

5.4 SALE OF NO. 26 BRENTHAM STREET, LEEDERVILLE

- Attachments:**
1. No. 26 Brentham Street, Leederville - Location and Current State of Land
 2. No. 26 Brentham Street, Leederville - Land and Surrounding Public Open Space
 3. Brentham Street Reserve Potential Improvements
 4. 26 Brentham Street - Market Valuation Report - Confidential

RECOMMENDATION:**That Council:**

1. **APPROVES** the disposal of the City's Lot 37 (No. 26) Brentham Street, Leederville, pursuant to section 3.58 of the *Local Government Act 1995*, via public tender:
 - 1.1 the Request For Tender criteria would include the terms of sale, offer, any conditions, and proposed settlement date; and
2. **NOTES:**
 - 2.1 proceeds of a sale as per Recommendation 1 would be held in the Public Open Space reserve to create or enhance POS within the City of Vincent, ideally in areas of shortfall such as Mount Hawthorn;
 - 2.2 Administration will consult with the community regarding a landscape plan within the Brentham Street Reserve green space (comprising new play equipment, extension of footpath and lighting through to Bourke Street, additional trees, and landscaping) to be constructed using part proceeds of a sale not exceeding \$299,000; and
 - 2.3 Administration will present a separate report to Council at its March 2022 Meeting regarding the rezoning of the whole of No.26 Brentham Street to *Residential R60*.

PURPOSE OF REPORT:

To consider inviting public tender submission for the sale of No. 26 Brentham Street, Leederville, pursuant to section 3.58 of the *Local Government Act 1995*.

BACKGROUND:

The Institute of Sisters of Mercy of Australia and Papua New Guinea (Sisters of Mercy), own under the name of McAuley Property Limited (MPL), the land comprising Aranmore Catholic Primary School (School). The School is located adjacent to the Land on the southern side.

Rosewood Care Group Inc own the land comprising Rosewood Aged Care Leederville (Rosewood), a residential aged care facility providing accommodation for approximately 120 residents. Rosewood is located adjacent to the Land on the eastern side.

At its December 2018 Meeting (Item 11.5), Council agreed in principle to the exchange of a portion of Lot 100 (No. 20) Brentham Street, Leederville, and Lot 37 Brentham Street, Leederville, (both formerly owned by MPL) for an equal portion of Brentham Street Reserve (portion formally City-owned), subject to the requirements of section 3.58(3) of the *Local Government Act 1995*. The land exchange was proposed to formalise the agreement of the ownership of the land to reflect its actual use, and to reduce the liability and maintenance risks for the City, the School and MPL. The City provided local public notice of the land exchange and initiated a scheme amendment to facilitate the future use of the land. Council requested a report following the public notice period, to present the submissions received in response to the public notice, and to determine whether the City enters into a contract with MPL for the exchange of the land.

At its May 2019 Meeting (Item 11.3), Council approved the City and MPL entering into a contract to exchange a portion of Lot 100 (No. 20) Brentham Street, Leederville, and Lot 37 Brentham Street, Leederville, for an equal portion of Lot 75 Brentham Street, Leederville (Brentham Street Reserve).

At its April 2020 Meeting (Item 12.3), Council requested the Chief Executive Officer consult with the community, including on-site signage, regarding the potential sale of Lot 37 on Plan 2554 (No. 26) Brentham Street, Leederville (residential lot portion of the Land), and portion of Lot 75 on Plan 10804, Brentham Street Reserve, Brentham Street, Leederville, adjacent to No. 26 Brentham Street (rear pocket park portion of the Land).

At the same Meeting, Council noted that any submissions received as a result of the community consultation would be presented to Council for consideration, and determination of the timing and method of any sale, which would be in accordance with sections 3.58 or 3.59 of the Local Government Act 1995, as appropriate. Council also noted that a scheme amendment would be prioritised and undertaken for the portion of Lot 75 prior to sale and that the proceeds of the land sale would be held in reserve, to be determined by Council when the 2020/21 budget is adopted.

As a result of the land exchange, the City acquired 1,784m² of land comprising a vacant residential lot with an area of 539 square meters zoned Residential R60. The land to the rear of this residential lot forms a 1,245 square meters pocket park which is zoned Public Open Space – Restricted. The residential lot and the rear pocket park section together make up the Land on one lot, as demonstrated in **Attachment 1**. The Land is Lot 37 on Plan 2554 (No. 26) Brentham Street, Leederville.

Community consultation on the potential sale of No. 26 Brentham Street was carried out as requested by Council. The purpose of the consultation was to gather community feedback on the potential sale of the Land, prior to any decision being made. The consultation was open between 17 August 2021 and 8 October 2021. The project page had a total of 258 visits during the consultation period.

There were 73 Imagine Vincent survey responses, and a further 14 responses were submitted to Administration directly by email. A total of 87 submissions were received with 82 (94 percent) responses against the potential sale of No. 26 Brentham Street.

Students from Aranmore Catholic Primary School submitted a 440-page document filled with letters and drawings expressing their concern over the potential land sale. After consulting with the Principal of Aranmore Catholic Primary School, it was agreed that due to privacy concerns for the children involved, the document submission will not be made publicly available. Due to this, the student submissions were not included in the data above which was collated from Imagine Vincent and email responses.

At its 14 December 2021 Meeting (Item 9.14), Council noted:

- the public submissions received in response to the community consultation;
- that Administration will investigate the interest of adjoining landholders in the land;
- that any decision to sell the land would require a scheme amendment which includes further public advertising; and
- that Administration will provide further advice in March 2022 regarding any interest from adjoining landowners and a recommended approach regarding the existing play equipment.

DETAILS:

The Land

The Land is situated in an area where there is significant public open space, as shown in **Attachment 2**. Given the proximity of this land to Brentham Street Reserve (28,900 square metres) and Britannia Reserve (157,700 square metres), it is deemed surplus to the City's Public Open Space (POS) requirements in this area. Sale of this land would allow for acquisition of land for public open space where shortfalls have been identified in the City's *Public Open Space Strategy* and/or improvement of existing parks and open spaces.

The residential lot portion of the Land is currently unused. It is not currently maintained as public open space or as an extension of the pocket park.

The rear pocket park portion of the Land comprises play equipment and mature trees. It is utilised by school children as an outdoor play space before, during, and after school hours. There is no formal agreement in place which grants the School exclusive use of the play equipment or the City's land.

Brentham Street Reserve improvements

The consultation submissions indicated that the public are supportive of retaining children's play equipment in the Brentham Street Reserve green space. Due to this, should the sale of the Land eventuate, Administration proposes that part proceeds from the sale go towards upgrading Brentham Street Reserve, and creating a new playground on the City's land within close proximity to the School to replace the existing play equipment near Wylie Place.

The Wylie Place play equipment is at least 15 years old. Brentham Street Reserve is noted in the City's Parks and Urban Green team's Long Term Financial Plan Capital Works Plan, with an allocation of \$80,000 for Structures to be used in 2026/2027. This work could be brought forward due to the allocation of part proceeds of a sale.

The play equipment near Wylie Place is more commonly used by late primary-school aged children. Administration recommends constructing new all ages friendly play equipment using funds from the potential land sale.

The construction of a new playground is estimated to cost \$115,000. This figure is highly dependent on the design specifics of the playground and the materials used. The City's Parks and Urban Green team would undertake community consultation before designing any play equipment, to help determine what sort of playground the community would like. This will include direct consultation with Aranmore Catholic Primary School.

Administration proposes that funds from the possible land sale are allocated to construction of new play equipment as well as improvements to the remaining Brentham Street Reserve green space. Improvements to the area could include extending the footpath from Wylie Place south to Bourke Street, additional lighting along the new pathway, and landscaping.

Landscaping of the area could include planting of new trees and ground cover, reticulation, additional park benches, and two water fountains with dog bowls.

Administration proposes to limit the amount to be spent on the Brentham Street Reserve upgrades to \$299,000 of the possible land sale funds. This figure is based off the following estimates:

Improvement	Estimated Cost
Removal of existing play equipment, construction of new play equipment and softfall	\$115,000
Footpath – red asphalt	\$90,000
Lighting x 14	\$49,000
Planting and reticulation	\$25,000
Benches and drink fountains	\$20,000
Total Estimated Cost	\$299,000

The removal of existing play equipment and construction of equipment cost is based off an estimate the City previously made for a comparable project at Les Lilleyman Reserve. From a footprint perspective, the new Brentham Street Reserve play equipment would be similar to the equipment proposed at Les Lilleyman Reserve. However, the design, size and cost of the proposed playground will depend on the results of the community feedback.

The footpath and lighting estimates are based off the previous footpath and lighting works within Brentham Street Reserve. The above estimate considers approximately 360 metres of additional red asphalt footpath and 14 new lights.

Attachment 3 shows an initial plan demonstrating the potential Brentham Street Reserve improvements.

Regarding the existing play equipment at 26 Brentham Street, Administration does not propose to relocate this infrastructure, as it is approximately 17 years old. Administration does not recommend the demolition of the play equipment on 26 Brentham Street prior to any land sale.

Adjoining landowner interest

Administration has liaised with Sisters of Mercy, Catholic Archdiocese of Perth, Aranmore Catholic Primary School, and Rosewood Care Group Inc regarding any interest in acquiring the land for the purposes of education and/or age care.

Rosewood maintains an interest in acquiring the land for aged and disability care purposes. Rosewood has been informed of the manner in which the City is proposing to dispose of the land, being through public tender in accordance with section 3.58 of the *Local Government Act 1995*.

Aranmore Primary School has informed Administration that it does not have the capacity to invest in the purchase of the land. Sisters of Mercy has confirmed that they have no interest in acquiring the land.

Scheme amendment

Prior to any sale, it would be necessary for the City to initiate the scheme amendment process for the Land. The street front section is zoned *Residential R60* and the rear section is zoned *Public Open Space – Restricted*. The scheme amendment would propose the Land in its entirety be zoned *Residential R60*. If approved by Council, (addressed in a separate item) the City would submit the scheme amendment proposal to the Western Australian Planning Commission (WAPC) for confirmation that it is suitable to be advertised.

Following the 42-day advertising period, Council would consider any submissions received and resolve as to whether it proceeds with presenting the scheme amendment to the WAPC and the Minister for approval and endorsement. The scheme amendment process is likely to take 18 months.

Sale process

Administration considers a Request for Tender (RFT) to be the most appropriate process for the sale of this Land. If Council approves the sale of the Land, the CEO would dispose of the Land to the most acceptable tenderer. The RFT criteria would include the terms of sale, offer, any conditions, and proposed settlement date. The CEO may decline to accept any tender submitted, should it be determined that no tender received is acceptable. If no tender received is acceptable the CEO can determine if better value could be achieved through another disposal method.

Any proceeds of a sale would be held in the Public Open Space reserve to enhance POS within the City (including improvements to Brentham Street Reserve), and to create POS within the City (ideally in areas of shortfall such as Mount Hawthorn).

The City's *Public Open Space Strategy* identifies that Local Level Public Open Space is required in the area of Mount Hawthorn bounded by Brady Street, the Mitchell Freeway and Green Street (formerly known as Glendalough). The Strategy states that "access to local level provision in Mount Hawthorn is particularly deficient within the western and southern portions of the suburb". Mitchell freeway runs along the western boundary and splits the City from potentially accessible POS within the Town of Cambridge, most notably Lake Monger. Whilst access to Lake Monger is achieved through a freeway underpass or overhead bridge, the extent of the road network and limited connection points impacts access for City of Vincent residents.

Any development on the Land proposed by the accepted tenderer would be subject to Development Approval by the City's Development Services.

CONSULTATION/ADVERTISING:

The City has notified all community consultation respondents of the land sale being presented to Council for a decision, and will notify all respondents of the outcome of the Ordinary Meeting of Council.

Advertising of the public tender would be done over four weeks through:

- public notice in a Statewide newspaper;
- public notice in a local newspaper;
- publication on the City's website; and
- social media account.

LEGAL/POLICY:

Local Government Act 1995

In accordance with Section 3.58 of the Act a local government can dispose of land in the following ways:

- public auction;
- public tender; or
- directly to a third-party conditional on a public notice period and consideration of any submissions received. Public notice must include the purchase price, name of the purchaser and valuation details.

Local Government (Functions and General) Regulations 1996
Division 2 Tenders for providing goods or services (s. 3.57) r. 14

- (1) *When regulation 11(1), 12(2) or 13 requires tenders to be publicly invited, Statewide public notice of the invitation is to be given.*
- (2) *If the CEO has, under regulation 23(4), prepared a list of acceptable tenderers, instead of giving Statewide public notice the CEO is required to give notice of the invitation to each acceptable tenderer listed.*
 - 2a. *If a local government —*
 - (a) *is required to invite a tender; or*
 - (b) *not being required to invite a tender, decides to invite a tender, the local government must, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.*
- (3) *The notice, whether under subregulation (1) or (2), is required to include —*
 - (a) *a brief description of the goods or services required; and*
 - (b) *particulars identifying a person from whom more detailed information as to tendering may be obtained; and*
 - (c) *information as to where and how tenders may be submitted; and*
 - (d) *the date and time after which tenders cannot be submitted.*
- (4) *In subregulation (3)(b) a reference to detailed information includes a reference to —*
 - (a) *such information as the local government decides should be disclosed to those interested in submitting a tender; and*
 - (b) *detailed specifications of the goods or services required; and*
 - (c) *the criteria for deciding which tender should be accepted; and*
 - (d) *whether the local government has decided to submit a tender.*

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to invite tender submissions for the sale of 26 Brentham Street, Leederville. There is a medium risk of reputational damage in proceeding with an option that was not supported by community engagement.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Thriving Places

Our physical assets are efficiently and effectively managed and maintained.

Innovative and Accountable

Our resources and assets are planned and managed in an efficient and sustainable manner.

SUSTAINABILITY IMPLICATIONS:

The land sale would not contribute to any environmental sustainability outcomes considered in the City's *Sustainable Environment Strategy 2019-2024*. The proposed sale would likely decrease the amount of vegetation on the land, which is contrary to the Strategy's aims. However, the sale of the land may allow the City to purchase land to create higher quality POS, and result in a net increase of vegetation in the long-term.

Potentially removing the trees from the site would not affect the canopy targets noted in the City's *Sustainable Environment Strategy 2019-2024*. The City is 2-3 years ahead on planting targets to increase tree canopy. If the sale does go ahead, the City could plant a number of trees in the surrounding City-owned land to replace them.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes in the *City's Public Health Plan 2020-2025*.

FINANCIAL/BUDGET IMPLICATIONS:

The Land is not leased and the City is not receiving any revenue from this asset as it stands.

The City will not incur any further maintenance expenditure associated with the Land following the sale.

The cost of improvements to Brentham Street Reserve would not exceed \$299,000.

The City has incurred the cost of \$2,750 including GST for the valuation of the Land.

The City's fees for the scheme amendment process are estimated to be \$3,000.

The City will likely incur costs for services provided by real estate agents and settlement agents for the land sale.

The proceeds of the land sale would be held in the Public Open Space reserve to enhance POS within the City (including improvements to Brentham Street Reserve), and to create POS within the City (ideally in areas of shortfall such as Mount Hawthorn).





