



City of
Joondalup

APPENDIX 1
CJ174-08/04 – MAJOR LAND TRANSACTION – SITE
ACQUISITION

Business Plan
For a Major Land Transaction

The Acquisition of Land and Construction
of a Cultural Facility

August 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 7919 square metres of land and construct a Cultural facility on the acquired site.

SITE DESCRIPTION

The land is a 7919 square metre site situated within the Joondalup City Centre, located on the north western corner of Lot 500 having its main frontage to Grand Boulevard, Joondalup. (Figure 1)

The area is situated on the eastern side of Grand Boulevard immediately to the south of Hampton Court and the car park associated with Joondalup Central Park. The Joondalup TAFE Campus and the WA Police Academy are located directly to the east and the Edith Cowan University Joondalup Campus is located to the south of Kendrew Crescent. The City of Joondalup offices and the Lakeside Joondalup Shopping Centre are both located within 500 metres to the north and west of the subject land.

TITLE PARTICULARS

The registered proprietor is currently the Minister for Training, with the land described as:

Lot: 500 on Plan 24182 and portion of the land contained in Certificate of Title Volume 2202 Folio 73.

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

The North West Metropolitan region, comprising the Cities of Joondalup and Wanneroo, remains among the fastest growing regions in Australia. The current combined resident population is 245,000 and this is expected to grow by an average rate of 2.1 percent annually, to reach a projected 430,000 by 2031. It is this population growth that has driven the need for cultural facilities in Perth's northern corridor.

There has been an overall expectation that a cultural facility would be provided in Joondalup for over 30 years. The former City of Wanneroo and LandCorp commissioned Griffith University to develop a Cultural Plan with the resultant "Joondalup - A Cultural Plan", a blueprint for the development of a cultural facility that would be central to the vitality, viability and development of the north metropolitan region. This Cultural Plan was a ten year plan delivered in 1992 and the City has commissioned a consultant to review the plan and provide a new ten year plan for the period 2004 to 2014. This commission is almost completed and the draft plan also indicates the need for a cultural facility in the Joondalup region.

To obtain demographic and financial analysis, as well as to consult with the community and professional organisations, educational institutions and employment and training providers and other significant stakeholders within the region, the City commissioned Australian Pacific Projects (APP) to conduct a feasibility study for the establishment of the *Joondalup Regional Performing Arts Centre* (JRPAC) in 1999. The feasibility study was completed in March 2001.

In September 2001, Council endorsed the APP report that recommended that the *Joondalup Regional Performing Arts Centre* (JRPAC) be built in two stages at an estimated cost of \$46 million. Following this endorsement, Council attempted, unsuccessfully, to obtain support through capital funding from the State Government and other stakeholders.

Council subsequently appointed arts consultants Graeme Walne and Peter Alexander in 2002 to test the outcomes of the APP report in order to further refine the technical, spatial and financial requirements of the proposed JRPAC. This appointment also required the consultant to identify potential sites for the establishment of the *Performing Arts Centre* as well as potential funding sources.

The Walne & Alexander study identified the preferred site as the TAFE land adjacent to Central Park and facing Grand Boulevard. The consultants recommended a 500 seat dance/drama theatre, small studio theatre with rehearsal rooms and studios (all as per APP report minus the 1500 seat concert hall / lyric theatre), at an estimated cost of \$24 million.

At its meeting held on 17 December 2002, Council resolved inter alia to agree in principle to identifying the TAFE land adjacent to Central Park and facing Grand Boulevard as the preferred site and establishing the size of the JRPAC to be a 500 seat

dance/drama theatre plus small studio theatre with rehearsal rooms and studios as per the configuration described in the Walne & Alexander report.

The City subsequently commissioned an indicative cost estimate from a quantity surveyor which identified the cost at \$26.9 million, including a cost escalation estimate of \$2.45 million to September 2005.

Strong support has been demonstrated on the part of the community and other stakeholders (local schools, performing arts and cultural organisations, State Government Departments, and other local governments) for the concept of a centrally located cultural facility in Joondalup containing a range of facilities. Significant and immediate demand has been identified on the part of performing arts groups and organisations within the region for quality facilities in which to develop and present their work to local audiences. This demand has been confirmed through the major feasibility study (APP, March 2001) and the resourcing study (Walne & Alexander, December 2002).

The City recognises that when the Walne & Alexander resourcing study was undertaken to determine the size and scope of the cultural facility, there was no replacement venue planned for the Playhouse Theatre, which has since been announced by the State Government.

At the Council meeting of 27 April 2004, the Joint Commissioners resolved inter alia that a review of the endorsed concept design including the social and economic development impact be undertaken to ensure that the cultural facility meets the region's needs and is affordable for the City.

It is envisaged that once this review is completed and following endorsement by Council, the concept design will be advertised for public comment.

While it is currently undecided due to the review status, the concept design for the cultural facility could potentially include a leased area/tenancy for purposes complementary to the cultural facility such as a recording studio or bar/café. If this were the case, this information would be provided for public comment during advertising of the concept design, once Council has endorsed it.

There may also be the potential for the City to contract out the management of the cultural facility, depending on the ultimate scope and use of the facility. Any decision on the management of the cultural facility would be the subject of Council deliberation once the project has progressed sufficiently to make an informed decision.

Upon completion, the cultural facility will deliver considerable benefits to the community and the region, offering regional employment opportunities within the JRPAC as well as in local businesses within the Centre's sphere of influence.

The City, in conjunction with Department of Education and Training and West Coast College of TAFE Joondalup Campus, is now in a position to proceed with confidence with planning for the construction of the cultural facility in a location adjoining the West Coast College Hospitality Training Centre.

These combined projects will jointly benefit from the co-location of shared services and infrastructure in addition to the cultural facility receiving benefit from and supporting the Hospitality Training Centre. This is consistent with the City's strategic objectives outlined in the 2003-2008 Strategic Plan:

- 1.1 – To develop, provide and promote a diverse range of lifelong learning opportunities
- 1.2 – To meet the cultural needs and values of the community
- 3.1 – To develop and maintain the City's assets and built environment.

The acquisition of this prominent site from the Department of Education and Training will enable the City to progress the cultural development needs of the City of Joondalup.

The acquisition of this site will also enable the City to explore the potential opportunities for use of the land originally set aside for the cultural facility, being the present carpark between the City of Joondalup Building and Boas Avenue. The various opportunities for development of this site for uses that would complement its strategic location are currently being considered and will be the subject of a future report to Council.

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

Other performing arts facilities in the district are school based and/or run by community groups and there is no expected effect on other persons by the construction of a cultural facility for the Joondalup Region.

EXPECTED FINANCIAL EFFECT ON THE LOCAL GOVERNMENT

Site Valuation

A Valuation Brief was jointly prepared by officers from the Department of Education and Training and the City and forwarded to the Valuer Generals Office to provide a valuation of the subject land. The City received the final valuation report on 8 September 2003.

Site Negotiations

On 17 December 2002, Council agreed in principle to identify the TAFE land adjacent to Central Park and facing Grand Boulevard as the preferred site for the cultural facility, as recommended in the Walne & Alexander study.

The City, West Coast College of TAFE and the Department of Education and Training signed a Letter of Understanding, agreeing to enter into negotiations to locate the proposed cultural facility on or adjacent to that portion of land occupied by West Coast College of TAFE Joondalup Campus.

At its meeting of 29 April 2003, Council authorised the Chief Executive Officer to enter into negotiations with the Department of Education and Training and West Coast College of TAFE for purchase of the land required for the cultural facility.

A confidential report was presented at the Council Meeting of 30 September 2003 recommending acquisition of land for the proposed cultural facility (CJ224-09/03 refers).

Council resolved to:

- “1 Note the successful negotiations between the City and the Department of Education and Training (DET) for the purchase by the City of an 8150 square metre site from DET for the construction of the *Joondalup Regional Performing Arts Centre*;
- 2 Endorse the A/CEO to finalise the contract of sale for the site, based on the Valuer General’s Office Valuation Report, for a final consideration of \$595,000;
- 3 Request the Administration to urgently undertake the process to modify that land previously set aside for the JRPAC within the area bounded by Boas Avenue, Central Walk, Central Park and Lakeside Drive.”

Since Council’s resolution, ongoing discussions have been held with the Department of Education and Training (DET) in relation to a Contract of Sale for the parcel of land on the West Coast College of TAFE Joondalup Campus. Following agreement on the terms and Ministerial approval of the sale, a Contract of Sale has been drafted.

The Subdivision plan has been created, copied to the City for information and the subdivision application has been lodged with the WA Planning Commission (WAPC). Meeting the Conditions of Subdivision will be the City’s cost as per the original valuation report.

The proposed area for the cultural facility lot will now be 7919sqm as a result of a requirement to adjust the boundary line by 2.6 metres to accommodate the proposed new access road to both the cultural facility and the Hospitality Training Centre (from 8150sqm previously endorsed by Council – CJ224-09/03 refers).

This slight reduction in area originally negotiated does not impact on the City’s ability to construct the cultural facility and the draft Contract of Sale contains a clause providing a square metre rate calculation in the event of an increase or decrease to the 8150sqm lot size originally negotiated. The reduction of 231 sqm to the area therefore resulted in a reduction in purchase price of \$16,828.35.

The intention is to purchase the site from the Department of Education and Training for an amount of \$578,171.65.

Proposed funding of \$1.2 million has been allocated for the project for 2004/05. This comprises amounts for the purchase of the land, 50% of construction costs for the access road and approximately \$225,000 for advance landscaping to enable the City to schedule outdoor cultural events at the site until the cultural facility is constructed.

The Principal Activities Plan provides for the transfer to reserves totalling \$3.5 million over the next four years to provide for the *Joondalup Regional Performing Arts Centre – Cultural Facilities*. It is anticipated that State Government funding will be sought in support of this regional cultural facility. The balance is expected to be contributed by private sources.

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 draft Principal Activities Plan for the City of Joondalup for the Community Development Services business unit for 2004/2005 to 2008/2009 states the following:

Key Objectives:

- To keep informed of community needs and identify gaps in order to ensure that needs are met;
- To take a leading role in the networking of services by developing partnerships and alliances across all sectors;
- To support the development of a community with a strong and unique identity, and encourage and facilitate community pride and self sufficiency;
- Provide and maintain a safe and secure environment for the community to live and work in the City.

The focus of Community Development Services in 2004/05 will be directed towards identifying the factors that influence the well being of the community and to develop and implement strategies and processes to maximise those opportunities that are available.

Community Development Services will concentrate on the social issues such as:

- How to best network within the community;
- Bringing people together to address community identified issues of concern;
- The provision of facilities and services that meet the needs of the Community.

In line with this ethos Community Development Services will:

- Acknowledge and further develop existing community strengths;
- Employ strategies to increase community involvement in decision-making processes;
- Develop sustainable partnerships for the benefit of the community.

Performance measures for the Community Development Services business unit of the City include:

- Projects completed to the agreed stage and standard and within the specified budget;
- Community satisfaction via customer surveys.

This project will enable the Community Development Services business unit to undertake the activities outlined in the Principal Activities Plan in relation to cultural events and activities in a way that better meets identified demand and community needs.

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 cultural facility was prepared in conjunction with Clifton Coney Group (CCG), Project and Development Managers. The City has established a project team to deliver the cultural facility 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 as required.

CONCLUSION

The City of Joondalup has been working towards the construction of a cultural facility for many years and has invested considerable resources into community research and design studies. This research has placed the City in a position to proceed with the development on the basis of proven community need.

The City continues to invest considerable resources into cultural development and manages the Arts Development Scheme as an audience development initiative in support of future facilities. The Scheme develops partnerships with professional performing arts companies to increase community access to the performing arts in the northern suburbs and build audiences and audience databases for the future.

The City is keen to see the Joondalup facility as part of the larger strategic vision for the provision of cultural facilities in Perth's metropolitan area. It is of considerable advantage that Joondalup has reached a stage where it knows what needs to be built to meet the region's needs.

The purchase of the 7919 square metre site facing Grand Boulevard and adjacent to the Hospitality Training Centre, the TAFE Campus, Edith Cowan University and the WA Police Academy offers the City an ideal site for its future cultural facility, in a location which will activate the street front on Grand Boulevard and contribute to a lively entrance to the Joondalup City Centre.

The acquisition of land and construction of the cultural facility 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.