



City of Nedlands

Agenda

Council Committee Meeting

14 May 2019

Dear Council Member

The next meeting of the Council Committee will be held on Tuesday 14 May in the Council Chambers at the City of Nedlands located at 71 Stirling Highway, Nedlands commencing at 7.00pm.

Mark Goodlet
Chief Executive Officer
8 May 2019

Table of Contents

Declaration of Opening	3
Present and Apologies and Leave Of Absence (Previously Approved)	3
1. Public Question Time	4
2. Addresses By Members of the Public (only for items listed on the agenda)	4
3. Disclosures of Financial Interest	4
4. Disclosures of Interests Affecting Impartiality	5
5. Declarations by Members That They Have Not Given Due Consideration to Papers	5
6. Confirmation of Minutes	5
6.1 Committee Meeting 9 April 2019	5
7. Matters for Which the Meeting May Be Closed	5
8. Divisional Reports	5
8.1 Planning & Development Report No's PD16.19 to PD19.19	6
8.2 Technical Services Report No's TS11.19	7
8.3 Corporate & Strategy Report No's CPS08.19	8
9. Reports by the Chief Executive Officer	9
9.1 Lot 10764 John XXIII Avenue Funding Model	9
10. Urgent Business Approved By the Presiding Member or By Decision	13
11. Confidential Items	13
Declaration of Closure	13

City of Nedlands

Notice of a meeting of the Council Committee to be held in the Council Chambers, Nedlands on Tuesday 14 May 2019 at 7 pm.

Council Committee Agenda

Declaration of Opening

The Presiding Member will declare the meeting open at 7 pm and will draw attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

Present and Apologies and Leave Of Absence (Previously Approved)

Leave of Absence His Worship the Mayor, R M C Hipkins
(Previously Approved)

Apologies None as at distribution of this agenda.

Disclaimer

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. For example by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

1. Public Question Time

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question.

The order in which the CEO receives registrations of interest shall determine the order of questions unless the Mayor determines otherwise. Questions must relate to a matter affecting the City of Nedlands.

2. Addresses By Members of the Public (only for items listed on the agenda)

Addresses by members of the public who have completed Public Address Session Forms will be invited to be made as each item relating to their address is discussed by the Committee.

3. Disclosures of Financial Interest

The Presiding Member to remind Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

4. Disclosures of Interests Affecting Impartiality

The Presiding Member to remind Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

Councillors and staff are required, in addition to declaring any financial interests 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 procedure.

The following pro forma declaration is provided to assist in making the disclosure.

"With regard to the matter in item x..... I disclose that I have an association with the applicant (or person seeking a decision). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

The member or employee is encouraged to disclose the nature of the association.

5. Declarations by Members That They Have Not Given Due Consideration to Papers

Members who have not read the business papers to make declarations at this point.

6. Confirmation of Minutes

6.1 Committee Meeting 9 April 2019

The Minutes of the Council Committee held 9 April 2019 are to be confirmed.

7. Matters for Which the Meeting May Be Closed

In accordance with Standing Orders and for the convenience of the public, the Committee is to identify any matter which is to be discussed behind closed doors at this meeting and that matter is to be deferred for consideration as the last item of this meeting.

8. Divisional Reports

Note: Regulation 11(da) of the *Local Government (Administration) Regulations 1996* requires written reasons for each decision made at the meeting that is significantly different from the relevant written recommendation of a committee or an employee as defined in section 5.70, but not a decision to only note the matter or to return the recommendation for further consideration.

8.1 Planning & Development Report No's PD16.19 to PD19.19

Planning & Development Report No's PD16.19 to PD19.19 to be dealt with at this point (copy attached yellow cover sheet).

- | | |
|---------|---|
| PD16.19 | No. 50/145 Stirling Highway, Nedlands – Proposed Additional Customer Seating |
| PD17.19 | No. 14 Nardina Crescent, Dalkeith – Amendments to DA18/33719 (Two Storey Single Dwelling) |
| PD18.19 | No. 154 Adelma Rd, Dalkeith – Amendment to DA17/127 |
| PD19.19 | Natural Areas Management Plans 2019-2024 |

8.2 Technical Services Report No's TS11.19

Technical Services Report No's TS11.19 to be dealt with at this point (copy attached blue cover sheet).

TS11.19 East Hollywood Parking Review Community Consultation Results

8.3 Corporate & Strategy Report No's CPS08.19

Report No's CPS08.19 to be dealt with at this point (copy attached green cover sheet).

CPS08.19 List of Accounts Paid – March 2019

9. Reports by the Chief Executive Officer

9.1 Lot 10764 John XXIII Avenue Funding Model

Committee	14 May 2019
Council	28 May 2019
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
CEO	Mark Goodlet
Attachments	<ol style="list-style-type: none"> 1. Letter from Minister Wyatt's Acting Chief of Staff to the City dated 18 April 2019 2. Lot 10764 John XXIII Avenue Valuation (Confidential) 3. Funding Model (Confidential)

Executive Summary

The Department for Planning Lands and Heritage undertook an expression of interest process for the sale of lot 10764 John XXIII Avenue, which ended on 12 October 2018. This lot is being zoned as urban under the Metropolitan Region Scheme.

Council directed that a valuation and funding model be provided for lot 10764, with a view to consideration of purchase of this lot. This report provides the required information and recommends that Council does not proceed with purchase of this lot.

Recommendation to Committee

That Council does not proceed with the freehold purchase of Lot 10764 John XXIII Ave for Public Open Space Purposes.

Discussion/Overview

Background

The Department for Planning Lands and Heritage undertook an expression of interest process for lot 10764 John XXIII Avenue, which ended on 12 October 2018. The City unsuccessfully sought gifting of this lot from the State Government in this process. The City has not been advised of the outcome of the expression of interest process at this point.

Land Area	16,641m ²
Local Planning Scheme Zone	No Zone
Current Metropolitan Region Scheme Zone	Public Purpose – Hospital
Omnibus No.5 Metropolitan Region Scheme Proposed Zone	Urban



Figure 1. Lot 10764, John XXIII Avenue

Key Relevant Previous Council Decisions:

Item 14.4 Council Meeting of 26 February 2019 – Council Resolution

Council authorises the CEO to investigate the acquisition of Lot 10764 John XXIII Ave for public open space and recreation purposes by:

1. *Request again that the State Government vest this Lot in the City of Nedlands for POS/recreation purposes by writing to the Minister for Lands and by seeking a meeting with the Minister and/or relative parties.*
2. *If they again refuse, to investigate purchase of this Lot including the funding model.*
3. *Immediately arrange for a sworn valuation of this Lot.*
4. *Report back to Council by 30/4/19.*

State Government Response, Valuation and Funding Model

The City again wrote to the State Government and was again advised that they would be proceeding with the sale of the property (Attachment 1).

A valuation of Lot 10764 was provided by Hemsley Paterson (Attachment 2). This and a funding model were developed and provided to Councillors on 30 April 2019.

A purchase option based on debt alone was considered however the City's ability to service debt is limited to an additional \$2.2M, meaning that additional funding would be required. The Funding Model therefore considers two purchase options for the land. The first is for purchase through borrowings, supplemented with land sale, while the second is for purchase through sale of land alone.

Budget/Financial Implications

The funding model is provided as confidential Attachment 3.

By way of summary the City would need to consider, in the context of the Long-Term Financial Plan, the most appropriate combination of funding models to meet the cost of the land purchase.

It is certain that the funding model must include either sale of City freehold land and debt servicing as a combination, or sale of City freehold land equal to the value of lot 10764 and purchasing costs.

The option that would have least impact on services and rates would be the sales of freehold land to fully fund purchase of lot 10764. The option with debt servicing will have significant impacts on the provision of services and on rates.

Consultation

A memorandum from the Chief Executive Office was circulated to Councillors on 30 April 2019 with the valuation and the funding model.

Comments

In creating public open space, the Land Administration Act 1997 provides a low-cost mechanism for acquisition of crown land vested in the local government for the purpose of recreation. Acquiring freehold land for the purpose of recreation ties up City equity permanently in land that the City will be unable to realize any future financial value from.

The subject land has no zoning under LPS3 but is in the process of being re-zoned under the Metropolitan Regional Scheme (MRS) from "Hospital

Purposes” to “Urban” presumably to ensure a wider range of potential uses and therefore a higher market value. To assist this the Minister also amended the Odour Buffer Zone for the Subiaco Waste Water Plant in LPS3 to specifically exclude this site from the buffer zone and therefore allow the possibility of “sensitive uses” (i.e. residential) which is also likely to enhance the land’s value. However, there is a separate State Policy that effectively “re-applies” this buffer to the site and requires a case by case assessment of any proposed development.

This creates significant uncertainty regarding the valuation of the land, so the given valuation has been used for the funding model. Should the funding model have assumed a higher value for the land, such as residential, the impacts on debt servicing, reduction in services, and rates increase would all be worse for the City.

The valuation received assumes an Urban zoning under the MRS, as the land value would be significantly reduced with the current Hospital Purpose zone or indeed if it was Public Open Space (POS). This creates a significant issue for Council if it were to acquire the land in that it would be paying a price based on the highest and best use and would then need to, in effect, write off most of this value if it was to be used for POS and any land zoned or reserved for such or similar purposes has effectively no market value.

Conclusion

Purchase of lot 10764, John XXIII Avenue is not recommended. The City is constrained by its debt servicing capacity and purchase using debt servicing is not recommended. Purchase of this lot as freehold land will lock away City equity permanently. Where possible public open space should be placed on Crown reserve vested in the City.



Hon Ben Wyatt MLA
Treasurer; Minister for Finance; Aboriginal Affairs; Lands

Our Ref: 69-13369

Mr Peter Mickleson
Director Planning and Development
City of Nedlands

Via email: rcrabtree@nedlands.wa.gov.au

Dear Mr Mickleson

LOT 10764 JOHN XXIII AVENUE MT CLAREMONT - LAND DISPOSAL BID

I refer to your correspondence dated 22 March 2019 to the Hon Rita Saffioti MLA, regarding Lot 10764, John XXIII Avenue in Mount Claremont.

I confirm that, as per the response from Minister Saffioti to your request dated 2 November 2018 (copy attached), the land will be sold via a competitive process, wherein the City will be provided with an opportunity to purchase.

The Department of Planning, Lands and Heritage has recorded the City's interest in the site and will forward all relevant information when the sale process is commenced.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'A. Morey'.

Aaron Morey
A/CHIEF OF STAFF

Att.

18 APR 2019

10. Urgent Business Approved By the Presiding Member or By Decision

Any urgent business to be considered at this point.

11. Confidential Items

Any confidential items to be considered at this point.

Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.