

CITY OF COCKBURN



SPECIAL COUNCIL

AGENDA PAPER

FOR

WEDNESDAY, 20 SEPTEMBER 2006

CITY OF COCKBURN

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CITY OF COCKBURN

AGENDA TO BE PRESENTED TO THE SPECIAL COUNCIL MEETING TO BE HELD ON WEDNESDAY, 20 SEPTEMBER 2006 AT 6:15 PM

1. DECLARATION OF MEETING

2. APPOINTMENT OF PRESIDING MEMBER (If required)

3. DISCLAIMER (To be read aloud by Presiding Member)

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (by Presiding Member)

5. APOLOGIES & LEAVE OF ABSENCE

6. PUBLIC QUESTION TIME

7. DECLARATION BY COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS CONTAINED IN THE BUSINESS

8 (SCM 20/09/2006) - PURPOSE OF MEETING

The purpose of the meeting is to consider two land transactions being:

- (1) the purchase of a portion of land in accordance with the City's Road

Programme 2006-2016; and

- (2) to dispose of a surplus portion of land originally acquired as part of a road reservation programme.

9. COUNCIL MATTERS

9.1 (SCM 20/09/2006) - SALE OF LAND - LOT 101 BEELIAR DRIVE, BEELIAR - APPLICANT: COBURY NOMINEES (4414000) (KJS) (ATTACH)

RECOMMENDATION

That Council:

- (1) accept the offer to purchase a portion of Lot 101 Beeliar Drive Beeliar (area 1583 square metres, as shown on the attachment), for a total consideration of \$480,000 from Coburg Nominees Pty Ltd subject to:
1. The provisions of section 3.58 of the Local Government Act 1995 being complied with.
 2. The balance of Lot 101 South of Beeliar drive being at least 2005 square metres in area.
 3. Coburg Nominees providing services to the balance land referred to in 1.3 above, including water, sewerage and power.
 4. Coburg Nominees meeting all costs associated with survey and registration associated with the acquisition.
- (2) investigate options for the further development of the balance 2005 square metre portion of lot 101; and
- (3) allocate proceeds of the sale to the Land Development Reserve Fund.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COUNCIL DECISION

Background

Council at its meeting held on 21 December 2004.

1. Reject the offer to purchase portion of Lot 101 Beeliar Drive area 1583 square metres for a consideration of \$95,000 from Coburg Nominees Pty Ltd;
2. Countered the offer by Coburg Nominees Pty Ltd to purchase portion of Lot 101 Beeliar Drive of 1583 square metres for a consideration of \$116,000, subject to the provisions of Section 3.58 of the Local Government Act 1995 being complied with.

Submission

Coburg Nominees have written to the City with an offer to purchase portion of City of Cockburn freehold lot 101 Beeliar Drive Beeliar. The offer includes the provision of roads and services to the portion of Lot 101 South of Beeliar Drive, which is to be retained by the City.

Report

Council resolution of 21 December 2004 was not taken up due to uncertainty of subdivision approval. This uncertainty was due to a proposal by Cockburn Cement to commence quarrying operations south of this location. The subdivision would have then been within a buffer and not possible. Coburg Nominees is a holding company owned by Urban Focus. Urban Focus is the project manager of a 55 lot subdivision development (lot 77 & 78 Birchley Road), which adjoins Lot 101 to the south.

The design of the subdivision utilizes the required portion of lot 101 mainly as road reserve to service and give access to the proposed residential lots on the eastern portion of the subdivision.

In negotiations a proposal was put forward where by an equal area land exchange was explored. Valuation advice from licensed valuers McGees, show that the land exchange proposal would result in lower profit to the City, when compared to the recommended proposal. The City would receive serviced lots at the conclusion of the development; which would then be put on the market. The risk being that the market could correct by the subdivision completion date in January 2007. It is considered prudent to factor in the return to the City at the outset, in any contract of sale.

Provisions of section 3.58 of the Local Government Act require the proposed sale of the City's land by private treaty, to be advertised with

details of the purchaser, purchase price and a market valuation undertaken not less than 6 months prior to the sale.

The consideration offered by Coburg has been market tested by the City's Land Administration section and is in excess of expected market value.

The balance of the land to be retained by the City has an area of 2005 square metres, which could be subdivided into 4 lots or rezoned to R30 on R40, which would result in a 6 to 8 unit site. The proposed investigation will determine estimated selling prices, development costs and time lines for the two options.

Strategic Plan/Policy Implications

Demographic Planning

- *To ensure the planning of the City is based on an approach that has the potential to achieve high levels of convenience and prosperity for its citizens.*

Governance Excellence

- *To conduct Council business in open public forums and to manage Council affairs by employing publicly accountable practices.*

Budget/Financial Implications

Proceeds of the sale will be transferred to the Land Development Reserve fund.

Legal Implications

Provisions of Section 3.58 of the Local Government Act 1995 apply.

Community Consultation

Details of the sale will be advertised in a newspaper for state-wide publication.

Attachment(s)

- (1) Locality Plan
- (2) Structure Plan
- (3) Offer to Purchase

Advice to Proponent(s)/Submissioners

The Proponent(s) of the proposal have been advised that this matter is to be considered at the 20 September 2006 Special Council Meeting.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

9.2 (SCM 20/09/2006) - PURCHASE OF PT LOT 410 MIGUEL ROAD - SPEARWOOD AVENUE REDEVELOPMENT (4109346; 4113473; 4413031) (ML) (ATTACH)**RECOMMENDATION**

That Council:

- (1) pay \$90/m² for the land required from LOT 410 Miguel Road with settlement of the purchase price to be made by the 30 November 2006 unless some other suitable arrangements are agreed between the parties;
- (2) grant Moltoni Corporation access to the site via the approved railway reserve once an appropriate agreement once that access way has been finalized; and
- (3) grant Moltoni Corporation access to the railway reserve for the purpose of road construction and site preparation including fencing and site establishment.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL**COUNCIL DECISION****Background**

The City first applied for funding from the Regional Road Group (RRG) for the redevelopment of Spearwood Avenue between Barrington Road and Sudlow Road in May 2004. Spearwood Avenue will provide an important link for the Bibra Lake Commercial and Industrial precinct to the major east/west distributors of Stock Road and Beeliar Drive with traffic projected to increase to 25,000 vpd by 2016 (*ref* - Uloth District Traffic Study). Both State and Local Government commitment to this project has been demonstrated by the linkages created through the Spearwood bridge constructed in 2004.

RRG has now included this project in its funding schedule over the next 2 financial years. Spearwood Avenue has been estimated to cost approximately \$4Million with \$2.67Million generated through the fund. The project requires 35,516m² of land acquisition (refer to plan) to create the necessary road reservation. Officers have commenced negotiations with a number of land owners to secure the necessary land.

LOT 410 Miguel Road is currently the subject of a landfill application by Moltoni Corporation. Part of this LOT is required for the redevelopment of Spearwood Avenue and the recent approvals conditioned the provision of access arrangements to the land acquisition. At the Council Meeting held on 8 June 2006 it was resolved that Council:

“(2) on approval from PTA of (1) above, enter into a licence with Moltoni Corporation Pty Ltd for a 3 year period for Moltoni to use the 10 metre wide lease area for truck movements associated with the approved landfill of Lot 410 and 451 subject to:”

“.5. Agreement being reached on the acquisition of the Spearwood Avenue land requirement on Lot 410 as agreed by Licensed Valuers representing the Council and Moltoni Corporation.”

Submission

Negotiations have been completed over PT Lot 410 and officers now seek Council's endorsement to finalise the land acquisition.

Report

After discussions with Robert Moltoni on the 24 August 2006 regarding the land acquisition of PTN Lot 410 Miguel Road, their access arrangements for the landfill and a subsequent verbal offer to sell the required portion of land for \$100/m², officers sought a review of the valuation conducted by Jeff Spencer & Associates in February of this year to appropriately quantify the increase in land value since that time. An addendum to that valuation was prepared by Jeff Spencer & Associates which considered the latest market evidence with an emphasis on the latest industrial land transactions that had taken place since February 2006 (copy attached). The assessment supports a valuation of \$90/m² which represents an increase of \$30/m² from the February valuation.

On the basis of the revised valuation and subject to Council's endorsement, an offer to purchase the land for \$90/m² was lodged with Moltoni Corporation. The total consideration for the 9,052 m² of land required to finalise the land acquisition was \$814,680.

Moltoni Corporation have responded to the offer and are prepared to sell the land to the council on the following terms:

1. Cockburn city council to pay the sum of \$814 680 with settlement of the purchase price, by the 30 November 2006.
2. Moltoni Holdings to retain right to fill the area of the road reserve to a standard of fill and compaction and finished levels suitable for future highway construction at no cost to council. (This is to allow complete filling of the "other " adjacent lands).
3. Moltoni Holdings being granted Immediate access to the site via the approved railway reserve access way.
4. Moltoni Holdings being granted Immediate access for the purpose of road construction and site preparation including bore establishment, fencing site establishment followed by commencement of site filling operations.

Whilst the general terms of the acceptance are satisfactory, officers are not prepared to link any commitment to filling the entire road reserve with this land acquisition. Detail design of the Spearwood Avenue redevelopment has not yet been finalised and staff need to fully understand the extent of cut and fill necessary to complete the project. Where there is a mutual benefit to fill the land, the City would be happy to enter into further discussions with Moltoni Corporation however until that is fully determined, no commitment can be provided.

Officers are now keen to finalise the remainder of the land acquisition to ensure that the land costs do not continue to escalate beyond a manageable level. Officers will meet with the RRG in an attempt to seek approval to expend the funds to complete the land acquisition prior to starting construction. The approach will also need to identify the extent of additional funding required to complete the construction works. It must be acknowledged that there are no guarantees that additional funding will be forthcoming from the RRG. We are however not in a position to continue to defer a decision on this land acquisition nor to deny access to LOT 410 until some further commitment is provided for additional funding of the Spearwood Avenue project.

Strategic Plan/Policy Implications

Transport Optimisation

- *To ensure the City develops a transport network that provides maximum utility for its users, while minimizing environmental and social impacts.*
- *To construct and maintain roads which are convenient and safe for vehicles, cyclists and pedestrians.*
- *To achieve provision of an effective public transport system that provides maximum amenity, connectivity and integration for the community.*

Budget/Financial Implications

The project estimate prepared in 2004 was based on a land acquisition cost of \$40/m². Whilst estimates included were conservative, they did not project land costs increasing to \$90/m². The total estimated costs have subsequently increased from \$4 million to \$5.5 million, dependant on further increases to land and construction costs. This increase could potentially jeopardise further funding of this project by the RRG.

This land acquisition will be funded from the current budget allocation 531-690-2206.

Legal Implications

Section 168 of the Land Administration Act 1997 prescribes the process for acquiring the land.

This acquisition falls within the threshold of a 'major land transaction' prescribed and is an exempt land transaction in any event therefore Section 3.59 of the Local Government Act 1995 does not prevail.

Community Consultation

N/A

Attachment(s)

- (1) Letter re valuation from Jeff Spencer & Associates dated 13 September 2006.
- (2) Planned land acquisition.

Advice to Proponent(s)/Submissioners

The Proponent(s) have been advised that this matter is to be considered at the 2006 Special Council Meeting to be held on 27 September 2006.

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

10. (SCM 20/09/2006) - RESOLUTION OF COMPLIANCE (SECTION 3.18(3), LOCAL GOVERNMENT ACT 1995)

RECOMMENDATION

That Council is satisfied that resolutions carried at this Meeting and applicable to items concerning Council provided services and facilities, are:-

- (1) integrated and co-ordinated, so far as practicable, with any provided by the Commonwealth, the State or any public body;
- (2) not duplicated, to an extent Council considers inappropriate, services or facilities as provided by the Commonwealth, the State or any other body or person, whether public or private; and
- (3) managed efficiently and effectively.

COUNCIL DECISION

11. CLOSURE OF MEETING