



DRAFT

BUSINESS PLAN

For

THE PROPOSED PURCHASE OF LAND

for Construction of

AN AT-GRADE CAR PARK

JUNE 2006

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1. INTRODUCTION

It is the City's intention to purchase Lot 6 Lawley Court, Joondalup from Landcorp, Western Australian Land Authority (WALA).

The proposed purchase of a site in the town centre of the City of Joondalup is identified as a major land transaction under Section 3.59 of the Local Government Act Regulations 1996 and the (Functions & General) Regulations.

This section of the Act provides that all major land transactions require a business plan to be prepared prior to entering into the transaction.

Pursuant to Section 3.59 (Commercial Enterprises by Local Government) of the Local Government Act 1995, this business plan has been prepared for public exhibition and comment.

2.0 PROPERTY DESCRIPTION

2.1 Location

The subject site, having an area of 7510m², known as Lot 6 Lawley Court, Joondalup, is situated to the east side of Lawley Court, in the town centre of the City of Joondalup, which is approximately twenty-six (26) kilometres north of the Perth Central Business District. The area has since been reduced by 930m² vested for road reserve.

The land is situated to the north of Lakeside Shopping Centre and abuts onto the Shopping Centre's car parking area and the west side of the Perth Northern Corridor rail reserve.

Development in the immediate location is predominately of a commercial nature and includes the Lakeside Shopping Centre located immediately to the south, a range of fast food outlets facing Joondalup Drive, which lies to the west including premises for Officeworks and Crazy Clarks and to the east side of the rail reserve, various commercial development including the Law Courts, office and retail development. To the north side of Shenton Avenue, which lies to the northern extremity of Lawley Court, is located the AIUS Curtin University Campus and further east, the Joondalup Health Campus. See Location Plan appended to this document.

2.2 Topography

The subject allotment is irregular in shape and has frontage to Lawley Court. The site slopes slightly away from the road, from west to east. The eastern boundary of the lot backs onto the railway reserve and the southern boundary onto the Lakeside Shopping Centre carpark and a drainage reserve described as Draining Reserve 45419

Location 12841. See Site Plan 1 and Site Plan 2 appended to this document. The Lakeside Shopping Centre is approximately 1.5 metres lower than the subject land.

2.3 Roads and Access

There are two accesses to the property. The first is via Lawley Court, which runs off Shenton Avenue which provides access from the north via a bridge over the railway reserve. The other access is via Daghish Way, which runs off Joondalup Drive to the west.

2.4 Services

All the usual public utilities are provided, including water, sewer, electricity, drainage and telephone. Public transport is within walking distance. Other amenities such as shops, schools, hospital and other medical facilities are within walking distance.

3.0 TITLE PARTICULARS

The land is held as an estate in fee simple in portion of Swan Location 3324 and being Lot 6 on Diagram 91648, limited however to the natural surface and therefrom to a depth of 12.19 metres, together with a right-of-carriageway over the portion of Lot 453 on Plan 17248 marked "A" on the said map hereon as set out in Transfer G492838 and being the whole of the land comprised in Certificate of Title Volume 2105 Folio 760.

Registered Proprietor:
Western Australian Land Authority

Easements and Encumbrances:
Caveat G460233, lodged 1 May 1997 by the City of Wanneroo pursuant to a Deed, which restricts the use of Lot 6 to car parking and provides that the future road widening of Lawley Court be ceded by the owner at no cost.

3.1 Town Planning & Zoning

The subject property is zoned Joondalup Centre Zone under Council's Structure Plan, known as Joondalup City Centre Development Plan and Manual.

The site occurs within the Western Business District and is shown as public parking which is in accord with the Deed detailed under encumbrances and protected by an absolute caveat.

3.2 Improvements

The property is vacant land and other than a link mesh rear boundary fence, is unimproved.

4.0 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 make provision for car parking facilities.

5.0 EXPECTED FINANCIAL EFFECT ON THE LOCAL GOVERNMENT

5.1 Site Valuation

A valuation Report dated 30 March 2006 was carried out on the subject land by Fergusson Fjorde on behalf of the City.

Instructions to the Valuer were to provide values for the following conditions:

1. Unencumbered market value
2. Encumbered market value on open market
3. Encumbered market value (with the City having the power to remove the encumbrances).

After analysing all the information and valuation methods employed and negotiating with Landcorp (Western Australian Land Authority) the City Valuer provided the following values agreed between the parties for each of the above options.

1. Unencumbered market value	\$2,250,000
2. Encumbered market value (open market)	\$1,090,000
3. Encumbered market value (with the City having the power to remove the encumbrances)	\$1,767,500

It is noted that the City proposes to purchase the subject site using option 3 above for the sum of \$1,767,500 conditional upon the City having the power to uplift encumbrances.

5.2 Conditions of Purchase

The purchase of the site for an agreed Encumbered Market Valuation of \$1,767,500 is subject to the following conditions:

1. The site to be encumbered as a temporary carpark for a period of not exceeding 5 years. Thereafter the City has the right to lift the encumbrances at no cost to the City.

2. The use of the site to be solely for the parking of vehicles for a minimum of 5 years.
3. The development of the whole site to be carried out by the City of Joondalup, at the City's cost, within 6 months of settlement.
4. If the City decides to lift any encumbrance prior to the expiration of the 5 year period, the City is to pay Landcorp the difference in valuation of the unencumbered market value less the amount of the encumbered market value escalated from the City's original acquisition date.

5.3 Funding of Purchase of Site & Construction of an At-Grade Carpark

It is estimated that \$2.7 million will be required to purchase the site and construct an at-grade carpark. In addition to the sum of \$1,767,500 to purchase the site, it is estimated that the cost of constructing an at-grade car park for up to 239 car bays will cost in the order of \$850,000 excluding escalation costs.

An amount of \$932,500 has been allowed for the construction of the at-grade car park within the funding provision of \$2.7 million to allow for cost escalations. Final estimates of construction work can only be confirmed once detailed design documentation has been completed and tenders called for the work.

Funding is proposed to be provided from the City's Asset Replacement Reserve Account No 1-0110-8112-0001-9999 this currently contains \$11,282,000.

6.0 EXPECTED EFFECT ON MATTERS REFERRED TO IN THE LOCAL GOVERNMENT'S PLAN PREPARED UNDER SECTION 5.56

Section 5.56 of the Local Government Act provides for a general obligation to "plan for the future" of the district.

In compliance with this obligation, the City has prepared a Strategic Financial Plan 2006/07 to 2009/10 with submissions closing on 29 May 2006. Subject to Council's consideration of submissions received, it is intended to adopt the plan with or without modification. This plan does not mention the purchase of Lot 6 specifically.

7. 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.

In accordance with the City's management of designated Projects, a Project Plan will be prepared in conjunction with an appointed Project Team

established to deliver the at-grade carpark on behalf of the Council. This team will include specialist consultants to assist in the design, management, construction and commissioning of the project.

8. CONCLUSION

In order for the City of Joondalup to meet strategic objectives of planning for future growth of the City Centre and meeting community needs, the subject site has been identified as necessary for urgent acquisition to increase current and future availability of public parking bays.

In the short term, the site would provide the opportunity of developing an at-grade car park delivering in the order of 239 bays for public use.

As demand and growth of the City Centre increases over the medium to longer term, the opportunity exists to incorporate paid parking and to develop a future multi-level carpark.

The City recognises that longer term planning is essential to ensure the City remains financially sustainable.

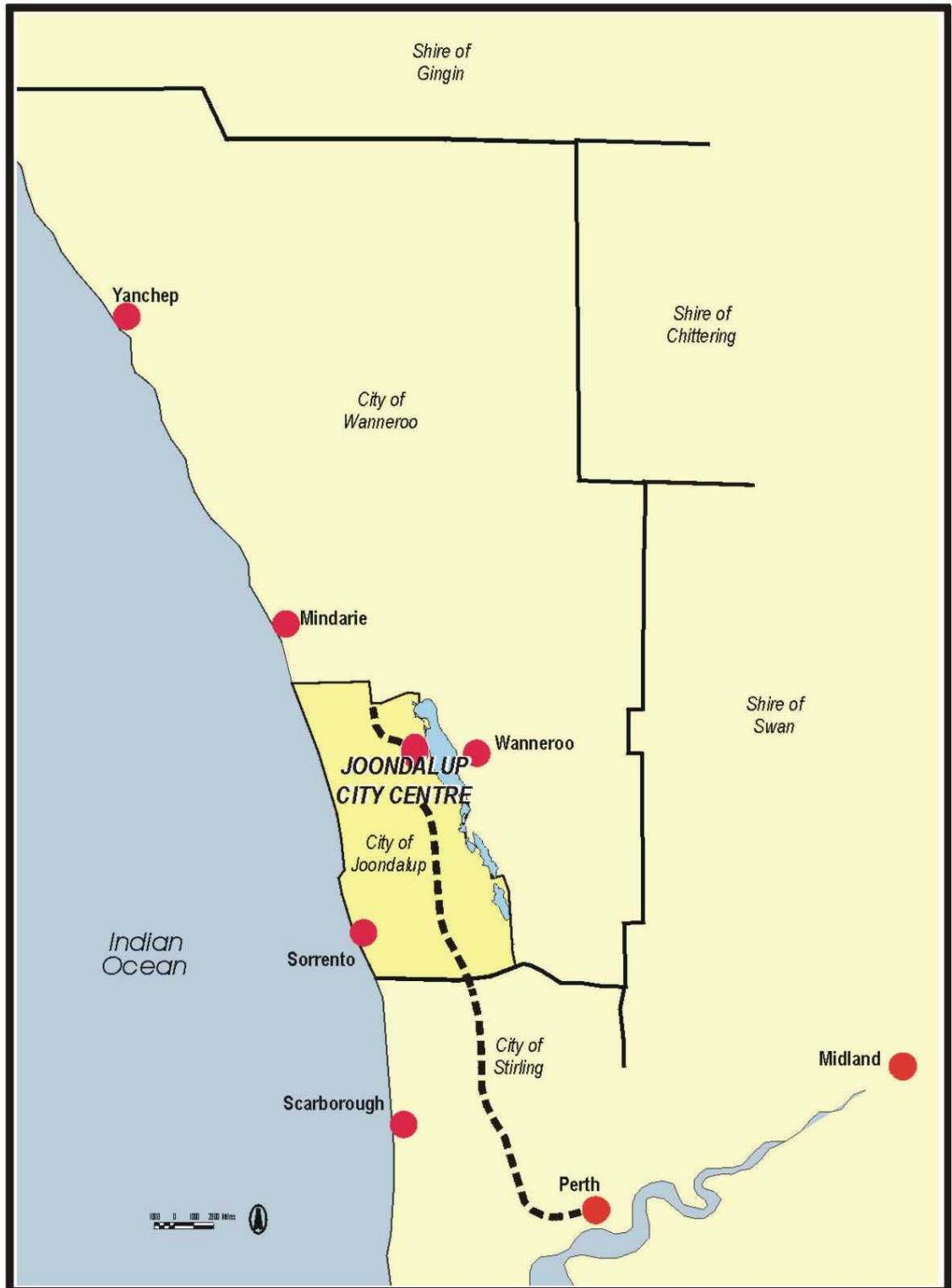
The purchase of Lot 6 Lawley Court and the development of an at-grade off street public carpark will be an added contribution to the City's current available public parking. It will in turn secure a strategic site available to meet future growth of the City.

APPENDICES

1. Location Plan
2. Site Plan 1
3. Site Plan 2
4. Invitation to Comment
Details

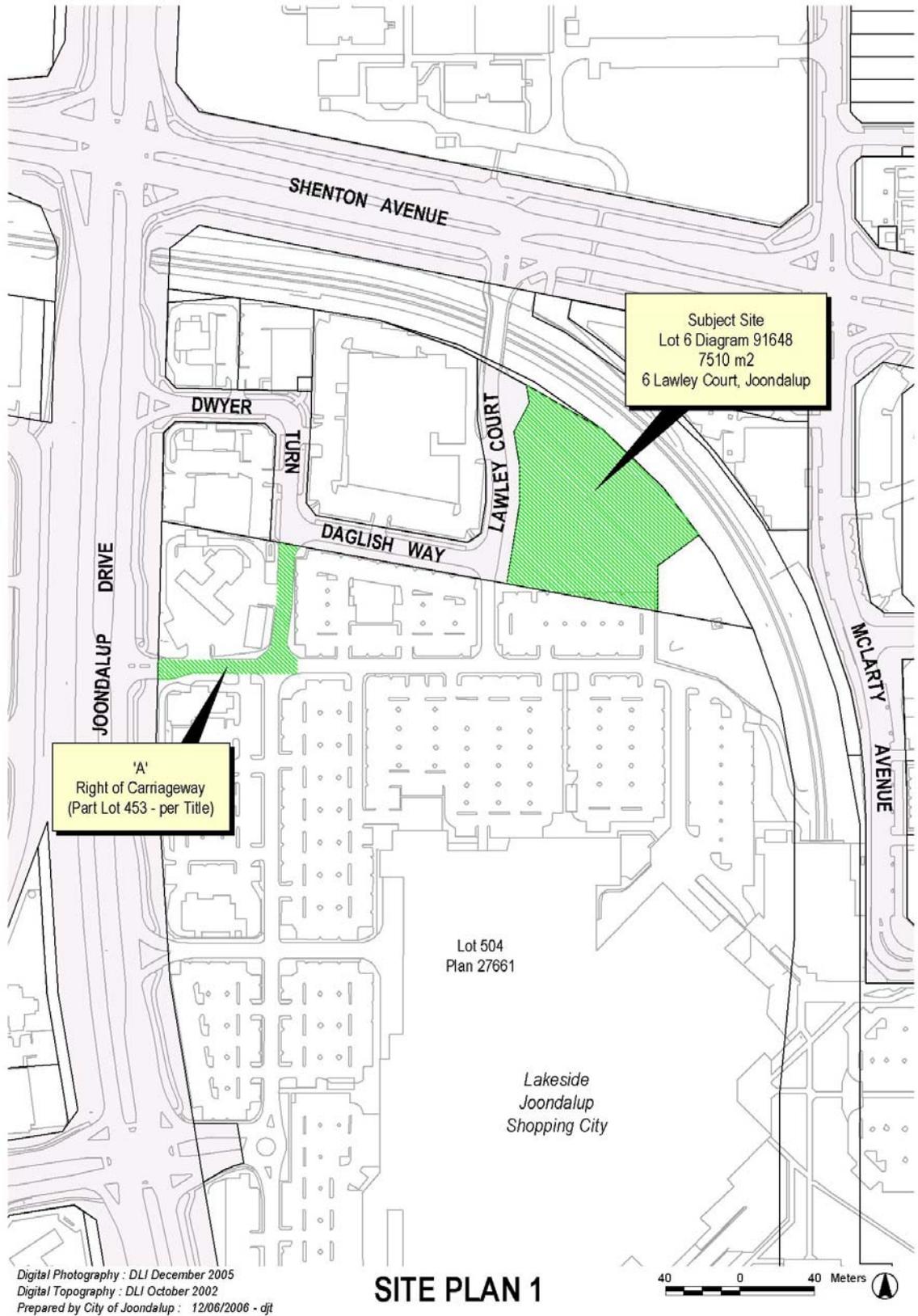
APPENDIX 1

LOCATION PLAN



APPENDIX 2

SITE PLAN 1



APPENDIX 3

SITE PLAN 2



Digital Photography : DLI December 2005
Digital Topography : DLI October 2002
Prepared by City of Joondalup : 12/06/2006 - djt

SITE PLAN 2



APPENDIX 4

INVITATION TO COMMENT

YOUR COMMENTS ARE INVITED

The attached Business Plan provides details of the City of Joondalup's proposal to purchase Lot 6 Lawley Court, Joondalup from Landcorp, Western Australian Land Authority (WALA) for construction of an at-grade carpark.

If you have any comments on the Council's proposal please:

- Email your comments to the following address:
info@joondalup.wa.gov.au
- or**
- Write your comments on the attached form.

Your comments should be with the Council by Monday..... 2006.

Should you need further information, please contact Abe Ashbil, Project Officer, City of Joondalup on 9400 4544, or if unavailable, contact Clayton Higham, Director Planning & Community Development on 9400 4445.

