

# minutes

## Major Projects and Finance Committee

MEETING HELD ON MONDAY 20 MARCH 2023

### **Acknowledgement of Traditional Custodians**

The City of Joondalup acknowledges the traditional custodians of the land, the Whadjuk people of the Noongar nation, and recognises the culture of the Noongar people and the unique contribution they make to the Joondalup region and Australia. The City of Joondalup pays its respects to their Elders past and present and extends that respect to all Aboriginal and Torres Strait Islander peoples.

*This document is available in alternate formats upon request*

## TABLE OF CONTENTS

ITEM NO.	TITLE	PAGE NO.
	<b>DECLARATION OF OPENING</b>	<b>3</b>
	<b>DECLARATIONS OF FINANCIAL INTEREST / PROXIMITY INTEREST / INTEREST THAT MAY AFFECT IMPARTIALITY</b>	<b>4</b>
	<b>APOLOGIES AND LEAVE OF ABSENCE</b>	<b>4</b>
	<b>CONFIRMATION OF MINUTES</b>	<b>4</b>
	<b>ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION</b>	<b>5</b>
	<b>IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC</b>	<b>5</b>
	<b>PETITIONS AND DEPUTATIONS</b>	<b>5</b>
	<b>REPORTS</b>	<b>6</b>
1	2022-23 CAPITAL WORKS PROGRAM UPDATE	6
2	MAJOR PROJECT DEFINITION 2023	10
3	BURNS BEACH CAFÉ/RESTAURANT FACILITY PROJECT STATUS REPORT	16
4	PINNAROO POINT FOOD AND BEVERAGE FACILITY – PROJECT UPDATE	22
5	STATUS REPORT - PROPOSED DISPOSAL OF LOT 12223 (12) BLACKWATTLE PARADE, PADBURY	28
	<b>URGENT BUSINESS</b>	<b>35</b>
	<b>MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b>	<b>35</b>
	<b>REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION</b>	<b>35</b>
	<b>CLOSURE</b>	<b>35</b>

**Note:**

Clause 15.10 of the City's *Meeting Procedures Local Law 2013* states:

*This local law applies generally to committee meetings except for clause 7.1 in respect of members seating and clause 7.8 in respect of limitation on members speaking.*

## CITY OF JOONDALUP

### MINUTES OF THE MAJOR PROJECTS AND FINANCE COMMITTEE MEETING HELD IN CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON MONDAY 20 MARCH 2023.

#### ATTENDANCE

##### Committee Members

Cr Adrian Hill *Presiding Member*  
Mayor Hon Albert Jacob, JP *from 6.25pm*  
Cr Nige Jones  
Cr Russ Fishwick, JP  
Cr Hamilton-Prime

##### Observers

Cr Tom McLean

##### Officers

Mr Mat Humfrey Director Corporate Services  
Mr Michael Hamling Acting Director Infrastructure Services  
Mrs Kylie Bergmann Manager Governance  
Mr Blignault Olivier Manager City Projects  
Mr Alan Ellingham Senior Financial Analyst *to 6.22pm*  
Mr Luke Willcock Manager Economic Development & Advocacy  
Mrs Susan Hateley Governance Officer

#### DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.02pm.

## **DECLARATIONS OF FINANCIAL INTEREST / PROXIMITY INTEREST / INTEREST THAT MAY AFFECT IMPARTIALITY**

### **Disclosures of Interest affecting Impartiality**

Elected Members (in accordance with clause 22 of Schedule 1 of the *Local Government [Model Code of Conduct] Regulations 2021*) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member / employee is also encouraged to disclose the nature of their interest.

<b>Name / Position</b>	<b>Cr Christine Hamilton-Prime, JP.</b>
<b>Item No. / Subject</b>	Item 4 - Pinnaroo Point Food and Beverage Facility - Project Update
<b>Nature of Interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	The Company and associates of Sandgate Pty Ltd are known to Cr Hamilton-Prime and that of White Salt.

## **APOLOGIES AND LEAVE OF ABSENCE**

### **Apologies**

Cr Christopher May.

### **Leave of Absence Previously Approved**

Cr John Chester	28 February to 28 March 2023 inclusive.
Cr John Raftis	20 to 24 March 2023 inclusive.
Cr John Logan	18 March to 26 March 2023 inclusive.
Cr Christine Hamilton-Prime	1 April to 22 May 2023 inclusive.
Mayor Albert Jacob, JP	4 to 10 April 2023 inclusive.

## **CONFIRMATION OF MINUTES**

### **MINUTES OF THE MAJOR PROJECTS AND FINANCE COMMITTEE HELD ON 28 NOVEMBER 2022**

**MOVED** Cr Jones, **SECONDED** Cr Fishwick that the minutes of the meeting of the Major Projects and Finance Committee held on 28 November 2022 be confirmed as a true and correct record.

**The Motion was Put and**

**CARRIED (4/0)**

**In favour of the Motion:** Crs Hill, Fishwick, Jones and Hamilton-Prime.

## **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 is not open to the public.

## **PETITIONS AND DEPUTATIONS**

Nil.

## REPORTS

### ITEM 1                    **2022-23 CAPITAL WORKS PROGRAM UPDATE**

<b>WARD</b>	All
<b>RESPONSIBLE DIRECTOR</b>	Mr Nico Claassen Infrastructure Services
<b>FILE NUMBER</b>	107023, 101515
<b>ATTACHMENTS</b>	Attachment 1    Capital Works Project Report 2022-23 Attachment 2    Capital Project Status Reports 2022-23
<b>AUTHORITY / DISCRETION</b>	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 Major Projects and Finance Committee to note the update on the *2022-23 Capital Works Program* and the project status reports for identified capital works projects.

#### **EXECUTIVE SUMMARY**

The Capital Works Project Report for the 2022-23 program as at 28 February 2023 is attached (Attachment 1 refers).

At its meeting held on 26 July 2022 (Item 6 refers), the Major Projects and Finance Committee determined which capital works projects had been identified for additional milestone reporting, which are attached (Attachments 2 refers).

*It is therefore recommended that the Major Projects and Finance Committee NOTES:*

- 1            *the report on the Capital Works Projects for 2022-23 as at 28 February 2023 forming Attachment 1 to this Report;*
- 2            *the Capital Project Status Reports for 2022-23 forming Attachments 2 as at 28 February 2023 to this Report.*

#### **BACKGROUND**

At its meeting held on 4 November 2019 (JSC03-11/19 refers), Council resolved, in part as follows:

*“That Council:*

- “1            *BY AN ABSOLUTE MAJORITY ESTABLISHES a Major Projects and Finance Committee, with the role being to:*
  - 1.1            *oversee the progress of the City’s annual capital works program and review of the City’s Five-Year Capital Works Program;*

1.2 *make recommendations to Council on modifications of capital works projects and major strategic capital projects;”*

At its meeting held on 28 June 2022 (CJ104-06/22 refers), Council adopted the 2022-23 Capital Works Program as part of its 2022-23 Budget, along with the City’s Five Year Corporate Business Plan (CJ093-06/22 refers).

At its meeting held on 26 July 2022 (Item 6 refers), the Major Projects and Finance Committee considered several projects that had been identified from the 2022-23 Capital Works Program for additional milestone reporting as listed in the table below:

<b>Project Code</b>	<b>Project Description</b>
RDC2027	Joondalup Drive/Hodges Drive Intersection Upgrade
FPN2299	Hillarys Cycle Network Expansion
BCW2595	Christchurch Park Changeroom Refurbishment
BCW2625	Ocean Reef Park Toilets and Changerooms
BCW2640	Percy Doyle Football/Teeball Clubrooms
BCW2650	Sorrento Football Club Changeroom Upgrade
BCW2669	Greenwood Scout Hall Refurbishment
MPP2050	Craigie Leisure Centre Refurbishment
MPP2058	Chichester Park Clubroom Redevelopment
MPP2074	Multi-Storey Car Park – 104 McLarty Avenue
MPP2076	Sorrento Surf Life Saving Club Redevelopment
MPP2077	Café/Kiosk/Restaurant Burns Beach
MPP2080	Burns Beach Coastal Node Redevelopment
PEP2791	Ocean Reef Park Playspace Renewal
PDP2222	Ocean Reef Park LMP
PDP2354	Killen/Sycamore Amenity Upgrades
PDP2355	Padbury N/E Cluster Pk Revitalise

The Committee requested that additional milestone reporting on the Capital Works Projects identified above be provided to the Committee.

Notes that RDC2030 Moolanda Boulevard Pedestrian Footbridge is now included in Attachment 2 Capital Project Status Report.

**DETAILS**

The Capital Works Project Report for the 2022-23 program as at 28 February 2023 is provided as Attachment 1 to this Report.

A summary of the projects and their current status is detailed in the Capital Project Status 2022-23 as at 28 February 2023 forming Attachment 2 to this Report.

**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 Major Projects and Finance Committee may only recommend to Council to approve or modify capital works projects.

**10-Year Strategic Community Plan**

**Key theme**                      Leadership.

**Outcome**                      Accountable and financially-sustainable - you are provided with a range of City services which are delivered in a financially responsible manner.

**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 reports provide an update on the activities undertaken.

## **VOTING REQUIREMENTS**

Simple Majority.

**MOVED Cr Hamilton-Prime, SECONDED Cr Jones that the Major Projects and Finance Committee NOTES:**

- 1 the report on the Capital Works Projects for 2022-23 as at 28 February 2023 forming Attachment 1 to this Report;**
- 2 the Capital Project Status Report 2022-23 as at 28 February 2023 forming Attachments 2 to this Report.**

**The Motion was Put and**

**CARRIED (4/0)**

**In favour of the Motion:** Crs Hill, Fishwick, Jones and Hamilton-Prime.

*Appendix 1 refers*

*To access this attachment on electronic document, click here: [Attach1MPFC230320.pdf](#)*

## ITEM 2 MAJOR PROJECT DEFINITION 2023

---

<b>WARD</b>	All
<b>RESPONSIBLE DIRECTOR</b>	Mr Mat Humfrey Corporate Services
<b>FILE NUMBER</b>	110433, 101515
<b>ATTACHMENTS</b>	Attachment 1 List of Major Projects
<b>AUTHORITY / DISCRETION</b>	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 definition of major projects for 2023 and to review the list of projects defined as a major project be considered as part of the 2023-24 budget process.

### EXECUTIVE SUMMARY

The City has refined the definition of major projects in the past two years and presented to Elected Members at budget workshops and strategic weekend. It is worthwhile reviewing the definition each year and to consider whether existing projects meet the definition or there are other projects that need to be categorised as a major project. It is important that projects are correctly defined as a major project because they should provide more substance and rationale than other projects such as a business case should always be prepared for major projects.

*It is therefore recommended that Council NOTES:*

1 *the definition of Major Projects as follows:*

*“A major project is a high-profile, one-off, project that will require a significant level of resources to evaluate (objectives, options, scoping), fund (business case), implement (delivery) and operate (staff and/or contracts). Major projects may involve existing facilities which require master-planning or major redevelopment. Major projects can also be transformational which can mean a completely new building, new service or a significant change to existing service. Major projects are required to have a greater level of rigour, evaluation and justification than other projects”*

2 *the list of Major Projects provided as Attachment 1 to this Report.*

### BACKGROUND

In 2021 the City reviewed the definition of major projects and created thresholds for the definition. The need for a business case to approve a major project was also firmly established and during the past three years the City has demonstrated regular capability in preparing business cases. The City has reviewed the definition in 2023 and proposes some minor changes.

## DETAILS

### Overview

The overall definition of a major project is:

*“A major project is a high-profile, one-off, project that will require a significant level of resources to evaluate (objectives, options, scoping), fund (business case), implement (delivery) and operate (staff and/or contracts). Major projects may involve existing facilities which require master-planning or major redevelopment. Major projects can also be transformational which can mean a completely new building, new service or a significant change to existing service. Major projects are required to have a greater level of rigour, evaluation and justification than other projects”*

### Thresholds / Tests for Defining a Major Project – 2022 Definition

The 2022 definition included five tests for a major project, each of them must be satisfied:

- 1 ENDORSED BY COUNCIL – Council has given some type of endorsement for the project to be evaluated and resources/budget are allocated.  
*and*
- 2 HIGH-PROFILE - will attract a significant level of attention from the community (and/or Elected Members).  
*and*
- 3 LONG LEAD TIME – a project which requires significant level of resources spread over multiple years to evaluate, approve, tender and implement.  
*and*
- 4 FINANCIAL THRESHOLD
  - Capital >\$1 million. A major project would normally have at least \$1 million of capital expenditure (not necessarily in one year); or
  - Operating Surplus/Deficit incremental impact >\$100,000 per year.*and*
- 5 UPGRADE / NEW – a project comprises of at least 30% upgrade/new, or if a project is >70% renewal but has a significant early renewal component.

### Enhanced Definition 2023

All five tests above are still considered appropriate. There are two minor enhancements proposed. Firstly, threshold two is proposed to also refer to state.

- 2 HIGH-PROFILE - will attract a significant level of attention from the community (and/or Elected Members) or state.

The second proposed change is to the financial threshold, this needs to be tighter because the key financial test is gross capital expenditure, not net of grants. The definition does already refer to outright capital expenditure (not net of grants) but this could be more explicit, so the following additional statement proposed is underlined for inclusion in the definition of the Financial Threshold:

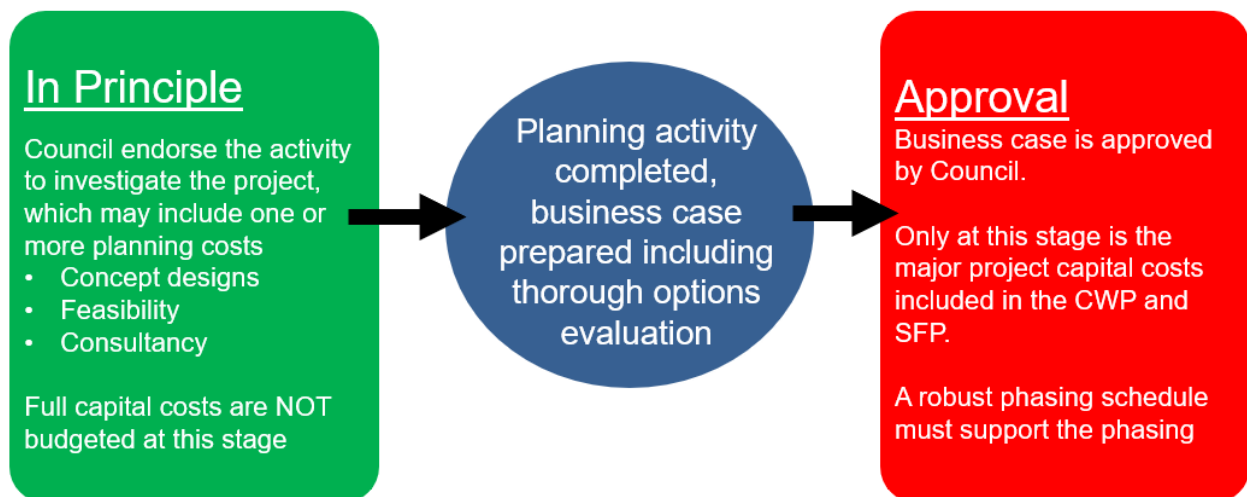
#### 4 FINANCIAL THRESHOLD

- Capital >\$1 million. A major project would normally have at least \$1 million of capital expenditure (not necessarily in one year). The test is based on total (gross) capital expenditure and is not based on the net funding.

It is crucial for the City to recognise that the provision of grant funding is a one-off. The real burden to the City is the gross capital expenditure as the City has responsibility for the future replacement and maintenance/operation. So if a \$10 million project was 100% funded by grants it may still be a major project and a business case is still required.

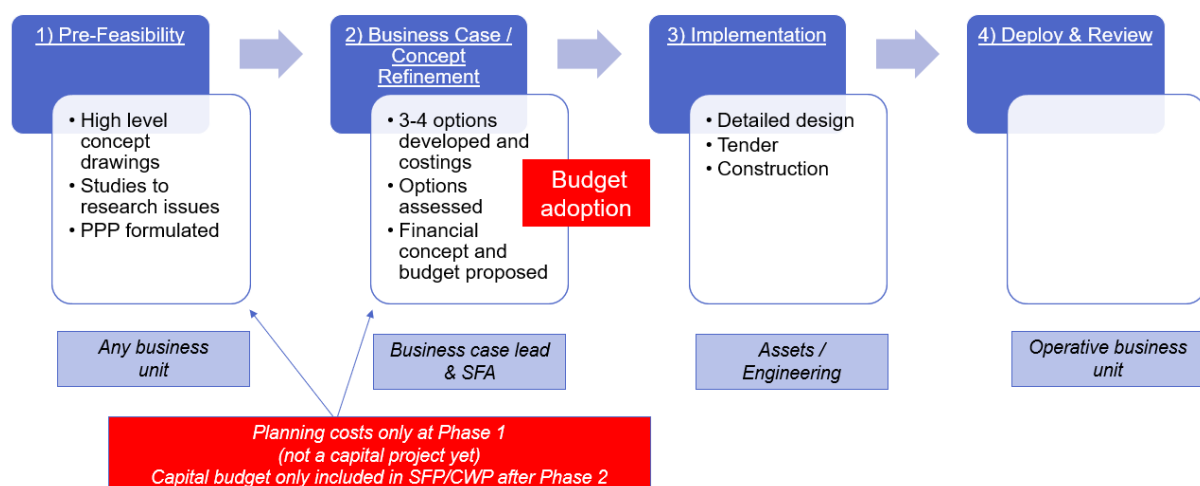
#### Budgeting for major projects

Due to the uncertain nature/cost/outcome of major projects the capital costs are only included in the *Strategic Financial Plan (SFP)* and *Capital Works Program (CWP)* once fully approved. This has been the practice for three years. The planning costs required to evaluate a major project and prepare a business case are therefore operating costs. The chart below summarises the budgeting practice for major projects:



#### Phases of a major project

There are also different phases of a major project and different roles for business units as shown on the chart below.



## Issues and Options considered

Council's options are as follows:

- retain the existing definition of major projects
- endorse the revised definition of major projects  
or
- propose other changes to the definition

## Legislation / Strategic Community Plan / policy implications

**Legislation** Section 5.56(i) of the *Local Government Act 1995* provides that:

*"A local government is to plan for the future of the district."*

## 10-Year Strategic Community Plan

**Key theme** Leadership.

**Outcome:** Responsible and financially-sustainable - you are provided with a range of City services which are delivered in a financially responsible manner.

**Policy** *Strategic Financial Plan – Guiding Principles.*

## Risk management considerations

Business Cases also require a risk evaluation of the project.

## Financial / budget implications

Major projects are only included in the *Strategic Financial Plan* once a business case has been prepared and fully approved by Council. The City evaluates the potential financial impact of the full pipeline of major projects, if they were eventually approved.

## Regional significance

Not applicable.

## Sustainability implications

Not applicable.

## Consultation

Not applicable.

## COMMENT

### Business Case

There are significant benefits from the preparation of a business case as follows:

- Why are we doing it? Objectives quantified at an early stage if possible.
- Community demand/utilisation.
- Options evaluated.
- Financial evaluation to provide clear audit trail for the whole of life costs.
- Social and Economic benefits identified.
- Rationale for decision.
- Value for money for community.

A resolution from Council to approve a project or “list for consideration” is of course crucial to giving authority for a major project to proceed. However, the endorsement of a robust business case in conjunction with the Council resolution provides additional substance. A business case provides opportunities to assess different options and evaluate whether the best use of funds is being applied.

While there are significant benefits from the preparation of a robust business case, it is a resource-intensive process, so not every large project in the City could have a business case and hence it is vital to have an appropriate definition of major projects so that the volume of business cases to be prepared is manageable.

### List of Major projects and comments on specific projects

A list of major projects is provided at Attachment 1. There are 33 projects listed, 31 of which were on the previous list. A review of the draft CWP has considered whether any of those projects meet the definition of a major project and should be categorised as such. There are two new projects proposed to be classed as major, these are highlighted in yellow and listed below (Attachment 1 refers):

- Moolanda Bridge - this asset already existed and may at first not appear to meet threshold number 5. However, the bridge has been demolished earlier than anticipated so it is an early renewal. There is currently no bridge on the site so any new bridge could be considered as a new asset. The business case should also evaluate the utilisation of a new bridge and prepare value for money metrics for example if there were 500 regular users of the bridge and the cost was \$5 million, this equates to a cost per user of \$10,000, is this a reasonable cost to spend?
- Shenton Avenue Road Upgrades / Freeway – Main Roads have proposed significant upgrades to the Shenton Avenue Freeway junction and associated area. This would be an expensive project, lasting several years and it is vital for the City to assess the viability of this, irrespective of how much grant funding Main Roads provide to the City.

It is therefore proposed that the above two projects are reclassified as a major project and the City only commits to the planning costs and preparation of a business case. Once a business case is approved then the capital costs can be added to the SFP and CWP.

Comments about other projects:

- Hillarys Cycle Network Expansion - a multiyear project to upgrade existing foot paths. State Government have committed significant grant funding to this project which has been formally accepted by the City. This project may have benefited from being classed as a major project and having a business case, but the grant funding has now been accepted so it would not be a good use of resources to prepare a business case. This project will therefore remain in the standard CWP (within the "New Paths" program).
- Percy Doyle Youth Facilities - a business case was presented to Council at its meeting held 19 April 2022 (CJ046-04/22 refers). While the business case was endorsed the project was not fully approved with approval to go to concept design and report back to Council. As the project is not fully approved then it cannot be classed as a capital project or included in the SFP or CWP. The planning and design costs required to progress the project will therefore be included within the 2023-24 operating budget.
- Neil Hawkins Park Redevelopment - this project is only at very early investigative stages and therefore the planning costs will be budgeted as operating expenses.
- Ocean Reef Marina Commercial facilities - the City is currently preparing a business case for the development of commercial facilities on the lot it has secured as fee simple (the "Club Facilities Lot"). Approval for budgeting for the capital costs will only be sought once the business case is endorsed.

## VOTING REQUIREMENTS

Simple Majority.

**MOVED Cr Hamilton-Prime, SECONDED Cr Jones that Council NOTES:**

**1 the definition of Major Projects as follows:**

***"A major project is a high-profile, one-off, project that will require a significant level of resources to evaluate (objectives, options, scoping), fund (business case), implement (delivery) and operate (staff and/or contracts). Major projects may involve existing facilities which require master-planning or major redevelopment. Major projects can also be transformational which can mean a completely new building, new service or a significant change to existing service. Major projects are required to have a greater level of rigour, evaluation and justification than other projects"***

**2 the list of Major Projects provided as Attachment 1 to this Report.**

**The Motion was Put and**

**CARRIED (4/0)**

**In favour of the Motion:** Crs Hill, Fishwick, Jones and Hamilton-Prime.

*Appendix 2 refers*

*To access this attachment on electronic document, click here: [Attach2MPFC230320.pdf](#)*

### **ITEM 3                      BURNS BEACH CAFÉ/RESTAURANT FACILITY PROJECT STATUS REPORT**

<b>WARD</b>	North
<b>RESPONSIBLE DIRECTOR</b>	Mr Mat Humfrey Corporate Services
<b>FILE NUMBER</b>	108335, 101515
<b>ATTACHMENTS</b>	Nil
<b>AUTHORITY / DISCRETION</b>	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 Major Projects and Finance Committee to note the progress on the Expression of Interest (EOI) process to identify commercial operators for the proposed Café / Restaurant at Burns Beach.

#### **EXECUTIVE SUMMARY**

The City is progressing a project for a new two-storey food and beverage facility at Burns Beach. The City intends to construct the facility and lease the premises to commercial food and beverage operators.

To identify suitable food and beverage facility operators the City prepared a two stage EOI process. The EOI commenced on 19 November 2022 and closed on 1 February 2022. The City received 13 submissions which are now being assessed.

An update on the outcome of the EOI process will be provided to a future meeting of the Major Projects and Finance Committee.

*It is therefore recommended that the Major Projects and Finance Committee NOTES the Burns Beach Café / Restaurant Facility Project Status Report.*

#### **BACKGROUND**

The City owns and manages several strategically located land parcels that in terms of accommodating cafés, kiosks and restaurants have the potential to increase the enjoyment of popular recreational locations, provide food and beverage options to the community 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 aims to provide the following:

- 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.

A report was presented to the former Finance Committee at its meeting held on 7 August 2017 (Item 11 refers), outlining various options for the City to deliver a café / restaurant development at Burns Beach. After due consideration it was decided in part that the former Finance Committee NOTES:

*"2 the Chief Executive Officer will further investigate options for the City to build a café / restaurant facility at Burns Beach, with a view of leasing the facility to a commercial operator and to present options and opportunities to Council for consideration".*

At its meeting held on 12 March 2018 (Item 8 refers), the Major Projects and Finance Committee considered a status report on options for the implementation of the project and noted in part that the Chief Executive Officer will engage an architect to design a facility.

Several confidential reports were provided to the Major Projects and Finance Committee during 2018 and 2019 and at its meeting held on 9 March 2020 (Item 5 refers), the Major Projects and Finance Committee considered progress of the design development phase of the project, as well as an update on the City's request to the Department of Planning, Lands and Heritage (DPLH) to purchase Crown Land for the development - the DPLH indicated that a Crown Land purchase would not be considered and that a Crown Land lease was the preferred land tenure arrangement. The report also noted that the City was in the process of identifying a consultant landscape architect to review the 2016 *Burns Beach Master Plan – Coastal Node Concept Plan*.

At its meeting held on 15 September 2020 (CJ137-09/20 refers) Council considered a report on options to progress the project and resolved as follows:

- "1 ENDORSES the refined Burns Beach Coastal Node Concept Plan forming Attachment 2 to this Report for the purpose of community consultation;*
- 2 REQUESTS the Chief Executive Officer to commence community consultation on the refined Burns Beach Coastal Node Concept Plan as shown in Attachment 2 to this Report;*
- 3 NOTES the proposed artist impressions for the City's Burns Beach café / restaurant Project forming Attachment 3 to this Report."*

At its meeting held on 21 July 2021 (CJ108-07/21 refers) Council considered a status report on the outcomes of community consultation on the Burns Beach Coastal Node Concept Plan and resolved as follows:

- “1 *NOTES the Community Consultation Outcomes Report (Attachment 1 refers) on the Burns Beach Coastal Node Concept Plan (Attachment 2 refers);*
- 2 *APPROVES the Burns Beach Café / Restaurant and Coastal Node Redevelopment Business Case (Attachment 3 refers) as the basis for continuing to progress the project;*
- 3 *REQUESTS the Chief Executive Officer to continue to progress the Burns Beach Café / Restaurant and Burns Beach Coastal Node Redevelopment projects in line with the actions outlined in this report and the indicative project schedule outlined in Attachment 3 to this Report;*
- 4 *REQUESTS the Chief Executive Officer to initiate an Expression of Interest (EOI) process to identify potential commercial operators for the proposed café / restaurant facility;*
- 5 *NOTES that the project will not commence to construction until the relevant land tenure arrangements and required approvals have been secured and a commercial operator for the café / restaurant identified for consideration by Council. A further status report will be presented to the Major Projects and Finance Committee detailing the outcomes of these actions, to inform Council in making a final decision on whether to proceed with the development.”*

At its meeting held on 26 July 2022 (Item 2 refers) the Major Projects and Finance Committee noted a status report on the proposed Café / Restaurant at Burns. The report in part provided details for a two stage EOI process to identify potential commercial operators for the food and beverage facility.

At its meeting held on 28 November 2022 (Item 6 refers) the Major Projects and Finance Committee noted a status report on the EOI process, which had commenced at that stage. A copy of the City’s EOI document formed an attachment to that report.

## **DETAILS**

The Expression of Interest (EOI) process commenced on 19 November 2022 and was advertised in the West Australian newspaper, signage on site, social media posts, online hospitality industry and tourism publications, and in City of Joondalup publications and promotions. The EOI closed on 1 February 2023 and the City received 13 submissions.

Assessment of the submissions have now commenced in accordance with the EOI document. The EOI is a two-stage process. The intent of the Expression of Interest (Stage One) process is for the City to determine respondents suitable for Stage Two. Stage One measures respondents against a set of pre-determined evaluation criteria, including the financial capacity of the respondent, demonstrated operational capacity of the respondent, proposed operational details, proposed lease details, and the social and economic effects of the proposal on the local community. Stage Two will include a request for further details from a shortlist of preferred respondents, potentially resulting in an agreement to lease with a preferred operator. The EOI process is being monitored by a probity consultant.

Updates on the EOI process, including the outcome of Stage One, will be provided to future meetings of the Major Projects and Finance Committee.

### Issues and options considered

Not applicable.

### Legislation / Strategic Community Plan / Policy implications

**Legislation** Besides the legislation that covers the planning, environmental and building requirements, regarding the land related matters, the *Land Administration Act 1997* and the Department of Planning, Lands and Heritage 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' dealings with property, which includes purchase and leasing.

### 10-Year Strategic Community Plan

**Key theme** Place.

**Outcome** Functional and accessible – you have access to quality community facilities that are functional and adaptable.

**Key theme** Economy.

**Outcome** Innovative and confident - you are attracted to the City's unique characteristics and potential and feel confident in investing.

**Policy** Not applicable.

### Risk management considerations

Potential risks to the successful progression of the project include:

- inability to obtain support and approvals from the statutory approval authorities
- negative community reaction to the project
- lack of suitable respondents to the City's EOI to identify commercial business operators
- failure of negotiations on lease agreements with commercial operators
- a proponent, or the City, may opt not to proceed with the development.

### Financial / budget implications

Project costs for the food and beverage facility and the overall Burns Beach coastal node redevelopment are currently listed in the *Five-Year Capital Works Program*. The cost estimates will be further developed as the design process progresses.

It is envisaged that the Burns Beach Café/Restaurant project will provide an additional long-term income stream to the City.

Current financial year impact

<b>Account no.</b>	1-220-C1060.
<b>Budget Item</b>	Cafés/Kiosks/Restaurants (Burns Beach).
<b>Budget amount</b>	\$ 218,166
<b>Amount spent to date</b>	\$ 69,814
<b>Proposed cost</b>	\$ Nil
<b>Balance</b>	\$ 148,352

Future financial year impact

**Annual operating cost** In the event the City is successful in leasing the Crown Land required for the facility and the City constructs its own building, it will be responsible for paying Crown Land rent and the cost of structural maintenance, depreciation and insurance of the building.

All other annual operating costs including rates and consumption of services would be borne by the commercial operator. There will also be a level of operating costs associated with the other improvements to the coastal node.

**Estimated annual income** The City will receive the market rent negotiated with an operator of the café / restaurant building. Rates will also be payable by the operator to the City.

**Capital replacement** A capital replacement component has been included in the financial evaluations for the project and will be further developed through the detailed design process.

**20 Year Strategic Financial Plan impact** The capital costs / funding for the coastal node redevelopment (including the café / restaurant) is currently included in the City's *5-Year Capital Works Program*.

**Impact year** 2022-23.

All amounts quoted in this report are exclusive of GST.

**Regional significance**

The redevelopment of the Burns Beach coastal node including the provision of the food and beverage facility 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 results of the community consultation on the Burns Beach coastal node concept plan were presented in a report to Council in July 2021.

The City will be required to further advertise the proposed café / restaurant development in accordance with the *Local Government Act 1995*.

The café / restaurant will require approval of a development application, building permit and a clearing permit prior to being constructed. Further community consultation may be required as part of the approval process.

## **COMMENT**

Further project updates will be provided to future meetings of the Major Projects and Finance Committee.

*Mayor Jacob entered the meeting at 6.25pm.*

## **VOTING REQUIREMENTS**

Simple Majority.

**MOVED Cr Hamilton-Prime, SECONDED Cr Fishwick that the Major Projects and Finance Committee NOTES the Burns Beach Café / Restaurant Facility Project Status Report.**

**The Motion was Put and**

**CARRIED (5/0)**

**In favour of the Motion:** Cr Hill, Mayor Jacob and Crs Fishwick, Jones and Hamilton-Prime.

## **ITEM 4 PINNAROO POINT FOOD AND BEVERAGE FACILITY – PROJECT UPDATE**

<b>WARD</b>	South-West
<b>RESPONSIBLE DIRECTOR</b>	Mr Mat Humfrey Corporate Services
<b>FILE NUMBER</b>	108334, 101515
<b>ATTACHMENTS</b>	Nil
<b>AUTHORITY / DISCRETION</b>	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 Major Projects and Finance Committee to note the progress on the Pinnaroo Point food and beverage facility project.

### **EXECUTIVE SUMMARY**

The City has in place a Crown Land lease for a parcel of land at Lot 501 on Deposited Plan 417135 (20 John Wilkie Tarn, Hillarys) at Pinnaroo Point, and a sublease of that same land parcel to Sandgate (WA) Pty Ltd (Sandgate).

Sandgate has an approved development application and building permit and in accordance with the sublease Sandgate has commenced construction of a two storey food and beverage facility at the site.

In 2022 Sandgate submitted requests to the City for consent to change control of Sandgate (changes to the ownership/management structure) and for consent to sub-sublease the proposed building to Hillarys Beach Club (WA) Pty Ltd. Sandgate also sought approval of extensions of time in relation to the substantial commencement and practical completion of the development. At its meeting held on 17 May 2022 (CJ069-05/22 refers) Council resolved to approve the requests and authorise the execution of a deed of amendment to formalise the variations. The City has since progressed the preparation of deeds and variations to the Crown Lease required to implement these matters.

The City has commenced construction of utility services with the installation of some of the electrical and communications conduits required for the facility. The hydraulic utility services, including sewer, water and gas will commence in the coming months. The City will also construct vehicular and pedestrian access to the building, landscaping works and some additional new car bays to assist with increase demand expected when the facility is opened to the public.

The operators of the Hillarys Beach Club expect that facility will be open to the public in December 2023.

*It is therefore recommended that the Major Projects and Finance Committee NOTES the Pinnaroo Point Food and Beverage Facility – Project Update.*

## BACKGROUND

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

“2 *AUTHORISES the Chief Executive Officer to initiate an Expression of Interest process for the development of a Café/Kiosk facility at Pinnaroo Point.*”

In 2013 the City commenced an Expression of Interest process to identify a commercial operator / developer to construct and operate a café / kiosk building. Rock (WA) Pty Ltd trading as White Salt (White Salt) was identified as the successful respondent. In 2019 the Director of White Salt advised the City that for commercial reasons it intended to create a new entity (Sandgate (WA) Pty Ltd (Sandgate)), for the purposes of entering into a lease with the City. The ownership and control of Sandgate remained the same as White Salt. Council was advised of the registration of the new entity in a report considered at its meeting held on 17 March 2020 (CJ039-03/20 refers).

At its meeting held on 17 November 2020 (CJ166-11/20 refers), Council considered the submissions received from a public notice to dispose of the land through a sublease and the following motion was carried unanimously:

*“That Council, having considered the submissions made under section 3.58(3) of the Local Government Act 1995 in relation to the proposed disposition of Lot 501 on Deposited Plan 417135 (20 John Wilkie Tarn, Hillarys) – Pinnaroo Point, AUTHORISES the Mayor and Chief Executive Officer to execute the Sublease on behalf of the City, in accordance with section 9.49A of the Local Government Act 1995.”*

On 13 July 2021 the sub-lease was signed and executed by the Mayor and Chief Executive Officer (CEO) on behalf of the City of Joondalup.

On 20 December 2021 the Western Australian Planning Commission granted conditional approval to commence development according to the plans submitted as part of the development application.

At its meeting held on 17 May 2022 (CJ069-05/22 refers) Council considered a confidential report dealing with a proposal from Sandgate to sub-sublease to Hillarys Beach Club (WA) Pty Ltd and for other requests including a change of control of Sandgate and extensions of time in relation to the required commencement and completion dates for the development and to obtain a liquor licence. Council resolved to approve the requests and authorise the execution of a deed of amendment to implement the requests as follows:

“1 *NOTES the requests from Sandgate (WA) Pty Ltd for:*

- 1.1 *consent to change control of Sandgate (WA) Pty Ltd;*
- 1.2 *consent to a sub-sublease of the proposed building on Lot 501 on Deposited Plan 417135 (20 John Wilkie Tarn, Hillarys) at Pinnaroo Point to Hillarys Beach Club (WA) Pty Ltd;*
- 1.3 *extensions of time in relation to the substantial commencement and practical completion of the development and liquor licence;*

2 *APPROVES the requests from Sandgate (WA) Pty Ltd listed in points 1.1, 1.2 and 1.3 and AUTHORISES the Mayor and Chief Executive Officer to execute a Deed of Amendment to the sub-lease to implement the requests”.*

## DETAILS

Following Council's approval to authorise the requests from Sandgate (WA) Pty Ltd (Sandgate) for consent to change control of Sandgate, to sub-sublease to Hillarys Beach Club (WA) Pty Ltd, for extensions of time in relation to the substantial commencement and practical completion of the development, and to obtain a liquor licence, the City has progressed the preparation of deeds of consent to address these matters. The City also sought approval from the Department of Planning, Lands and Heritage (DPLH) for variations to the Crown Land lease, to accommodate the extensions of time requested by Sandgate. The DPLH consented to the variations, noting that they deal with development milestones rather than the term of the lease, and the variations are currently being considered for execution on behalf of the Minister under section 18 of the *Lands Administration Act*. Consent of the Minister has also been sought for the proposed sub-sublease and agreement to lease for the sub-sublease. Once these matters have been finalised the City can execute a deed of consent to sub-sublease and a deed of consent to deemed assignment and variation of the sublease.

During the preparation of the deed of consent to deemed assignment and variation of lease, a clause was added preventing the construction of any building within 3 meters of the boundary of the lease area, to ensure compliance with fire separation requirements.

Utility services construction has commenced with the installation of some of the electrical and communications conduits required for the facility. The remainder of the electrical and telecommunication services and the hydraulic utility services, including sewer, water and gas, will commence in the coming months.

Closer to the completion of construction of the Hillarys Beach Club the City will complete a carpark extension from the existing carpark to the lease area to provide vehicular and pedestrian access to the building and some additional new car bays to assist with increase demand expected when the facility is opened to the public. These works will include landscaping on Crown Land adjoining the Hillarys Beach Club and will be delivered through the City's *Capital Works Program*.

Sandgate commenced construction at the site in December 2022. The building foundations and ground floor slab are now in place and concrete precast panel walls have been erected. The operators of the Hillarys Beach Club expect that the facility will be open to the public in December 2023.

### Issues and options considered

Not applicable.

### Legislation / Strategic Community Plan / Policy implications

**Legislation**                      *Land Administration Act 1997.*  
   *Local Government Act 1995.*  
   *Planning and Development Act 2005.*

### 10-Year Strategic Community Plan

**Key theme**                        Place.

**Outcome**                        Functional and accessible - you have access to quality community facilities that are functional and adaptable.



<b>Key theme</b>	Economy.
<b>Outcome</b>	Innovative and confident - you are attracted to the City's unique characteristics and potential and feel confident in investing.
<b>Policy</b>	Not applicable.

#### **Risk management considerations**

Not applicable.

#### **Financial / budget implications**

##### Current financial year impact

<b>Account no.</b>	1-220-C1060.
<b>Budget Item</b>	Cafés/Kiosks/Restaurants (Pinnaroo Point).
<b>Budget amount</b>	\$ 115,244
<b>Amount spent to date</b>	\$ 38,347
<b>Proposed cost</b>	\$ Nil
<b>Balance</b>	\$ 76,897

The City currently has funds in the *Capital Works Program* to progress design and construction of utility services to the lease area and for car parking improvements at Pinnaroo Point including vehicular and pedestrian access to the lease area, additional parking, and landscaping works.

##### Future financial year impact

**Annual operating cost** Head Lease rent payments will be waived for 15 years to acknowledge the cost of the City servicing the land (currently estimated at approximately \$600,000). After 15 years the City is required to commence payment of a discounted annual rent based on the Unimproved Market Rent of \$40,000 (determined by the Minister in consultation with the Valuer General) for the remaining term of the lease. The discounted annual rent is \$10,000, being 25% of the Unimproved Market Rent.

Sandgate is required to pay the City all other annual operating costs relating to the development, including rates, services and outgoings.

**Estimated annual income** The City will receive an annual rent, payable by Sandgate, of \$40,000 plus GST (commencing upon Sandgate receiving practical completion for the development). Rates, services, land tax and outgoings will also be payable by White Salt.

**Capital replacement** Capital replacement of building and improvements will be borne by Sandgate. Maintenance and replacement of services leading up to the lease area and access to the lease area would be the responsibility of the City and utility providers.

All amounts quoted in this report are exclusive of GST.

### **Regional significance**

It is envisaged that the development and operation of the facility at Pinnaroo Point 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 advertised the Pinnaroo Point Expression of Interest process in state-wide and Joondalup community newspapers and erected four signs on site at Pinnaroo Point. Key stakeholders were advised of the Expression of Interest via email.

In accordance with section 3.58(3) of the *Local Government Act 1995* the City gave local public notice of the proposed disposition of the lease area, inviting submissions for two weeks from 17 September 2020 to 1 October 2020.

The development application for the proposal was advertised for a period of two weeks, to properties in the vicinity of the development site and three signs were erected on site, concluding on 22 September 2021. A total of 172 submissions were received. Of these 83 were objecting to the proposal, 85 were supportive of the proposal and four were neutral. A copy of the submissions document was provided to the DPLH along with the City's recommendation on the development application.

A liquor licence application from Hillarys Beach Club (WA) Pty Ltd, was advertised on a sign at the site and on the Department of Local Government, Sport and Cultural Industries website for two weeks in September 2022. The application was subsequently approved.

### **COMMENT**

The City is continuing to progress towards finalising leasing arrangements and will soon complete deliver of utility services to the lease area and car parking and access improvements for the facility. It is expected that the facility will be open to the public in December 2023.

## **VOTING REQUIREMENTS**

Simple Majority.

**MOVED** Cr Jones, **SECONDED** Mayor Jacob that the Major Projects and Finance Committee **NOTES** the Pinnaroo Point Food and Beverage Facility – Project Update.

**The Motion was Put and**

**CARRIED (5/0)**

**In favour of the Motion:** Cr Hill, Mayor Jacob and Crs Fishwick, Jones and Hamilton-Prime.

## **ITEM 5 STATUS REPORT - PROPOSED DISPOSAL OF LOT 12223 (12) BLACKWATTLE PARADE, PADBURY**

---

<b>WARD</b>	South-West
<b>RESPONSIBLE DIRECTOR</b>	Mr Mat Humfrey Corporate Services
<b>FILE NUMBER</b>	55022, 63627, 101515
<b>ATTACHMENTS</b>	Attachment 1 Location Plan
<b>AUTHORITY / DISCRETION</b>	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**

To provide Council with a status update concerning the proposed disposal of Lot 12223 (12) Blackwattle Parade, Padbury (Lot 12223), and defer the Expression of Interest (EOI) process and disposal of Lot 12223 to allow the consideration of the economic, natural and social sustainability implications associated with the site.

### **EXECUTIVE SUMMARY**

The acquisition of Lot 12223 commenced in 2011 when petitions from residents local to the 'Hepburn Heights' estate raised concerns about parking, traffic, and pedestrian issues since the opening of a local early learning centre (Attachment 1 refers). The petitions detailed that should the City acquire the site in freehold from State Government, it could be rezoned and sold using the proceeds for the installation of traffic signals at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury.

At its meeting held on 19 April 2022 (CJ057- 0/22 refers). Council resolved, in part, to support the commencement of a two-stage land disposal process concerning Lot 12223. Prior to commencing the first stage of calling for EOI a due diligence review was to take place on the City's intended land disposal model. To undertake the due diligence review, fee proposals were requested from a number of solicitors.

On examination of the fee proposals, a solicitor was selected and met with City representatives to provide initial advice. It was highlighted that some relevant factors and rationales have likely changed since 2011 when local residents first petitioned the City to purchase the site.

A range of factors concerning the current economic climate was raised, such as the high inflation environment making selling and holding the proceeds as cash indefinitely a less-attractive option. The impact of COVID on the economy and more particularly the property market and construction industry was also identified as a compromising factor.

Besides the matters highlighted at the start of the due diligence review, other factors materialised that had relevance to the intended disposal of Lot 12223. These factors include a \$3 million grant from State Government for traffic mitigation measures in the area and a child care centre development application pending approval for the property directly east of Lot 12223, on Lot 193 (16) Blackwattle Parade, Padbury (Lot 193).

Access to State Government funding to deal with traffic-related issues in the proximity of Lot 12223 results in it now being unnecessary to sell Lot 12223 immediately. This may allow the time for the City to review the future of Lot 12223 against the objectives of the *10-Year Strategic Community Plan* and the outcome of the recent City-wide Social Needs Analysis (SNA). The purpose of the SNA is to assist the City to identify the social needs of its existing and future residents.

Should a child care centre be approved for development on Lot 193, local traffic flow is highly likely to increase from that being experienced currently. Should the sale and development of Lot 12223 continue, traffic flow again will increase locally.

The City plans to install a dual lane roundabout at the Walter Padbury Boulevard and Hepburn Avenue intersection and traffic signals at the Lilburne Avenue and Hepburn Avenue intersection which should positively influence traffic flow in the area. These works are planned to be completed in late 2024. Should a child care centre be developed on Lot 193, deferring any further development at this location (on Lot 12223) may be beneficial until the traffic treatments in the area have been installed. This delay also allows the City time to review the future of Lot 12223.

*It is therefore recommended that Council:*

- 1 *NOTES that at its meeting held on 19 April 2022 (CJ057- 04/22 refers), Council's resolution, in part, was to "SUPPORT the commencement of a two-stage land disposal process concerning Lot 12223 (12) Blackwattle Parade, Padbury as detailed in the report to Council at its meeting held on 20 July 2021 (CJ107-07/21 refers).";*
- 2 *DEFERS the commencement of disposal actions for Lot 12223 (12) Blackwattle Parade, Padbury until further notice.*

## **BACKGROUND**

At its meeting held on 20 July 2021 (CJ107-07/21 refers), Council resolved the following:

- 1 *BY AN ABSOLUTE MAJORITY REVOKES Parts 1 and 2 of its decision of 19 March 2019 (CJ031-03/19) as follows:*
  - "1 *AUTHORISES the Chief Executive Officer to dispose of Lot 12223 (12) Blackwattle Parade, Padbury by public auction on the property being owned by the City;*
  - 2 *AUTHORISES the Chief Executive Officer to dispose of Lot 12223 (12) Blackwattle Parade, Padbury by private treaty should the public auction process be unsuccessful;";*
- 2 *AUTHORISES the Chief Executive Officer to conduct a two-stage land disposal process for the disposal of Lot 12223 (12) Blackwattle Parade, Padbury, with Stage 1 calling for Expressions of Interest with submissions to include the purchase price or land lease arrangements in addition to respondents' intended development proposals;*
- 3 *At the conclusion of Stage 1, REQUESTS a report be submitted to Council in order for Council to be advised of the outcome of the Expression of Interest process;*
- 4 *REQUESTS the Chief Executive Officer, prior to enacting Parts 1, 2 and 3 above, seek clarity from the Department of Planning, Lands and Heritage on the use of the proceeds of the sale of Lot 12223 (12) Blackwattle Parade, Padbury and the scope of the proximity in which those proceeds can be spent.*

It was reported to Council that prior to commencing the land disposal process, a due diligence review would take place to include legal advice.

In the interim, as requested in item 4 of Council's above resolution, the DPLH was contacted concerning the use of the proceeds on the sale of Lot 12223 and the scope of the proximity in which those proceeds can be spent. The result of this contact was reported back to Council at its meeting held on 19 April 2022 (CJ057- 0/22 refers). Council's resolution, in part, was the following:

"7 *SUPPORTS the commencement of the two-stage land disposal process concerning Lot 12223 (12) Blackwattle Parade, Padbury as detailed in the report to Council at its meeting held on 20 July 2021 (CJ107-07/21 refers).*"

In July 2022, the City contacted three solicitors requesting their fee proposals for providing a due diligence review. Several documents relevant to the EOI process were forwarded as part of the City's request. The solicitors' responses were assessed, a solicitor was selected, a meeting with City representatives was arranged and a letter was provided to the City summarising the matters discussed.

Part of the advice provided was that the EOI sale/lease process and outcomes could still be successful without some of the factors detailed in the letter being in place; however, the City considered that some of the points raised had merit and potentially the land disposal process needed to be considered on a more strategic level. This outcome culminating with other relevant matters related to the sale of Lot 12223, contributed to a decision to report back to Council before calling for EOI.

## **DETAILS**

### **Solicitor's Information – October 2022**

Some of the matters raised were, for example, for the City to consider if it was selling Lot 12223 at the appropriate time in the economic cycle. Other matters discussed were the current labour and materials shortages the building industry is experiencing, the current high inflation environment (making selling and holding the proceeds as cash indefinitely a less-attractive option), and the potential to examine the overall 'Blackwattle Parade commercial area' from a planning framework perspective.

Additionally, the solicitor highlighted that some relevant factors, rationales, and opportunities have likely changed since local residents first petitioned for the site to be purchased in 2011, therefore potentially, the City may now be overlooking opportunities to use or dispose of the site to align with or advance the objectives of its *10-Year Strategic Community Plan*.

At the same time as considering the above information, the following relevant matters occurred.

### **Improvements to the Walter Padbury Boulevard/Hepburn Avenue Intersection**

The acquisition, rezoning, and disposal of Lot 12223 had considerable local community support with the focus being to use the sale proceeds towards the installation of traffic signals at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury if such use of the funds was approved by the DPLH, such approval was eventually provided.

In the interim, as part of the 2021 State Government elections, a commitment of \$3 million was made to fund improvements to the Walter Padbury Boulevard and Hepburn Avenue intersection.

At its meeting held on 20 August 2022, Council resolved the following (CJ161-09/22 refers) which released the need to dispose of the site should Council determine it.

- “1 *NOTES the outcome of the modelling and option analysis undertaken by the City and Main Roads WA;*
- 2 *SUPPORTS Option 5 being a dual lane roundabout at the Walter Padbury Boulevard and Hepburn Avenue intersection and traffic signals at the Lilburne Avenue and Hepburn Avenue intersection;*
- 3 *BY AN ABSOLUTE MAJORITY ACCEPTS the offer of \$3 million grant funding commitment from the State Government and upon the initial progress payment being received undertakes the works as per Part 2 above;*
- 4 *BY AN ABSOLUTE MAJORITY AMENDS the 2022-23 budget by the addition of \$50,000 to the Capital Works Expenditure Budget for the Hepburn Avenue intersection improvements;*
- 5 *BY AN ABSOLUTE MAJORITY AMENDS the 2022-23 budget by the addition of \$50,000 to the Non-operating Grant, Subsidies and Contributions Revenue Budget;*
- 6 *ADVISES the lead petitioner of its decision.”*

Council’s decision (CJ161-09/22 refers) indicates that the traffic issues in the area will be mitigated by a dual lane roundabout at the Walter Padbury Boulevard and Hepburn Avenue intersection and traffic signals at the Lilburne Avenue and Hepburn Avenue intersection.

### **Child Care Centre Development Application**

The City has received a development application for a child care premises with a maximum of 86 children and 13 staff for the site directly east of Lot 12223 – Lot 193 (16) Blackwattle Parade, Padbury. A 35-day public consultation period took place from 6 December 2022.

### **Issues and options considered**

A dual lane roundabout at the Walter Padbury Boulevard and Hepburn Avenue intersection and traffic signals at the Lilburne Avenue and Hepburn Avenue intersection are planned to be installed by late 2024. Alternative funding availability, a \$3 million State Government grant, removes the need to dispose of Lot 12223 to fund these works.

If there is no strategic use for Lot 12223 and it is surplus to requirements, then disposal for economic/financial reasons would appear to be a sound decision. To be considered against this is that the project to dispose of Lot 12223 commenced over 11 years ago, potentially making re-evaluation of the site's future timely if disposal of the site is deferred. This review can now take into account the objectives of the City’s *10-Year Strategic Community Plan* which was endorsed by Council at its meeting held on 28 June 2022 (CJ093-06/22 refers) and the outcome of the City-wide Social Needs Analysis (SNA).

Should a child care centre be developed on Lot 193 - currently operating as a real estate office, local traffic flow will increase from that now being generated. Should the disposal of Lot 12223 continue, the future development of the site will also increase traffic flow. Council may consider that with no pressing need for sale proceeds, the disposal can be deferred until the installation of traffic mitigation measures has been completed and new traffic patterns are known.

A number of the matters raised by the solicitor at the commencement of the due diligence review appeared to hold enough merit to pause the EOI process and report back to Council. The economic considerations of retaining or disposing of the site at this particular time and that the City may be overlooking opportunities to use or dispose of the site to align with or advance the objectives of its *10-Year Strategic Community Plan*.

### **Legislation / Strategic Community Plan / Policy implications**

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

### **10-Year Strategic Community Plan**

**Key theme** Place.

**Outcome** Well-planned and adaptable - you enjoy well-designed, quality buildings and have access to diverse housing options in your neighbourhood.

Function and accessible – you have access to quality community facilities that are functional and adaptable.

**Policy** Not applicable.

### **Risk management considerations**

The need for sale proceeds towards a dedicated project no longer appears necessary; however, deferring the disposal of Lot 12223 could result in the loss of current interest rate benefits. Should the City retain Lot 12223, mitigating such a loss may occur if property values were to increase; conversely, property values could also decline.

The outcome of the planning approval assessment process for a child care centre on the adjoining property to Lot 12223 is imminent. Should the development be approved, deferring the disposal of Lot 12223 may allow residents time to adjust to any changes in traffic flow assisted by the installation of a dual lane traffic roundabout at the intersection of Walter Padbury Boulevard onto Hepburn Avenue, Padbury.

### **Financial / budget implications**

The Strategic Asset Reserve (formerly Strategic Asset Management Reserve) funded the purchase price for the acquisition of the site.

Main Roads WA (MRWA) has confirmed a \$3 million State Government funding commitment to upgrade the intersection to improve access from Walter Padbury Boulevard onto Hepburn Avenue, Padbury.

Commercial development on Lot 12223 would increase the City's rates base.



### **Regional significance**

Not applicable.

### **Sustainability implications**

The future development of Lot 12223 has the opportunity to meet a variety of social sustainability needs, be it developed by the City or a private developer.

Should the City continue with the EOI process concerning Lot 12223, the EOI document highlights the requirement for any building design to integrate sustainable design principles into its siting, design, and construction.

On disposal of Lot 12223, the proceeds are to be placed in a special reserve for projects within the proximity of Lot 12223. These projects may include improvements to the local natural environment.

A decision to defer the disposal of Lot 12223 and review its potential will allow the consideration of the economic, natural, and social sustainability implications associated with this opportunity site.

### **Consultation**

Community consultation was conducted from 24 February 2015 to 26 March 2015. The local community was requested to provide feedback on the City's intention to acquire Lot 12223. Additionally, a survey for completion that detailed a number of selected projects - including the installation of traffic lights at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury was also provided to local residents.

Scheme Amendment 87 which rezoned Lot 12223 from 'Civic and Cultural' to 'Commercial' and removed the residential density code was advertised for public comment for 42 days closing on 20 July 2017.

As part of any future EOI process, the City will use the services of a real estate agent for sales marketing. A public notice will be required for a minimum period of 14 days on the intent to dispose of the site by private treaty. The outcome of the public notice period is reported back to Council.

### **COMMENT**

At the outset of the project to acquire, rezone and dispose of Lot 12223, the objective was clear, that with the approval of the relevant State Government departments, the proceeds of the sale were to be used towards the installation of traffic signals at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury.

MRWA was unsupportive of traffic signals at the Walter Padbury Boulevard and Hepburn Avenue, Padbury intersection; however, has supported the installation of a dual lane roundabout, in addition to the installation of traffic signals at the Lilburne Avenue and Hepburn Avenue intersection. Alternative funding is available for these works and as the original land disposal objective was concerned with traffic mitigation in the local area, the planned works should help achieve this result.

It would now appear there is no urgent need for the City to dispose of Lot 12223. Deferral of the land disposal process may allow time for the City to reassess the opportunities that a 3332m<sup>2</sup> commercially zoned site provides against the objectives of the *10-Year Strategic Community Plan*. Prior to the development of Lot 12223, it may also be beneficial to wait for the completion of the local traffic improvements and any change of land use for the neighbouring Lot 193 (16) Blackwattle Parade, Padbury.

## VOTING REQUIREMENTS

Simple Majority.

**MOVED** Cr Hamilton-Prime, **SECONDED** Cr Fishwick that Council:

- 1 **NOTES** that at its meeting held on 19 April 2022 (CJ057- 04/22 refers), Council's resolution, in part, was to ***"SUPPORT the commencement of a two-stage land disposal process concerning Lot 12223 (12) Blackwattle Parade, Padbury as detailed in the report to Council at its meeting held on 20 July 2021 (CJ107-07/21 refers)."***
- 2 **DEFERS** the commencement of disposal actions for Lot 12223 (12) Blackwattle Parade, Padbury until further notice.

**The Motion was Put and**

**CARRIED (5/0)**

**In favour of the Motion:** Crs Hill, Mayor Jacob and Crs Fishwick, Jones and Hamilton-Prime.

*Appendix 3 refers*

To access this attachment on electronic document, click here: [Attach3MPFC230320.pdf](#)

## **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 6.50pm the following Committee Members being present at that time:

CR ADRIAN HILL  
CR RUSS FISHWICK, JP  
MAYOR HON. ALBERT JACOB, JP  
CR NIGE JONES  
CR CHRISTINE HAMILTON-PRIME, JP