

# minutes

## Office Development Committee

MEETING HELD ON **MONDAY, 6 MAY 2013 AND TUESDAY,  
25 JUNE 2013**

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## CITY OF JOONDALUP

**MINUTES OF THE OFFICE DEVELOPMENT COMMITTEE MEETING HELD IN  
CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP  
ON MONDAY, 6 MAY 2013 AND TUESDAY, 25 JUNE 2013.**

### ATTENDANCE

#### Committee Members:

Mayor Troy Pickard	<i>Presiding Member</i>	
Cr John Chester	<i>Deputising for Cr Kerry Hollywood</i>	
Cr Liam Gobbert		
Cr Tom McLean, JP		<i>Absent from 11.00am to 11.02am</i>
Mr Garry Hunt, Chief Executive Officer		
Ms Dale Page, Director Planning and Community Development		

#### Officers:

Mr Mike Tidy	Director Corporate Services
Mr Blignault Olivier	Manager City Projects
Mr Brad Sillence	Manager Governance
Ms Genevieve Hunter	Executive Projects Officer
Mrs Lesley Taylor	Governance Officer

#### Guests:

Mr Simon Moen	Technical Advisor, Partner - Jackson McDonald Lawyers
Mr Gary Gliddon	Probity Advisory, Braxford Consultancy Pty Ltd
Mr Jason Willoughby	Willoughby Property Ltd

#### In Attendance in relation to Item 1

Devwest Group Pty Ltd	<i>from 9.05am to 9.48am</i>
Georgiou Group Pty Ltd	<i>from 9.51am to 10.23am</i>
Seven Capital (Perth) Pty Ltd	<i>from 10.27am to 11.00am</i>

### DECLARATION OF OPENING

The Presiding Member declared the meeting open at 9.05am.

**PUBLIC QUESTION TIME**

Nil.

**PUBLIC STATEMENT TIME**

Nil.

**APOLOGIES/LEAVE OF ABSENCE**

**Leave of Absence previously approved**

Cr Kerry Hollywood	1 May to 26 May 2013 inclusive.
Cr Mike Norman	4 May to 11 May 2013 inclusive.
Cr Brian Corr	19 May to 23 May 2013 inclusive.
Cr Russ Fishwick, JP	19 May to 23 May 2013 inclusive.

**CONFIRMATION OF MINUTES**

**MINUTES OF THE OFFICE DEVELOPMENT COMMITTEE MEETING HELD ON  
8 OCTOBER 2012**

**MOVED Mr Hunt, SECONDED Cr Gobbert that the minutes of the meeting of the Office Development Committee held on 8 October 2012 be confirmed as a true and correct record.**

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Mayor Pickard, Crs Chester, Gobbert, McLean, Mr Hunt and Ms Page.

**ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

Nil.

**DECLARATIONS OF INTEREST**

**Disclosure of Financial Interest/Proximity Interest**

Nil.

**Disclosure of interest affecting impartiality**

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) 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 the interest.

<b>Name/Position</b>	<b>Cr Tom McLean, JP</b>
<b>Item No./Subject</b>	Item 1 – Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	The Construction Manager of Probuild (Devwest) is a personal friend.

<b>Name/Position</b>	<b>Mr Garry Hunt, Chief Executive Officer</b>
<b>Item No./Subject</b>	Item 1 – Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Some of the companies that have submitted in the Expression of Interest (EOI) are known to the Chief Executive Officer from previous City business – DORIC (Builders), Hassel (Architects), Clayton Utz (Lawyers), TPG (Planners), Wood and Grieve (Engineers), Squire Sanders (Lawyers) and Jones Coulter Young (Architects).

<b>Name/Position</b>	<b>Ms Dale Page, Director Planning and Community Development</b>
<b>Item No./Subject</b>	Item 1 – Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Ms Page's brother works for Probuild – part of the Devwest proposal.

**IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS**

Item 1            Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property.

**PETITIONS AND DEPUTATIONS**

Nil.

**MOTION TO GO BEHIND CLOSED DOORS – [08122]**

**MOVED Cr Chester, SECONDED Cr McLean that the Office Development Committee:**

**1 in accordance with sections 5.23(2)(c) and 5.23(2)(e)(iii) of the *Local Government Act 1995* and Clause 67 of the City's *Standing Orders Local Law 2005*, RESOLVES to close the meeting to members of the public to consider the following items:**

- **Item 1, Confidential - Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property as it relates to:**
  - 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;
  - information about the business, professional, commercial or financial affairs of a person;

**2 PERMITS the following employees and persons to remain in the meeting room during discussion on Item 1, Confidential - Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property while the meeting is sitting behind closed doors as detailed in Part 1 above:**

- **Director Corporate Services, Mr Mike Tidy;**
- **Manager City Projects, Mr Blignault Olivier;**
- **Manager Governance, Mr Brad Sillence;**
- **Executive Projects Officer, Ms Genevieve Hunter;**
- **Governance Officer, Mrs Lesley Taylor;**
- **Jackson McDonald Lawyers, Mr Simon Moen;**
- **Braxford Consultancy Pty Ltd, Mr Gary Gliddon;**
- **Willoughby Property Ltd, Mr Jason Willoughby.**

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Mayor Pickard, Crs Chester, Gobbert, McLean, Mr Hunt and Ms Page.

## REPORTS

### Disclosures of interest affecting impartiality

<b>Name/Position</b>	<b>Cr Tom McLean, JP</b>
<b>Item No/Subject</b>	Item 1 – Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	The Construction Manager of Probuild (DevWest) is a personal friend.

<b>Name/Position</b>	<b>Mr Garry Hunt, Chief Executive Officer</b>
<b>Item No/Subject</b>	Item 1 – Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Some of the companies that have submitted in the Expression of Interest (EOI) are known to the Chief Executive Officer from previous City business – DORIC (Builders), Hassel (Architects), Clayton Utz (Lawyers), TPG (Planners), Wood and Grieve (Engineers), Squire Sanders (Lawyers) and Jones Coulter Young (Architects).

<b>Name/Position</b>	<b>Ms Dale Page, Director Planning and Community Development</b>
<b>Item No/Subject</b>	Item 1 – Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Ms Page's brother works for Probuild – part of the Devwest proposal.

**ITEM 1      CONFIDENTIAL      -      JOONDALUP      CITY      CENTRE  
COMMERCIAL OFFICE DEVELOPMENT - EXPRESSION  
OF INTEREST: COMMERCIAL/OFFICE DEVELOPMENT  
ON CITY OWNED PROPERTY**

<b>WARD</b>	North
<b>RESPONSIBLE DIRECTOR</b>	Mr Mike Tidy Corporate Services
<b>FILE NUMBER</b>	103036, 101515
<b>ATTACHMENTS</b>	Attachment 1    Expression of Interest: Commercial/Office Development on City owned Property Attachment 2    Evaluation Plan Attachment 3    Summary of the outcome of the evaluation process Attachment 4    Technical advice – Willoughby Property Group Attachment 5    Summary of technical advice – Jackson McDonald Attachment 6    Profiles of technical advisors: Willoughby Property Group and Jackson McDonald

*(Please Note: These attachments are confidential and will appear in the official Minute Book only)*

<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’).
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This report is confidential in accordance with sections 5.23(2)(c) and 5.23(2)(e)(iii) 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;*
- *Information about the business, professional, commercial or financial affairs of a person.*

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



Presentations were given by the three proponents in the following order:

- Devwest Group Pty Ltd
- Georgiou Group Pty Ltd
- Seven Capital (Perth) Pty Ltd

*Representatives of Devwest Group Pty Ltd entered the room at 9.05am and left at 9.48am.*

*Representatives of Georgiou Group Pty Ltd entered the room at 9.51am and left at 10.23am.*

*Representatives of Seven Capital (Perth) Pty Ltd entered the room at 10.27am and left at 11.00am.*

*Cr McLean left the room at 11.00am and returned at 11.02am.*

### **OFFICER'S RECOMMENDATION**

That the Office Development Committee NOTES the results of the Expression of Interest: Commercial/Office Development on City owned Property evaluation process.

**MOVED Cr McLean, SECONDED Cr Gobbert that the Office Development Committee:**

- 1 NOTES the results of the Expressions of Interest: Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property;**
- 2 NOTES that formal presentations were received from:**
  - 2.1 Devwest Group Pty Ltd;**
  - 2.2 Georgiou Group Pty Ltd;**
  - 2.3 Seven Capital (Perth) Pty Ltd;**
- 3 REQUESTS further clarification and questions be posed to the three proponents as identified by the committee at the meeting;**
- 4 NOTES that a decision on the appointment of a proponent will not be made at this time in accordance with clauses 5.1 and 5.2 of the Expression of Interest documentation and that the time line to formally appoint a preferred proponent will be extended.**

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Mayor Pickard, Crs Chester, Gobbert, McLean, Mr Hunt and Ms Page.

**PROCEDURAL MOTION – THAT THE MEETING BE ADJOURNED – [08122], [02154]**

**MOVED Mr Hunt, SECONDED Cr Chester that the meeting be ADJOURNED until a date and time to be determined by the Presiding Member.**

**The Procedural Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Mayor Pickard, Crs Chester, Gobbert, McLean, Mr Hunt and Ms Page.

The meeting **ADJOURNED** at 11.29am on Monday 6 May 2013 with the following committee members being present at that time:

Mayor Troy Pickard  
Cr John Chester  
Cr Liam Gobbert  
Cr Tom McLean, JP  
Mr Garry Hunt  
Ms Dale Page

## **RESUMPTION OF MEETING**

The Presiding Member declared the **Office Development Committee** meeting that commenced on Monday 6 May 2013 **RESUMED** at **1.05pm** on **Tuesday 25 June 2013**, the following persons being present:

### **ATTENDANCE**

#### **Committee Members:**

Mayor Troy Pickard *Presiding Member*  
Cr Liam Gobbert  
Cr Kerry Hollywood  
Cr Tom McLean, JP *Absent from 2.23pm to 2.25pm*  
Mr Garry Hunt, Chief Executive Officer  
Ms Dale Page, Director Planning and Community Development *Absent from 3.58pm to 3.59pm*

#### **Officers:**

Mr Mike Tidy Director Corporate Services  
Mr Blignault Olivier Manager City Projects  
Mr Brad Sillence Manager Governance  
Mr Sean McLaughlin Principal Legal Officer *from 3.57pm*  
Ms Genevieve Hunter Executive Projects Officer  
Mrs Lesley Taylor Governance Officer

#### **Guests:**

Mr Simon Moen Partner - Jackson McDonald Lawyers  
Mr Gary Gliddon Probity Advisory, Braxford  
Consultancy Pty Ltd *Absent from 3.44pm to 3.47pm*  
Mr Jason Willoughby Willoughby Property Group

#### **In Attendance in relation to Item 2**

Georgiou Group Pty Ltd *from 1.37pm to 2.17pm*  
Seven Capital (Perth) Pty Ltd *from 2.22pm to 2.54pm*  
Devwest Group Pty Ltd *from 2.55pm to 3.12pm*

## DECLARATIONS OF INTEREST

### Disclosure of Financial Interest/Proximity Interest

Nil.

### Disclosure of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) 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 the interest.

<b>Name/Position</b>	<b>Mayor Troy Pickard</b>
<b>Item No./Subject</b>	Item 2 – Confidential – Expression of Interest: Commercial/Office Development on City Owned Property – Respondent Clarifications.
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Hassell are the architects for the construction of ONE70, a Western Australian Local Government Association (WALGA) project I am overseeing in my capacity as president.

<b>Name/Position</b>	<b>Cr Tom McLean, JP.</b>
<b>Item No./Subject</b>	Item 2 – Confidential – Expression of Interest: Commercial/Office Development on City Owned Property – Respondent Clarifications.
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	The Construction Manager of Probuild (Devwest) is a personal friend.

<b>Name/Position</b>	<b>Mr Garry Hunt, Chief Executive Officer.</b>
<b>Item No./Subject</b>	Item 2 – Confidential – Expression of Interest: Commercial/Office Development on City Owned Property – Respondent Clarifications.
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Some of the companies that have submitted in the Expression of Interest (EOI) are known to the Chief Executive Officer from previous City business – DORIC (Builders), Hassel (Architects), Clayton Utz (Lawyers), TPG (Planners), Wood and Grieve (Engineers), Squire Sanders (Lawyers) and Jones Coulter Young (Architects).

<b>Name/Position</b>	<b>Ms Dale Page, Director Planning and Community Development</b>
<b>Item No./Subject</b>	Item 2 – Confidential – Expression of Interest: Commercial/Office Development on City Owned Property – Respondent Clarifications.
<b>Nature of interest</b>	Interest that may affect impartiality.
<b>Extent of Interest</b>	Ms Page's brother works for Probuild – part of the Devwest proposal.

**ITEM 2                    CONFIDENTIAL – EXPRESSION OF INTEREST:  
COMMERCIAL/OFFICE DEVELOPMENT ON CITY  
OWNED                    PROPERTY                    –                    RESPONDENT  
CLARIFICATIONS**

<b>WARD</b>	North
<b>RESPONSIBLE DIRECTOR</b>	Mr Mike Tidy Director Corporate Services
<b>FILE NUMBER</b>	103036, 101515
<b>ATTACHMENTS</b>	Attachment 1      Additional information requested from respondents Attachment 2      Information provided by Seven Capital (Perth) Pty Ltd Attachment 3      Information provided by Devwest Group Pty Ltd Attachment 4      Information provided by Georgiou Group Pty Ltd / Investec Bank (Australia) Ltd Attachment 5      Comments provided by Jason Willoughby – Development Advisor Attachment 6      Comments provided by Jackson McDonald – Legal Advisor Attachment 7      Legal advice from Jackson McDonald regarding the Build Own Transfer model Attachment 8      Assessment of the financial information provided by Devwest Group Pty Ltd

*(Please Note: These attachments are confidential and will appear in the official Minute Book only)*

<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.
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This report is confidential in accordance with sections 5.23(2)(c) and 5.23(2)(e)(ii) 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 matter that if disclosed would reveal information that has a commercial value to a person.*

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

*Representatives of Georgiou Group Pty Ltd entered the room at 1.37pm and left at 2.17pm.*

*Representatives of Seven Capital (Perth) Pty Ltd entered the room at 2.22pm and left at 2.54pm.*

*Cr McLean left the room at 2.23pm and returned at 2.25pm.*

*Representatives of Devwest Group Pty Ltd entered the room at 2.55pm and left at 3.12pm.*

*The Probity Advisor and Manager City Projects left the room at 3.44pm and returned at 3.47pm.*

*The Principal Legal Officer entered the room at 3.57pm.*

*Ms Page left the room at 3.58pm and returned at 3.59pm.*

#### **OFFICER'S RECOMMENDATION:**

That Council:

- 1 NOTES the information provided by respondents contained within Attachments 2 – 4 to this Report;
- 2 NOTES the comments provided by the Development Advisor and the Legal Advisor in the additional information provided by respondents contained within Attachments 5 – 8 to this Report;
- 3 CONSIDERS the information provided by respondents and the comments provided by the Development Advisor and the Legal Advisor, contained within Attachments 2 – 8 to this Report, in determining the preferred respondent(s) for the development of a commercial office building on Lot 507 Boas Avenue, Joondalup and/or Lot 496 Davidson Terrace, Joondalup;
- 4 REQUESTS the Chief Executive Officer to seek agreement from the preferred respondent(s) to the City's Expression of Interest process to work with the City to prepare a proposal to be submitted as part of the State Government's request for Expression of Interest for State Government Office Accommodation in Joondalup;
- 5 REQUESTS the Chief Executive Officer to undertake further due diligence and negotiations with the preferred respondent(s) to identify a potential corporate anchor tenant for the development of a commercial office building on Lot 507 Boas Avenue, Joondalup and/or Lot 496 Davidson Terrace, Joondalup.

**MOVED Mr Hunt, SECONDED Cr Gobbert that the Office Development Committee RECOMMENDS that Council:**

- 1 NOTES the information provided by respondents contained within Attachments 2 – 4 to this Report;**
- 2 NOTES the comments provided by the Development Advisor and the Legal Advisor in the additional information provided by respondents contained within Attachments 5 – 8 to this Report;**
- 3 CONSIDERS the information provided by respondents and the comments provided by the Development Advisor and the Legal Advisor, contained within Attachments 2 – 8 to this Report, and determines that Seven Capital (Perth) Pty Ltd is the preferred respondent for the development of Lot 507 Boas Avenue, Joondalup and/or Lot 496 Davidson Terrace, Joondalup;**
- 4 REQUESTS the Chief Executive Officer to seek agreement from the preferred respondent to the City's Expression of Interest process to work with the City to prepare a proposal to be submitted as part of the State Government's request for Expression of Interest for State Government Office Accommodation in Joondalup;**
- 5 REQUESTS the Chief Executive Officer to undertake further due diligence and negotiations with the preferred respondent to identify a potential corporate anchor tenant for the development of Lot 507 Boas Avenue, Joondalup and/or Lot 496 Davidson Terrace, Joondalup.**

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Mayor Pickard, Crs Chester, Gobbert, McLean, Mr Hunt and Ms Page.

**MOTION TO GO TO OPEN DOORS – [02154, 08122]**

**MOVED Cr Hollywood, SECONDED Cr McLean that the Office Development Committee, in accordance with Clause 67(4) of the City's *Standing Orders Local Law 2005*, RESOLVES the meeting be now held with OPEN DOORS.**

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Mayor Pickard, Crs Chester, Gobbert, McLean, Mr Hunt and Ms Page.

*Doors opened at 4.19pm.*

*No members of the public or press were present.*

In accordance with the City's *Standing Orders Local Law 2005*, the Presiding Member read aloud the Motion in relation to:

- Item 1            Confidential – Joondalup City Centre Commercial Office Development – Expression of Interest: Commercial/Office Development on City Owned Property.
- Item 2            Confidential – Expression of Interest: Commercial/Office Development on City owned Property – Respondent Clarifications.

#### **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 4.23pm; the following Committee Members being present at that time:

Mayor Troy Pickard  
Cr Kerry Hollywood  
Cr Liam Gobbert  
Cr Tom McLean, JP  
Mr Garry Hunt  
Ms Dale Page