Falkland Park, 17 Falkland Way, Kinross WA 6028.
Applicant	City of Joondalup.
Owner	Crown Land – City of Joondalup Management Order.
Zoning	DPS Parks and Recreation.
	MRS Urban.
Site area	50,038m ² .
Structure plan	Not applicable.

The JKJFC is one of the largest junior AFL clubs within the metropolitan area. The club has been based at Windermere Park since 1994 and leases the clubrooms on a seasonal basis with the JKCC. In addition to leasing the facility at Windermere Park, JKJFC fixtures training and games at other City venues, including Falkland Park, Kinross as its nominated secondary ground.

For the 2016 AFL season, JKJFC had 896 registered members ranging from its Auskick program to its Year 12 open team. The club does not have a senior AFL team, but has recently established a relationship with the ECU Jets who commenced operating from Windermere Park on Saturday afternoons in 2016. The ECU Jets are a new senior club in the West Australian Amateur Football League with one team and therefore were able to co-exist with JKJFC quite comfortably at Windermere Park for the 2016 season as they only had one fixtured game at the venue every second Saturday afternoon.

The City has Falkland Park tentatively listed in 2023-24 for a refurbishment of its current toilet/change room facility to include kiosk, storage and change rooms. JKJFC has requested this work be done sooner as their usage of the ground is growing and supporting elements within that facility would assist in them operating from that location.

At its meeting held on 18 October 2016 (CJ176-10/16 refers), Council considered a report on the proposed refurbishment of the facilities at Windermere Park, Joondalup and Falkland Park, Kinross and requested a further report on the scope and benefits of the proposed works at Falkland Park.

A further report was presented to the Finance Committee held on 7 December 2016, where the matter was referred back to the CEO to allow Ward Councillors to meet with representatives of both the JKJCC and JKCC. That meeting was held on 20 February 2017.

Following that meeting, the clubs wrote to the City on 1 April 2017, advising their priority was to maximise the funds available on the refurbishment of the Windermere Park Clubrooms, and seek funding for a facility refurbishment at the Falkland Park toilet/change room facility in the later years.

DETAILS

The City sought additional information from the JKJFC regarding the scope and benefits of refurbishment works at Falkland Park:

Scope

In addition to the proposed kiosk, storeroom and change room, the JKJFC also requested:

- separate change room (with shower and toilet) for match day umpires and officials to meet the requirement of the West Australian Football Commission
- patio or verandah area for spectators
- small clubroom area to manage their game day operations, particularly if they move some or all of their Auskick program to Falkland Park.

Benefits

The JKJFC indicated that with a large Auskick program, female football program, Starkick (disabled) program and Kindy Kick program, as well as their regular teams plus their alignment with the ECU Jets, it is in need of room to expand to take the pressure off the heavily utilised facilities at Windermere Park. To meet this current need it would like to have expanded facilities at Falkland Park. The JKJFC indicated it offers a fun, safe and friendly environment to participate in learning and playing AFL for people of all ages, genders, nationalities and abilities. An upgrade to the facilities at Falkland Park would assist the club in continuing to offer a range of programs to all existing and new members.

The JKJFC has indicated that player and umpire change rooms are a minimum requirement for hosting junior 'open' games (currently 'open' games are for 13 year olds and up, proposed to be changed to 12 years and up in 2017), and Falkland Park currently does not meet this requirement. The JKJFC anticipate it will need to schedule more games at Falkland Park from 2017 when the proposed change to the 'opens' category is implemented by the West Perth District Football Development Council.

Issues and options considered

The options available to Council are either:

- not agree to bring forward the Falkland Park refurbishment project, leave the project listed in 2023-24 and review its priority in the next Active Reserve and Community Facility review report
or
- agree to bring forward the planning stages of the Falkland Park refurbishment project including consultation with relevant stakeholders to identify additional works, concept design and cost estimates. Once this process is complete, prepare a report detailing scope of works and budget implications for further consideration.

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.

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

Risk management considerations

The following risks have been identified:

- The current facilities at Falkland Park do not meet the needs of the user groups, and therefore could cause issues with storing of equipment in inappropriate areas.
- Adequate City resources to plan and construct additional refurbishment works by 2018-19.

- If the refurbishment works for Falkland Park are brought forward and the scope of works is increased, the City may not be in the financial position to meet the additional costs in view of other priorities in the *Capital Works Program*.

Financial / budget implications

There are currently no funds listed in the City's current *Five Year Capital Works Program* for a refurbishment at Falkland Park.

Current financial year impact

Not applicable.

Future financial year impact

Annual operating cost Any addition to the facilities at Falkland Park will result in an increase in annual operating costs especially if it includes a clubroom. For a comparison, Admiral Park has a small clubroom facility which cost \$40,750 in 2015-16 to operate.

Estimated annual income It is unlikely that a clubroom venue at Falkland Park would attract any income for the City, as most use would be at 100% subsidised rate.

Capital replacement The *Building Asset Management Plan* defines the life of such an asset would be 100 years.

20 Year Strategic Financial Plan impact Funds are currently listed within the City's *20 Year Strategic Financial Plan*. This will be impacted if the funding amounts and / or the years listed are adjusted. The estimated net cash impact over the current adopted plan would need to be determined based on the estimated increase to the annual operating costs (once known) for a 20 year period.

Impact year Funds are currently within the City's *20 Year Strategic Financial Plan* for 2023-24 for Falkland Park toilet / change rooms.

All amounts quoted in this report are exclusive of GST.

Regional significance

There would be minimal regional impact as JKJFC and other user groups at Falkland Park are locally based groups and attract a large majority of members from the immediate surrounds.

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 would include 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

In accordance with Council's resolution at its meeting held on 18 October 2016 (CJ176-10/16 refers), the City consulted with the JKJFC regarding the scope and benefits of proposed refurbishment works at Falkland Park.

COMMENT

Facility standards documentation from the Western Australian Football Commission indicates that while change rooms for junior players and umpires are desirable, they are not compulsory and games can still be scheduled at venues that do not have these facilities. Therefore the current toilet/change room facility at Falkland Park is sufficient for junior football games.

The JKJFC has indicated it may need to move their Auskick program from Windermere Park to Falkland Park at some stage due to the growth of their various programs and on-going alignment with ECU Jets and a kiosk, clubroom and additional storage would be required to help administer the Auskick program from Falkland Park. However no specific timeline has been given for when this move is likely to occur.

It is noted that there are no funds listed in the City's current *Five Year Capital Works Program* for a refurbishment at Falkland Park and the umpires' change room, patio and small clubroom are items that have not previously been considered for Falkland Park and would add significantly to the cost of works at the venue.

The scope of works that is now being requested by the JKJFC is similar to the refurbishment that was undertaken at Admiral Park in 2014, which cost the City \$850,000. If the works at Falkland Park are brought forward Council would need to increase funding in the *Five Year Capital Works Program* and/or postpone or remove other projects.

The City currently has an expansive building construction works program and increasing the scope of projects or adding to the list of projects will increase the workload and generally will need to be addressed by increasing resources. Given the City's extensive capital works program and the current allocation of resources, it is proposed to not proceed with refurbishing the Falkland Park facility at this point in time.

The Active Reserve and Community Facility Review report and the recommendations made were based on a strategic approach for the future provision of community and sporting facilities and infrastructure works. However, the intention of the report was to act as a guide, noting that priorities may change between reviews.

The City will assess the refurbishment at Falkland Park in the next Active Reserve and Community Facility Review report (proposed to be conducted in 2017) and consider bringing forward the works at that time depending on its priority ranking against other possible projects.

ADDITIONAL INFORMATION

Following the decision of the Finance Committee at its meeting held on 7 December 2016, a meeting was held with representatives from both the JKCC and JKJFC, the Mayor, Ward Councillors and officers from the City on Monday 20 February 2017.

The outcome of the meeting was for both clubs to consider the priority of projects, being refurbishment of the Windermere Park Clubrooms and the refurbishment of the Falkland Park toilet/change room facilities.

Both clubs have since advised the City that their position is to maximise the funding on the agreed scope of works for the refurbishment of the Windermere Park Clubrooms and seek future consideration for funding for Falkland Park in later years.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Pickard, SECONDED Cr Dwyer that Council:

- 1 NOTES that there are no funds listed within the City's current *Five Year Capital Works Program* for refurbishment works to the Falkland Park toilet facility;**
- 2 DOES NOT AGREE to bring forward the refurbishment project for the Falkland Park toilet facility at this point in time;**
- 3 AGREES to review the priority of the refurbishment of the toilet facility at Falkland Park in the next Active Reserve and Community Facility Review Report.**

The Motion was Put and

CARRIED (7/0)

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

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnFIN170612.pdf](#)

The Director Corporate Services and Manager Leisure and Cultural Services left the Room at 5.58pm.

ITEM 4 LEASE OF AIRSPACE AND DEVELOPMENT OVER SUMP SITES

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	42666, 78624, 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.

PURPOSE

For Council to be informed on the nature of investigations required to explore the possibilities of leasing air space over sumps to enable various development opportunities and the possibility of private sector engagement.

EXECUTIVE SUMMARY

The City has been approached by developers enquiring about the opportunities for the development over sump sites owned or managed by the City. There are successful examples of developments over sump sites within the City. Therefore it is considered appropriate to further investigate these opportunities.

A previous report to the then Capital Works Committee provided confirmation that it is technically possible to cover up a sump while retaining the drainage function. Since the above report the City embarked on a review of sumps for consideration for improvement and beautification. Experience shows that each sump has various characteristics that influence the potential (from none to high potential) of the sump for improvement, beautification, conversion to car parking and residential or commercial development.

The City has embarked on a number of activities with respect to the assessment, auditing and options to convert or improve sumps across Joondalup.

In order to explore the potential of this initiative it is suggested that initial investigations would provide a basis to allow a pilot project to be launched to confirm the feasibility of the venture as well as guiding future projects of a similar nature.

These investigations will not only determine the possibility of leasing of air space from a legislative point of view but will also explore the spectrum of opportunities to develop above sumps and how the parties in the private sector might be involved. Due to the fact that interest came from various parties the most appropriate way of engaging the private sector

would be for the City to request for Expressions of Interest (EOI) on the leasing of air space and development over sump sites.

In order to deliver a clear strategy towards exploring the possibility of leasing air space to accommodate development over operational sumps and in view of less complex leasing negotiations, initial investigations should focus on sump sites owned freehold by the City.

The experience gained as a result of a successful EOI process will form the basis of future opportunities on sump sites owned by the City as well as those vested with the City through management orders.

It is therefore recommended that Council:

- 1 *NOTES the content of this report on the nature of investigation the Chief Executive Officer will undertake to explore the possibilities of leasing air space over sumps to enable various development opportunities;*
- 2 *AUTHORISES the Chief Executive Officer to initiate and Expression of Interest process for the leasing of air space over sumps to enable various development opportunities;*
- 3 *REQUESTS the Chief Executive Officer to report to the Finance Committee on the progress with the above investigations and how the private sector may be engaged in a potential pilot project.*

BACKGROUND

The status of sump sites in the City has been brought into focus due to the City being approached by interested parties enquiring about the opportunities for development on and above sump sites. The interest registered with the City proposes residential/commercial development on a leased “air space” basis on an engineered platform while the sump remains active. The proposals and interest shown has been considered at management and officer level since 2015 and several issues have been identified that will need further investigation with respect to the possibilities of leasing air space over sump sites as well as investigating various opportunities to develop over sump sites .

At its meeting held on 13 December 2016 (C80-12/16 refers) it was agreed that Council:

“REQUESTS a report from the Chief Executive Officer on leasing the air space over sumps to enable residential, and where appropriate commercial development, to be undertaken taking into consideration factors such as, but not limited to:

- 1 *the use of substructure support (such as concrete decking over the sump);*
- 2 *engaging with the private sector to undertake a pilot project.”*

Since the above request for a report the proposals and enquiries received by the City consideration was given to previously identified issues to form part of further investigations.

Several of these key issues were identified when a report was presented in October 2014 to the then Capital Works Committee to consider the potential use of drainage sumps for the provision of car park facilities. At this meeting the Committee noted in part:

- “1 the potential to convert existing drainage sumps into car parking facilities;*
- 2 the conversion of sumps to car parking facilities has a large number of variables and requires detailed assessment on a case by case basis to determine project viability;”*

(Item 5 of the Minutes of the Capital Works Committee of 7 October 2014, refers).

The above report provided confirmation that it is technically possible to cover up a sump while retaining the drainage function. Two examples are noted, where drainage sumps were upgraded and converted into car parking resulting in an expansion of the number of car bays provided at the Currambine Train Station.

In addition to the above report the City has also embarked on a review of sumps for consideration for improvement and beautification. Experience shows that each sump has various characteristics that influence the potential (from none to high potential) of the sump for improvement, beautification, conversion to car parking and residential or commercial development.

DETAILS

Approaches from parties interested in developing over sump sites on City owned or managed land suggests that an investigation into the potential of these developments is warranted.

From a City's risk management perspective and in order to determine overall suitability and viability of a proposal for a specific sump site a proper validation of engineering, legislative, environmental and feasibility aspects need to be considered. Several main issues for further clarification will include engineering merit from a structural perspective, continued efficiency and environmental implications, maintenance implications, impact on the surrounding area/community, financial feasibility from a City's capital and operational costs point of view and various statutory compliance requirements regarding land tenure, planning approvals, industry and construction compliance and possibilities on leasing of air space.

The risk management considerations apparent to this exercise are discussed in further detail under the "Risk management considerations" section of this report.

There are 305 stormwater sumps in the City of Joondalup. The majority of these are in crown reserves for drainage however there are also 63 freehold lots which contain drainage facilities.

Recent feedback from the Department of Lands (DoL) has confirmed that the DoL has also been approached by parties with proposals on the leasing of air space above sumps to accommodate development over sumps. DoL has indicated that it has suggested to these parties to approach the relevant local government due to the fact that the majority of sump sites are subject to management orders with the relevant local government and some are owned freehold by the local government. The DoL confirmed that it will respond to detailed proposals forthcoming from local government, allowing issues related to the necessary approvals, land tenure/lease arrangements and all other requirements to be resolved with the parties who will be responsible for these ventures in the long term.

In order to explore the potential of this initiative it is suggested that initial investigations would provide a basis to allow for a pilot project to be launched confirming the feasibility of the venture as well as guiding future projects of similar nature.

The benefit of the above investigations identifying a suitable sump site will enable the initiation of a pilot project through an EOI process. The experience gained from a pilot project will serve as a basis for further opportunities on City owned sump sites as well as further exploration of opportunities on Crown owned sumps managed by the City.

Issues and options considered

Investigations will focus on the possibilities of leasing air space and the opportunities for development over sumps and the initial issues identified are listed below.

Possibilities of leasing air space over sumps

- ownership/tenure
- impact of management orders
- previous examples of air right leasing arrangements
- applicability of air rights leases, such as limited to functional sumps only
- complexity of Crown lease arrangements
- legislative restrictions/limitations
- impact of planning approvals processes, such as rezoning.

Opportunities for development over sumps

- Physical aspects of the site, such as locality, size, shape, access, geotechnical conditions and the like.
- Surrounding land uses and activities.
- Environmental impact on vegetation, fauna and views.
- Functionality with respect continued efficiency.
- Health and safety implications.
- Implications on determining the suitability of the site and the nature of the structure to accommodate a specific development.
- The specific kind of development suitable in view of its compatibility with its surroundings, such as residential, commercial, provision of parking or community purpose.
- Cost estimations with respect to impact on the City's budget and assessing costs against financial and community benefit.

Legislation / Strategic Community Plan / policy implications

Legislation

Storm water drainage is addressed in a number of State Legislation documents, including the *Local Government Act 1995*, *Health Act 1911*, *Town Planning and Development Act 1928* and *Environmental Protection Act 1986*.

It is expected that further legislation will become relevant as investigations progress.

Strategic Community Plan

Key theme

Quality Urban Environment.

Objective

Quality built outcomes.

Strategic initiative Housing infill and densification is encouraged and enabled through a strategic, planned approach in appropriate locations.

Policy Not applicable.

Risk management considerations

In addition to ensuring proper validation of engineering, legislative, environmental and feasibility aspects, the following issues relate specifically to drainage sumps when development possibilities are concerned:

- Conversion of an open sump to provide underground storage creates a more complex maintenance or cleaning operation.
- The changed status of the sump when natural light is eliminated may impact on its operation and environmental condition
- Severe contamination via a significant oil, fuel or chemical spill may in extreme circumstances damage the underground system and require replacement and decontamination of the site.
- Structural collapse should be considered during the design process.
- Severe storm events are likely to completely fill the underground storage, with surcharge accumulating within the car park.

Financial / budget implications

Initial expenditure will be operational as initial investigations will be coordinated internal with the support from external consultants where required.

Regional significance

The development of sump sites will potentially improve under-utilised land and improve the safety, maintenance and environmental considerations of the drainage site, as well as the general visual amenity of the whole area.

The functionality of the drainage site will still continue and be maintained as a drainage site for stormwater throughout development and thereafter.

Sustainability implications

Environmental

The opportunity exists to improve the visual appearance of an underutilised site through landscaping and vegetation without compromising the site's drainage function.

Social

Social amenity can be improved by the addition of well designed residential or commercial development that allows improved streetscape and function. Better utilisation of sump sites through development of this nature can improve the overall performance of community facilities, business or local attractions.

Economic

Economic improvements can be achieved with the addition of development in residential and commercial areas to improve the viability of an area through an increase in activity. Although a potential increase in maintenance costs might result it is believed that revenue from lease fees and additional rates could show a financial net benefit.

Consultation

The development of sumps may be feasible when considering all aspects highlighted for further investigation, but would require local community consultation on a case by case basis to assess support for a particular proposal.

Community consultation would be recommended for most sump development projects as a great number of them are located within existing residential and commercial development. Community consultation will be initiated in accordance with the City's *Community Engagement Protocol* and procedures.

COMMENT

The development of sumps for residential, commercial or other purposes might be feasible for some sites, but requires detailed investigation on a case by case basis to assess the various factors that influence a projects' overall viability and possible alternative options.

Key issues to consider are the engineering design, environmental status, planning environment, traffic access, site location and shape and overall community support for the project. Land value and space are important factors to consider within the context of the area in question.

Due to the fact that interest came from various parties the most appropriate way of engaging the private sector would be for the City to request for Expressions of Interest on the leasing of air space and development over sump sites.

In order to deliver a clear strategy towards exploring the possibility of leasing air space to accommodate development over operational sumps and in view of less complex leasing negotiations, initial investigations should focus on sump sites owned freehold by the City.

VOTING REQUIREMENTS

Simple Majority.

The Director Corporate Services entered the Room at 5.59pm.

OFFICER'S RECOMMENDATION

That Council:

- 1 NOTES the content of this report on the nature of investigation the Chief Executive Officer will undertake to explore the possibilities of leasing air space over sumps to enable various development opportunities;
- 2 AUTHORISES the Chief Executive Officer to initiate and Expression of Interest process for the leasing of air space over sumps to enable various development opportunities;
- 3 REQUESTS the Chief Executive Officer to report to the Finance Committee on the progress with the above investigations and how the private sector may be engaged in a potential pilot project.

MOVED Cr Norman, SECONDED Cr Poliwka that Council:

- 1 **NOTES the content of this report on the nature of investigation the Chief Executive Officer will undertake to explore the possibilities of leasing air space over sumps to enable various development opportunities;**
- 2 **AUTHORISES the Chief Executive Officer to initiate and Expression of Interest process for the leasing of air space over sumps to enable various development opportunities;**
- 3 **REQUESTS the Chief Executive Officer to report to the Finance Committee on the progress with the above investigations and how the private sector may be engaged in a potential pilot project;**
- 4 **NOTES the Expression of Interest process is to be considered and progressed relative to the City's existing major project priorities.**

The Motion was Put and

CARRIED (7/0)

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

ITEM 5 STATUS REPORT ON CITY FREEHOLD PROPERTIES PROPOSED FOR DISPOSAL AND A PROPOSED CROWN LAND ACQUISITION

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
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).

All four of the remaining sites are now available for disposal, being Lot 2 (20) Kanangra Crescent, Greenwood, Lot 803 (15) Burlos Court, Joondalup, Lot 1001 (14) Camberwarra Drive, Craigie and Lot 900 (57) Marri Road, Duncraig.

At its meeting held on 13 December 2016 (CJ234-12/16 refers) Council resolved to authorise the Chief Executive Officer to take the four remaining properties to public auction which was planned for April 2017. In the interim, based on the prevailing property market conditions, the opinion of a property expert was sought who advised to take one property to auction only. This property will be Lot 900 (57) Marri Road, Duncraig with the main reason for this decision being Duncraig's high demand market. A real estate agent has been selected and preparation towards an auction to be held early in July 2017 has commenced.

With regard to the City's 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, at its meeting held on 21 March 2017, Council resolved to proceed to advertise Amendment No. 87 to the City's District Planning Scheme No. 2 (DPS2) to amend the zoning from 'Civic and Cultural' to 'Commercial.' (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 has initiated 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 7 August 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:

- “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 (CJ234-12/16 refers), Council authorised the CEO to dispose of this property by public auction.</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(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>

	Property Address	Land Disposals – Current Status
		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.
3	Lot 1001 (14) Camberwarra Drive, Craigie. Land Area: 2,055m ² . Attachment 3 refers.	This site is ready for disposal and at its meeting held on 13 December 2016 (CJ234-12/16 refers), Council authorised the CEO to dispose of this property by public auction. 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.
4	Lot 900 (57) Marri Road, Duncraig. Land Area: 1,366m ² Attachment 4 refers.	Lot 900 (57) Marri Road, Duncraig was selected as the property to take to auction once the community facility on the site was demolished. The demolition was completed at the end of May 2017. During April 2017, the City carried out a 'Request for Quotation' exercise related to a real estate service for the marketing and auction of Lot 900. Burgess Rawson was the company selected based on the professional presentation of the quotation and it being the most cost-effective proposal. The marketing campaign is planned to commence in early June 2017 with an auction date planned for early July 2017. The City has developed a comprehensive information pack for parties interested in purchasing Lot 900 that will be provided to Burgess Rawson which will also include the contract of sale. Valuers have been appointed to undertake a market valuation in preparation for the CEO to consider the reserve price for the property. Council has requested that on disposal of this site, the purchaser be encouraged to retain existing significant trees.

		Acquisition – Current Status
1	Lot 12223 (12) Blackwattle Parade, Padbury Land Area: 3,332m ² . Attachment 5 refers.	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 during May 2016 that the Minister for Lands had approved this acquisition. A contract of sale previously provided to the City 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. 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

	Acquisition – Current Status
	<p>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 have been obtained.</p> <p>Council, at its meeting held on 21 March 2017, resolved to proceed to advertise Amendment No. 87 to the DPS2 to amend the zoning of the site from ‘Civic and Cultural’ to ‘Commercial. The report detailed that to rezone Lot 12223 to ‘Commercial’ would 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 projected balance of the reserve fund as at 30 June 2017 is \$13,951,124.

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 authorised the CEO to dispose of the four remaining sites by public auction. Expert property advice was that the City should commence by taking one property to auction only to ascertain the level of interest by developers. A public auction is planned for early July 2017 for the sale of Lot 900 (57) Marri Road, Duncraig. The City has appointed a valuer and is awaiting an up-to-date market valuation to allow the CEO to determine the proposed reserve price for the property at the auction.

Concerning the City's acquisition of Lot 12223 (12) Blackwattle Parade, Padbury once the easement matter has been finalised, the DoL will provide the City with a revised contract of sale. The City's land surveyor is awaiting instructions from the DoL to prepare the required Interest Only Deposited Plan related to the proposed easement land. In the interim, the City has commenced the rezoning process, with public advertising of Amendment No. 87 to rezone the site to 'Commercial,' having been endorsed by Council at its 12 March 2017 meeting and to commence on 8 June 2017 until 20 July 2017.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Dwyer, SECONDED Cr Norman 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 has initiated 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 7 August 2017.**

The Motion was Put and

CARRIED (7/0)

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

Appendix 4 refers

To access this attachment on electronic document, click here: [Attach4agnFIN170612.pdf](#)

Proximity Interest

Name/Position	Cr Kerry Hollywood.
Item No./Subject	Item 6 – Burns Beach Café/Restaurant – Project Status.
Nature of interest	Proximity Interest
Extent of Interest	Cr Hollywood lives within 500 metres of the subject site.

Cr Hollywood left the Room at 6.19pm.

ITEM 6 BURNS BEACH CAFÉ/RESTAURANT - PROJECT STATUS

WARD	North
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

The City is progressing the preparation for an Expression of Interest (EOI) process for the development of a café/restaurant at Burns Beach. Recently the City engaged consultants specialising in hospitality and commercial property development to advise and make recommendations on the proposed EOI process. Further investigations are being undertaken into the existing utility services at the proposed site and costings are being prepared to upgrade services for a new café/restaurant facility.

It is anticipated the EOI documentation will be finalised and the EOI process commenced in July 2017.

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 initiate an Expression of Interest process for the development of a café/restaurant facility at Burns Beach in July 2017.*

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 of Joondalup 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 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 4 April 2017 the Finance Committee considered a status report on the Burns Beach café/restaurant project and resolved that it:

- 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.*

DETAILS

Since the meeting of the Finance Committee held on 4 April 2017 the City has engaged external consultants to assist with the preparation of the EOI documentation and to identify and design upgrades required for utilities to service a new café/restaurant at the proposed site.

The City engaged consultants specialising in hospitality and commercial property development with previous experience in assisting other local government authorities with the development of similar facilities and involvement with a similar EOI process to that being proposed by the City. The consultants will advise the City and make recommendations in relation to the following matters:

- Location of facility.
- Preferred food and beverage mix for the location.
- Estimate of physical size and layout of the facility.
- Synergy of work flow, production and service cycles.
- Consideration of the potential impacts on the locality, such as noise, waste, environmental.
- Feasibility of operations, and of ground rental versus build option.
- Recommend a set of hospitality goals for the project.

The advice and recommendations from the consultants will not only assist the City with finalisation of the documentation required for the EOI process but will assist with the assessment of the submissions once received. It is expected that the draft consultant report will be received in June 2017 and that the EOI documentation will be finalised and the EOI process commenced in July 2017.

Issues and options considered

Not applicable.

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 Department of Planning's (DoP) *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 implications

Current financial year impact

Account no.	1-220-C1060.
Budget Item	Cafés/Kiosks/Restaurants.
Budget amount	\$ 180,000
Amount spent to date	\$ 104,030
Proposed cost	Nil
Balance	\$ 75,970

Figures above are current at March 2017.

All figures in this report are exclusive of GST.

Future financial year impact

Annual operating cost A Crown Land lease from DoL may require the City to pay the Crown 25% of the market rent of the land per annum, for the first 20 years, and then 50% of the market rent for the rest of the lease term. 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.

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

The City will consider the report received by consultants and finalise the EOI documentation, with a view of commencing the EOI in August 2017.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Taylor, SECONDED Cr Norman 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 initiate an Expression of Interest process for the development of a café/restaurant facility at Burns Beach in July 2017.**

The Motion was Put and

CARRIED (7/0)

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

Cr Hollywood entered the room at 6.27pm.

ITEM 7 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 Logan, SECONDED Cr Norman that the Finance Committee NOTES the Confidential - Pinnaroo Point Café - Project Status Report.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Cr McLean, Mayor Pickard, Crs Dwyer, Logan, Norman, Poliwka 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 6.30pm; the following Committee Members being present at that time:

Cr Tom McLean, JP
Mayor Troy Pickard
Cr Philippa Taylor
Cr Russell Poliwka
Cr Mike Norman
Cr John Logan
Cr Sophie Dwyer