



City of  
**Joondalup**

# **Business Plan For a Major Land Transaction**

**The Acquisition of Land and Construction  
of a Works Depot**

**July 2004**

## **INTRODUCTION**

This business plan is prepared to comply with the provisions of Section 3.59 of the Local Government Act 1995 and the Local Government Act (Functions and General) Regulations 1996.

This section of the Act provides that all **major land transactions** require a business plan to be prepared prior to entering into the transaction. It is the City's intent to acquire 4ha of land and construct a City Works Depot on the acquired site.

## **SITE DESCRIPTION**

The land is a 4.00 hectare site situated within the Joondalup City Centre, with the northern-most point being the intersection of Joondalup Drive and Grand Boulevard/Hodges Drive. (Figure 1)

The area is situated to the southeast of the existing Joondalup Business Park, located to the north is Hodges Drive and The Gateway mixed business area to the south. The Edith Cowan University is located adjacent to the subject area, on the northeastern side of Joondalup Drive. The residential suburb of Edgewater is located to the east, with rear property fences abutting the Joondalup Drive road reserve. To the west is the Mitchell Freeway.

The area contains a section of the northwest corridor railway reserve and a section of the Eddystone Avenue road reserve between Joondalup Drive, the Mitchell Freeway, and Honeybush Drive.

## **TITLE PARTICULARS**

The land is currently owned by LandCorp, with the land currently described as:

Lot: 100,902, Pt 7898 & 7899

## **EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE LOCAL GOVERNMENT**

The City does not currently own a dedicated Works Depot. To facilitate the delivery of works and services and to reduce future operational costs, there is a requirement to establish a Works Depot to meet the long term needs of the City.

The City currently operates from two sites, both highly constrained, as follows:

- The major depot facility is provided by way of a lease agreement with the City of Wanneroo for the part use of the Wanneroo Works Depot located in Wanneroo Road, Ashby. This is outside of the Joondalup municipal boundary. The lease agreement commenced on 27 June 2000 with an expiry of 30 June 2002, and an option to extend the term of the lease for a further two years in annual increments. These options have been exercised, however, a further extension has since been negotiated to August 2005 and new discussions are currently in progress seeking an additional extension to June 2006, with options to extend on a monthly basis following this period. The City of Wanneroo has expressed a desire to reclaim the leased portion of its depot at the earliest available time.
- The second location is a minor depot of 0.2683 ha, Lot 502 Winton Road in the Winton Road Business Park. This facility is used for operational crews that undertake maintenance activities in primarily CBD areas. The City of Joondalup owns this facility on freehold title and, due to the constrained size, there is no scope to expand the services operating from this location.

Further services typically based in a Council depot but currently outsourced via a Service Level Agreement between the Cities of Joondalup and Wanneroo include:

- Waste Management Collection Services;
- Fleet Maintenance Services; and
- Engineering Capital Construction Works

In the short to medium term the City of Wanneroo can provide basic depot facilities to meet City of Joondalup requirements. However, due to the expected growth of Wanneroo and subsequent demands on depot facilities, there are no guarantees that these existing facilities will be available for lease in the longer term. In addition, there are transport efficiency and operating gains anticipated in having a centrally located depot within the City of Joondalup.

The operational areas proposed to be accommodated at a new Works Depot are:

- Engineering Maintenance Services
- Engineering Minor Construction
- Parks Maintenance Service
- Building Maintenance Service
- Building Cleaning Services
- Ranger Security Services Vehicle Pound

Facilities will also need to be provided for:

- Leisure Services (storage requirements for festivals and events)
- Stores and Stockpiling
- Fuel Facilities for plant and equipment
- Other future needs

In determining the accommodation/facilities needs and land requirements it was also envisaged that the services currently provided under a Service Level Agreement with the City of Wanneroo would, in the future, continue in this manner. However, in the future the City may find that the combination of operational risk reductions and increases in operating and financial benefits can be realised through the internalisation of part or all services currently outsourced via this Service Level Agreement. At this stage it is proposed to consolidate all the City Depot requirements currently located at Wanneroo and the Winton Road site, but not the outsourced services, to the one location.

It has been estimated that the minimum land area required for a Works Depot is 4 hectares. This would allow appropriate master planning of the site for traffic management and facilities control purposes.

The Concept Design has been developed in accordance with the original project brief and in direct consultation with operational staff and the Executive Management Team. The design shows the site being totally developed to accommodate the various needs of the Council operations staff, provision for storage (Community Development) and the potential future provision for accommodating the State Emergency Service (SES) from their current Winton Road facility.

The project brief directed the consultant to adopt Environmentally Sensitive Design (ESD) principles into the building and site fabric. This has been accommodated through a variety of responses including utilising low embodied energy materials, harvesting rainfall and site run-off, adopting a number of energy saving building management systems and ensuring optimal site efficiency.

The location of the site was recognised in the brief as being a gateway to the City of Joondalup and the brief called upon the Architect to recognise this through developing an iconic landmark building and ensuring the building presence to Hodges Drive and the Freeway reflected the importance of the location. The Architect has responded in the manner of locating all the buildings addressing Hodges Drive with the main administration office in a prominent location addressing the intersection of Hodges Drive and the Freeway. The building fabric will be detailed in the manner that incorporates the latest architectural finishes and sculptural forms.

The size of the proposed City Depot development is 3.5 ha and is comparable with other local government facilities that accommodate similar service needs. 0.5 ha will remain undeveloped until future requirements determine the use.

The City has commenced initial discussions with the SES about the potential to relocate the existing Wanneroo/Joondalup SES facility from Winton Road to the proposed Works Depot. The benefits of co-location are currently being assessed and will be referred to Council in the future for consideration.

## **EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT**

This section is not considered relevant as it is a specific function of local government to coordinate and provide these services and facilities.

## **EXPECTED FINANCIAL EFFECT ON THE LOCAL GOVERNMENT**

### **Site Valuation**

A Valuation Brief was prepared and forwarded to Knight Frank (WA) Pty Ltd to provide valuations of the subject land. The final valuation report was received on 4 October 2002.

### **Site Negotiations**

At its meeting of 17 December 2002, Council authorised the Chief Executive Officer to negotiate with LandCorp for either cash contribution, or partial cash and partial in-kind contribution by way of the transfer of land owned by LandCorp to the City either for the purpose of housing the City of Joondalup's planned Works Depot, or the transfer of Lot 6 Lawley Court, in respect to payment in settlement of the Joondalup Normalisation Agreement.

The Normalisation Agreement was signed on 10 February 2003, and a formal handover function conducted on 5 June 2003, with the Minister for Planning and Infrastructure in attendance, where the agreement execution was completed.

Following Council's resolution at the 17 December 2002 Meeting, City officers finalised negotiations with LandCorp for the 4 ha parcel of land for the Works Depot at Joondalup South Business Park (Pt Lot 902 and Pt Loc 7898). These negotiations included the issue of site access via a traffic bridge and the City's desire to have existing power lines on the site relocated to make best use of the area available for the construction of the works depot.

On 29 April 2003, a confidential report was presented to Council on the site acquisition for the works depot (CJ107-04/03 refers). Council resolved:

“1      **CONDITIONALLY ACCEPTS** the offer from LandCorp for the City to purchase a fully serviced site of 4.0 hectares for an amount of \$2.8 million dollars subject to the following conditions:

- (a)      LandCorp undertakes all subdivision works and approvals;
- (b)      LandCorp meets all costs of subdivision including the provision of access to the proposed lot via a traffic bridge over the current rail reserve and as detailed in the City of Joondalup works depot project plan (refer attachment 1);

- (c) the City undertakes, at its own cost, due diligence in the form of a geotechnical survey, environmental site analysis (including flora and fauna) and a review of potential site contamination to verify the site is not fatally flawed for development by such issues;
  - (d) LandCorp provides a range of subdivision services of sufficient capacity for the development of a municipal works depot with further specific details to be agreed to by our respective engineers;
  - (e) LandCorp agrees to the relocation of the existing high voltage power line to the proposed lot boundary adjacent to, or contained within, the freeway reserve, and that LandCorp and the City undertake the relocation jointly. The City confirms that it will bear the cost of such a realignment apportioned to the proposed lot;
  - (f) the final contract of sale and land value be in accordance with the requirements of the Local Government Act 1995 and reasonable conditions imposed by LandCorp;
- 2 AUTHORISES the Chief Executive Officer to negotiate the finalisation of the contract of sale with LandCorp.”

The intention is to purchase the site from LandCorp for an amount of \$2.8 million, which will be offset as part payment from the Joondalup Normalisation Agreement.

### **Development of New Depot**

James Christou and Partners, Architects have provided the City with a Concept Design for a depot facility at Pt Lot 902 and Pt Loc 7898. The design is based on an Accommodation Needs Requirement brief prepared by the City's Infrastructure & Operations Directorate.

The indicative cost for acquisition of land, building design, site works and construction for the City Works Depot is **\$11 million**.

Current Project Budget Estimate

<b>ITEM</b>	<b>\$</b>
Building Works (rate per sq. metre)	2,665,000
Communication cabling, I.T items, Two Way Radio and Reticulation Control.	150,000
Gateway Allowance (strategic location)	250,000
Site Works (significant cross fall)	2,970,000
ESD Allowance	200,000
Escalation (to July 04)	200,000
Escalation Premium due to Market Condition	150,000
Consultant Fees	600,000
Land Acquisition	2,800,000
FF&E (furniture, fittings and equipment)	600,000
HV Relocation	415,000
<b>TOTAL:</b>	<b>11,000,000</b>

The proposed land is zoned 'Centre' and is subject to the Joondalup City Centre Structure Plan with a specified use of 'technology/office use'. Preliminary advice received is that a depot operation would not comply with this identified use, and the establishment of a depot operation would therefore require amendment of the Joondalup City Centre Structure Plan.

The City Centre Plan and Manual describes future planning intentions for the City Centre. Specific intended land uses are set for a number of central precincts, although planning intentions for peripheral areas (including Business Park South) are not established.

In cases where an application is made for development in such areas, two scenarios are possible:

1. The Council can vary the provisions of a structure plan by resolution, and have done this in the past for development applications in the City Centre structure plan area;
2. The Council can call for an amendment to the structure plan document. This alternative requires a process to be followed, set by the Planning Scheme. The process includes liaison with the WA Planning Commission over a period of time (estimated to be in the order of 6 months).

Provision for the funding of the Works Depot has been made available in the Asset Replacement Reserve account to the amount of \$6.25 million. Additional funding is likely to require consideration as part of the City's future budget deliberations.

## **Operational Savings**

The current Wanneroo Works Depot lease agreement is not conducive to efficient and effective work practices as there are considerable restrictions on administration processes and public interaction with the City of Joondalup Operations Unit.

Operational savings of \$614,000 per annum is estimated. In addition to lease costs of \$77,709.84 per annum, there are also costs involved in travel time and running costs due to the Depot's location. In addition, 63 vehicles and 128 staff are currently housed at the Wanneroo Depot and it is estimated that, based on the distance from Joondalup (20kms per day) and travel time for the start and finish of shifts (30 minutes), the saving in operational cost would be in excess of \$2,200 per day (not including accelerated depreciation due to higher dead running time). This would equate to approximately \$536,000 per annum.

## **Disposal of Lot 502 Winton Road**

The consolidation of the operation at a City Depot site also provides the City with a potential opportunity to lease or sell the Winton Road Depot site, estimated to be valued at \$480,000 as at 30 April 2004. This would provide the City with additional revenue to part offset the acquisition and development cost of the new site. Council will consider the future of this site once the new Works Depot has commenced operation and the Winton Road site has been vacated.

## **EXPECTED EFFECT ON MATTERS REFERRED TO IN THE LOCAL GOVERNMENT'S CURRENT PRINCIPAL ACTIVITIES PLAN PREPARED UNDER SECTION 5.56**

Section 5.56 of the Local Government Act relates to the Principal Activity Plan for the City for the ensuing 5-year term. The published Principal Activity Plan for the City of Joondalup for the Infrastructure & Operations Directorate for 2003/2004 to 2007/2008 states the following:

Key Objectives:

- To work in partnership with the community to achieve mutual outcomes
- To provide management services for the planning, design and asset maintenance and management of the community's infrastructure
- To maintain effective partnerships which enhance the delivery of Ranger Services

Activities to be undertaken by the Infrastructure & Operations Directorate to achieve these objectives are listed as follows:

- Adopt a multi-disciplined team approach in managing the public's infrastructure assets through the provision of the services mentioned below;

- Building services
  - Community infrastructure asset management services
  - Engineering design services
  - Surveying services
  - Project management services
  - Traffic management services
  - Parks and landscaping services
  - Administration support services
- Enhance the quality of life through the implementation of educational initiatives and strategies and the enforcement of the following:
    - Promotion of responsible dog ownership
    - Street, school and private parking
    - Sign control
    - Firebreak inspections
    - Removal of abandoned vehicles and off-road vehicle control
    - Control of unauthorised dumping of litter
    - Processing firework applications

Performance measures for the Infrastructure & Operations Directorate of the City include:

- Infrastructure programs and projects are designed and implemented within the budgets and timeframes agreed with by Council
- The project management costs associated with survey, design administration and construction are competitive when benchmarked with other local governments and private industry
- The level of customer satisfaction with community's infrastructure, i.e. with parks, roads, paths, drainage networks and traffic management initiatives; and
- Customer satisfaction with animal control

This project will enable the Infrastructure & Operations Directorate to undertake the activities outlined in the Principal Activity Plan in a more efficient manner.

#### **ABILITY OF THE LOCAL GOVERNMENT TO MANAGE THE UNDERTAKING OR THE PERFORMANCE OF THE TRANSACTION**

The City of Joondalup ordinarily administers many land transactions and contracts in the day-to-day management of its assets and community facilities. The skills of its members and officers are adequate to meet the requirements of this proposal.

In accordance with the City's management of designated Corporate Projects, a Project Plan for the Works Depot was prepared in conjunction with Clifton Coney Group (CCG), Project and Development Managers. The City has established a project team to deliver the Works Depot project on behalf of the Council. This team will include specialist consultants to assist in the design, management, construction and commissioning of the new facility.

## **CONCLUSION**

The City has sought to address the long-term need for the establishment of a Works Depot within the City of Joondalup.

While the lease agreement with the City of Wanneroo for part use of the Wanneroo Works Depot has addressed the immediate need, that lease agreement only provides facilities until 30 June 2004 assuming available options are exercised. Due to the expected growth of Wanneroo and subsequent demands on depot facilities, there are no guarantees that these existing facilities will be available for lease in the longer term.

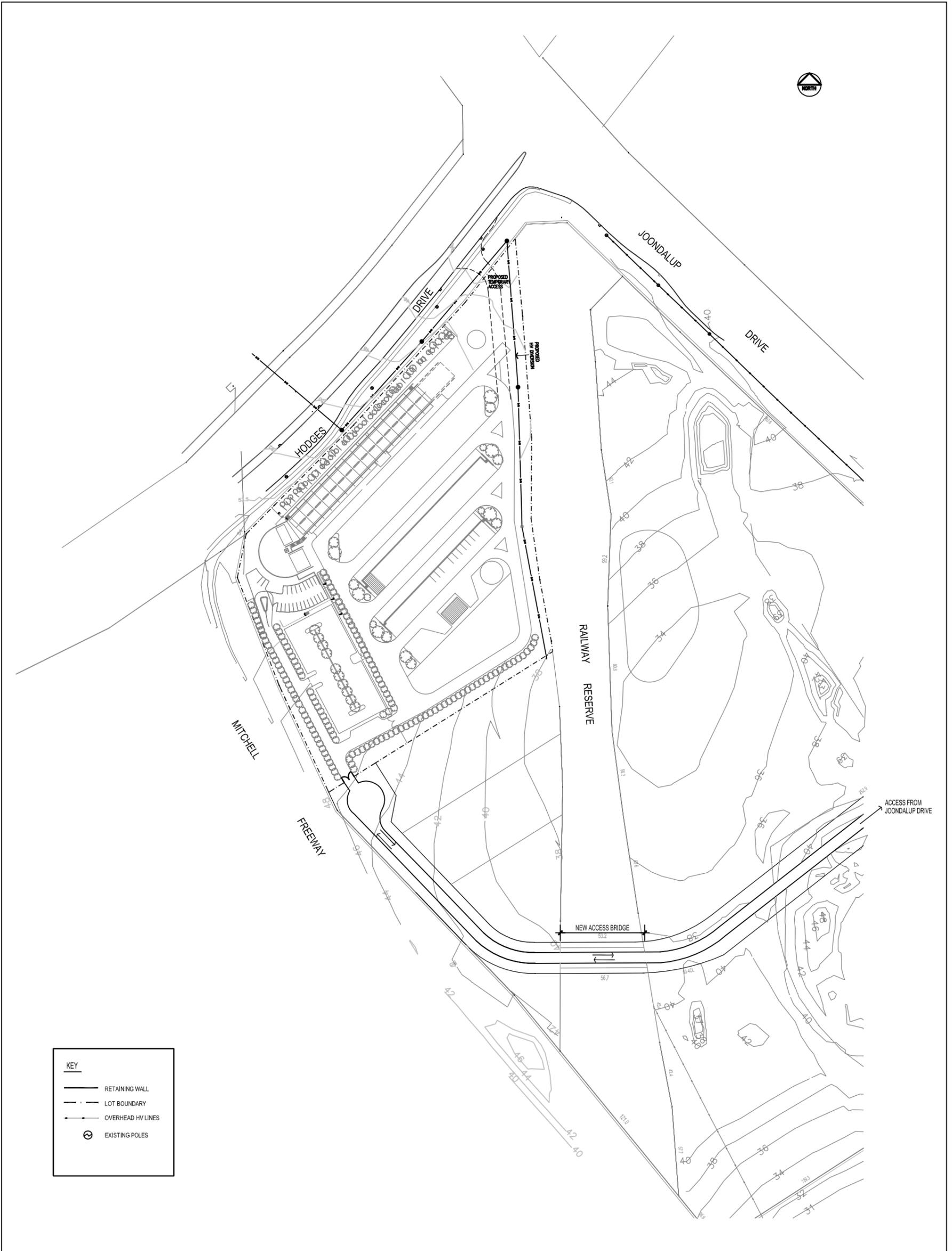
In addition, there are financial and efficiency gains anticipated in having a centrally located depot within the City of Joondalup. These gains are estimated at approximately \$614,000 per annum. There is also a potential opportunity to lease or sell the Winton Road Depot site, providing the City with additional revenue to part offset the acquisition and development cost of the new site. The Winton Road Depot site is estimated to be valued at \$480,000 as at 30 April 2004. It should be noted that a Caveat exists on the site in favour of Western Australian Land Authority holding an option to purchase as chargee. Therefore if Council wishes to sell or lease the Winton Road site after the new Works Depot is complete, it will be necessary to enter into negotiations with LandCorp (Western Australian Land Authority). Council will consider the future of this site once the new Works Depot has commenced operation and the Winton Road site has been vacated.

The City of Joondalup has concluded negotiations with LandCorp for the purchase of a four-hectare parcel of land for the purpose of constructing the City of Joondalup Works Depot.

The City has also progressed servicing and subdivision plans with LandCorp to a stage that will enable the City to undertake timely construction of the works depot on title transfer.

The purchase of the 4.00 hectare site in Joondalup South Business Park would offer the City an ideal site for its future works depot and follows an exhaustive assessment of a considerable number of sites to determine the site that would provide the City with the most viable option as a City Depot, within the constraints of the City of Joondalup boundaries.

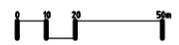
The acquisition of land and construction of the Works Depot will exceed the threshold specified in the Local Government Act 1995. Accordingly, this business plan has been prepared to satisfy the provisions of Section 3.59 dealing with major land transactions.



KEY	
	RETAINING WALL
	LOT BOUNDARY
	OVERHEAD HV LINES
	EXISTING POLES

CITY OF JOONDALUP  
NEW WORKS & SERVICES DEPOT

LOCATION PLAN  
SELECTED OPTION DEVELOPMENT



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