

5.4 SALE OF NO. 25 (LOT 93) SYDNEY STREET, NORTH PERTH

Attachments: 1. Valuation Report - 25 (Lot 93) Sydney Street, North Perth - 16.04.21 - Confidential

RECOMMENDATION:

That Council:

1. **APPROVES** the disposition of No 25 (Lot 93) Sydney Street, North Perth (Land) in accordance with the *Local Government Act 1995*
2. **DELEGATES BY ABSOLUTE MAJORITY** to the Chief Executive Officer the authority to:
 - 2.1 determine the best method of sale i.e. public auction, public tender or private treaty;
 - 2.2 appoint a licensed real estate agent to advertise the sale of the Land;
 - 2.3 accept offers;
 - 2.4 in respect of:
 - 2.4.1 **Public auction:**
 - (a) determine the reserve price; and
 - (b) accept the highest bidder;
 - 2.4.2 **Public Tender:**
 - (a) accept the tender in accordance with the City's Purchasing Policy; or
 - 2.4.3 **Private treaty:**
 - (a) set the date for sale of the Land;
 - (b) provide local public notice;
 - (c) consider submissions;
 - (d) enter into private treaty negotiations; and
 - (e) conclude contract of sale with private treaty entity, and in this respect, determine and vary the settlement date and/or date of satisfaction of any conditions pursuant to the Contract of Sale between the City of Vincent and the prospective buyer; and
3. **AUTHORISES** the Mayor and Chief Executive Officer to affix the common seal and execute the Transfer of Land document.

PURPOSE OF REPORT:

To consider the sale of Lot 93 on Plan 2334 comprised in the whole of the land in Certificate of Title Volume 720 Folio 56 and known as No. 25 Sydney Street, North Perth (Land).

BACKGROUND:

The potential sale of the Land was presented at the Ordinary Council Meeting on 27 April 2021 where Council deferred its decision on the sale until there was further "*Certainty regarding the status of the lease extension request and revised Transition Plan.*"

The Land has an area of approximately 561 square meters and is zoned Residential R20. It is currently used as a car park by (i) Kidz Galore Pty Ltd (7 bays) and (ii) the Minister for Health (Dental Health Services) (9 bays) under their respective leases, each having a licence to use the car park bays for staff parking.

It was determined during the preparation of the Haynes Street Development Plan (adopted at the Ordinary Council Meeting on 20 October 2020) that the Land would be excess to the City's requirements following the creation of the public open space. The Land was therefore not required in the construction and development of the City owned land at No. 15 (Lot 9) Haynes Street, North Perth and No. 31 (Lot 100) Sydney Street, North Perth into a public open space. Council was previously informed in the Ordinary Council Meetings on 20 October 2020 and 27 April 2021 that selling the Land would have greater community value as the proceeds from the sale of the Land could fund the construction and development of the public open space.

DETAILS:

Lease Extension Request and revised Transition Plan

Following adoption by Council of the revised transition plan and lease extension for the Dental Clinic on the Land at the 27 April 2021 Ordinary Council Meeting, the City referred these to the Office of the Attorney General for approval. The office of the Attorney General advised that the changes to the transition plan and the extension of the Dental Clinic lease were supported as proposed.

The City lease to the North Metropolitan Health Service (Dental Health Services) for the Dental Clinic on the Land was extended on 15 February 2022 and expires on 30 June 2022. North Metropolitan Health Service (Dental Health Services) are scheduled to vacate the premise before this date. Demolition of the Dental Health Services premises being portion of No. 31 Sydney Street, North Perth is anticipated to take place soon after its 30 June 2022 vacancy, with stage 1 of the Haynes Street Reserve Development Plan initiated.

The City lease to Kidz Galore for the Child Care Centre on the Land expires on 31 December 2025. Kidz Galore have development approval to construct a new Child Care Centre on the corner of London and Haynes streets in North Perth. Kidz Galore plan on commencing this development during 2022 and, once complete, relocating their operations from the Land to this new premises and relinquishing their lease of the Child Care Centre on the Land.

Car Park licence in respect of Kidz Galore and North Metropolitan Health Service

Pursuant to the lease with Kidz Galore Pty Ltd executed in 2020, Kidz Galore was granted a licence to use 7 car bays which expires on 31 December 2023, or earlier upon termination of the lease.

The lease with the North Metropolitan Health Service (Dental Health Services) dated 15 February 2022 extended the car park licence of the 9 car park bays until 30 June 2022.

Market conditions

The sale process would commence immediately. The North Metropolitan Health Centre car park licence expires on 30 June 2022 and Kidz Galore have advised that they wish to relinquish their licence over the car park before this licence expires on 31 December 2023. Kidz Galore are not reliant on their licenced parking bays and there is no requirement for them to maintain access to these bays.

Execution of the Transfer of Land would occur following termination of the car park licences at the end of June 2022.

Market valuation of the Land obtained in 2021 is listed in the **Confidential Attachment 1**.

Method of disposal

In accordance with the three methods available under the *Local Government Act 1995*, set out below, Administration proposes that the Chief Executive Officer (CEO) be delegated the authority to exercise decision making functions as follows:

1. determine the best method of disposal of the Land i.e. public auction, public tender or private treaty;
2. appoint a licensed real estate agent to advertise the sale of the Land; and

3. in respect of:

- (a) Public auction – determine the reserve price and accept the highest bidder;
- (b) Public Tender – accept the tender in accordance with the City’s Purchasing Policy; or
- (c) Private treaty – set the date for sale of the Land, provide local public notice and consider submissions. Enter into private treaty negotiations and conclude contract of sale with private treaty entity and in this respect, determine and vary the settlement date and/or date of satisfaction of any conditions pursuant to the Contract of Sale between the City of Vincent and the prospective buyer.

CONSULTATION/ADVERTISING:

Public notice of the sale of the Land will be required in accordance with section 3.58 of the *Local Government Act 1995*.

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:

- to the highest bidder at public auction;
- most acceptable tender (whether or not it is the highest tender) at 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.

Section 5.42 of the *Local Government Act 1995* provides that a local government may delegate powers and duties to the Chief Executive Officer.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to sell No 25 Sydney Street, North Perth as proposed.

STRATEGIC IMPLICATIONS:

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

Enhanced Environment

Our parks and reserves are maintained, enhanced and well utilised.

Connected Community

Our community facilities and spaces are well known and well used.

We have enhanced opportunities for our community to build relationships and connections with each other and the City.

Thriving Places

Our physical assets are efficiently and effectively managed and maintained.

Innovative and Accountable

We are open and accountable to an engaged community.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any environmental sustainability outcomes. This action/activity is environmentally neutral.

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 sale proceeds for the Land would be held in the POS Reserve.