

Minutes of the Special Meeting of Council of the Town of Vincent held at the Administration and Civic Centre, 244 Vincent Street, Leederville, on Wednesday 2 March 2005, commencing at 6.10pm.

**1. DECLARATION OF OPENING**

The Presiding Member, Mayor Nick Catania JP, declared the meeting open at 6.10pm.

**2. APOLOGIES/MEMBERS ON APPROVED LEAVE OF ABSENCE**

**(a) Apologies:**

Cr Steed Farrell	North Ward
Cr Maddalena Torre	South Ward
Mike Rootsey	Executive Manager Corporate Services

**(b) Present:**

Mayor Nick Catania, JP	Presiding Member
Cr Caroline Cohen	South Ward
Cr Simon Chester	North Ward
Cr Helen Doran-Wu	North Ward
Cr Basil Franchina	North Ward
Cr Ian Ker (Deputy Mayor)	South Ward
Cr Sally Lake	South Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Executive Manager, Environmental and Development Services
Rick Lotznicher	Executive Manager Technical Services
Theo Kailis	Proprietor, Kails Bros (from 6.55pm until 7.35pm)
Rod Mollett	Architect (from 6.55pm until 7.35pm)
Peter Hunt	Architect, Peter Hunt Architect (from 8.55pm until 10.20pm)
Graham Hunt	Architect, Peter Hunt Architect (from 8.55pm until 10.20pm)

Nil Members of the Public

**(c) Members on Leave of Absence:**

Nil.

**3. (a) PUBLIC QUESTION TIME & RECEIVING OF PUBLIC SUBMISSIONS**

Nil.

**(b) RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**4. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

**5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)**

Nil.

**6. DECLARATION OF INTERESTS**

6.1 Cr Franchina declared a proximity interest in Item 7.1 - Leederville Business District - Investigation of Landholdings and Future Redevelopment Concept Plans. The nature of his interest being that he owns two properties in Oxford Street.

Cr Franchina requested approval to participate in debate and vote on the matter.

Cr Franchina departed the Chamber at 6.17pm while Council considered his request.

Moved Cr Ker, Seconded Cr Cohen

*That Cr Franchina's request to participate in debate and vote on Item 7.1 - Leederville Business District - Investigation of Landholdings and Future Redevelopment Concept Plans be approved.*

Debate ensued and several Councillors stated that they may support Cr Franchina's request to participate in debate but had reservations about granting approval to vote in the matter.

The Presiding Member ruled that he would split the motion into two parts.

Debate ensued.

Moved Cr Lake, Seconded Cr Chester

*That Cr Franchina be granted approval to participate in the debate for Item 7.1 - Leederville Business District - Investigation of Landholdings and Future Redevelopment Concept Plans.*

**CARRIED (4-2)**

<u>For</u>	<u>Against</u>
Mayor Catania	Cr Doran-Wu
Cr Chester	Cr Ker
Cr Cohen	
Cr Lake	

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina was absent from the Chamber and did not vote.)

Debate ensued.

Moved Cr Lake, Seconded Cr Chester

*That Cr Franchina be granted approval to vote on Item 7.1 - Leederville Business District - Investigation of Landholdings and Future Redevelopment Concept Plans.*

**LOST (1-5)**

**For**  
**Mayor Catania**

**Against**  
**Cr Chester**  
**Cr Cohen**  
**Cr Doran-Wu**  
**Cr Ker**  
**Cr Lake**

**(Crs Farrell and Torre were apologies for the meeting. Cr Franchina was absent from the Chamber and did not vote.)**

**Cr Franchina returned to the Chamber at 6.24pm and Mayor Catania advised that Council had voted to grant approval for him to participate in the debate on the Item but not vote on the matter.**

**7.1 Leederville Business District - Investigation of Landholdings and Future Redevelopment Concept Plans**

<b>Ward:</b>	South	<b>Date:</b>	25 February 2005
<b>Precinct:</b>	Oxford Centre Precinct, P4/ Leederville Precinct, P3	<b>File Ref:</b>	
<b>Attachments:</b>	-		
<b>Reporting Officer(s):</b>	John Giorgi		
<b>Checked/Endorsed by:</b>	-	<b>Amended by:</b>	-

**OFFICER RECOMMENDATION:**

*That the Council;*

- (i) *RECEIVES the report relating to the investigation of landholdings and future redevelopment concept plans for the Leederville Business District;*
- (ii) *SUPPORTS IN PRINCIPLE the concept plan to redevelop the Council's land as detailed in this report and shown in Appendix 6, subject to a further report being submitted detailing the financial, legal, economic, land use, planning and architectural aspects;*
- (iii) *SUPPORTS IN PRINCIPLE the concept of the "disposal" of land (a "land swap") with GNTM Pty Ltd as detailed in this report, as shown in Appendices 7 and 8, subject to;*
  - (a) *a formal proposal being lodged by GNTM Pty Ltd with the Council, indicating the exact details of the land to be exchanged and including a sworn valuation;*
  - (b) *a further report being submitted to the Council on the legal and financial aspects and cost implications of the option; and*
  - (c) *the impact of any land swap on the future design, planning or land use implications;*
- (iv) *ADVISES GNTM Pty Ltd that;*
  - (a) *support of the "land swap proposal" should not be construed as support of any redevelopment proposal for their subject property at Nos. 103-105 (Lot 100) Oxford Street, Leederville; and*
  - (b) *any redevelopment on their site shall be sympathetic to the scale and rhythm of the streetscape in line with the provisions of the Town of Vincent Town Planning Scheme No. 1 and associated Policies, Oxford Centre Study and Leederville Masterplan;*
- (v) *AUTHORISES the CEO to engage the necessary consultants to further investigate the project options, including;*
  - (a) *obtaining the necessary financial, valuation, development, project management, architectural and legal advice;*
  - (b) *investigating the benefits and financial implications for the most appropriate development model for the proposed development;*
  - (c) *refining the redevelopment concept plans; and*

- (d) *entering into discussion with the Water Corporation concerning possible development options over the drainage reserve and other Water Corporation landholdings;*
- (vi) *NOTES that the potential redevelopment plans are consistent (and not in conflict) with the recommendations of the draft Leederville Masterplan, which is currently being finalised;*
- (vii) *DEFERS any further work on The Avenue and Frame Court Carparks until a final decision is made concerning the redevelopment of this land and the \$90,000 (for upgrade of The Avenue Carpark) in the 2004/05 Budget be carried forward to the 2005/06 Budget;*
- (viii) *NOT dispose of Lot 6 (No. 295) and Lot 7 (No. 291) Vincent Street, until further investigations have been carried out;*
- (ix) *APPROVES BY AN ABSOLUTE MAJORITY to reallocate \$35,000 from the "Water Corporation Reserve Upgrade" Cost Centre to "Oxford Centre Redevelopment Consultancies"; and*
- (x) *NOTES that this report contains commercially sensitive information and therefore is to remain confidential.*

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**Moved Cr Ker, Seconded Cr Chester**

*That the recommendation be adopted.*

At 6.25pm **Moved Cr Chester, Seconded Cr Ker**

*That Standing Orders be suspended so as to allow free and open debate on Item 7.1 and to allow Mr Theo Kailis and Mr Rod Mollett to address the Council.*

**CARRIED (7-0)**

Debate ensued.

At 6.55pm Mr Theo Kailis, Director of GNTM Pty Ltd and Architect Rod Mollett of Stanley Silver Thames Architects entered the Chamber. Mr Mollett displayed two concept plans which depicted the Kailis property and adjoining land and a concept plant of the Avenue Carpark land and explained the plans. Mr Kailis outlined his intention to enter into an arrangement concerning an exchange of land.

Councillors asked questions about the matter.

Mr Kailis and Mr Mollet departed the Chamber at 7.35pm.

Debate ensued.

At 7.57pm **Moved Cr Ker, Seconded Cr Doran-Wu**

*That Standing Orders be resumed.*

**CARRIED (7-0)**

**Moved Cr Ker, Seconded Cr Doran-Wu**

*That clause(v) be amended to read as follows:*

- “(v) after it has considered the Leederville Masterplan, AUTHORISES the CEO to engage the necessary consultants to further investigate the project options, including;
- (a) *obtaining the necessary financial, valuation, development, project management, architectural and legal advice;*
  - (b) *investigating the benefits and financial implications for the most appropriate development model for the proposed development;*
  - (c) *refining the redevelopment concept plans; and*
  - (d) *entering into discussion with the Water Corporation concerning possible development options over the drainage reserve and other Water Corporation landholdings;”*

Debate ensued, particularly what was meant by “*considered*”.

Cr Ker withdrew his amendment with the consent of the seconder.

**Moved Cr Ker, Seconded Cr Lake**

*That clause (v) be deleted.*

Debate ensued.

**AMENDMENT LOST**  
**ON THE CASTING VOTE OF THE MAYOR (3-4)**

<u>For</u>	<u>Against</u>
Cr Chester	Mayor Catania (2 votes)
Cr Lake	Cr Cohen
Cr Ker	Cr Doran-Wu

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Lake**

*That clause (ii) be amended to read as follows:*

- “(ii) *SUPPORTS IN PRINCIPLE the concept plan to redevelop the Council's land as detailed in this report and shown in Appendix 6, subject to a further report being submitted detailing the financial, legal, economic, land use, planning and architectural aspects;”*

Debate ensued.

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Cohen**

*That a new clause (iii)(d) be added as follows:*

*“(iii) (d) the Town seeking advice on the lot shape and configuration that will best suit the Town’s needs and subsequent to that, adjustments being made to the lot boundaries shown on Drawing 2332-CP-1;”*

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Cohen**

*That a new clause (iii)(e) be added as follows:*

*“(iii) (e) negotiations of a Memorandum of Agreement detailing conditions of purchase or acquisition;”*

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Doran-Wu**

*That clause (iii) be amended to read as follows:*

*“(iii) SUPPORTS IN PRINCIPLE the concept of ~~the a~~ “disposal”/acquisition of land (~~a “land swap”~~) with GNTM Pty Ltd as ~~detailed in this report, as shown in Appendices 7 and 8,~~ subject to;*

- (a) a formal proposal being lodged by GNTM Pty Ltd with the Council, indicating the exact details of the land to be exchanged and including a sworn valuation;*
- (b) a further report being submitted to the Council on the legal and financial aspects and cost implications of the option;*
- (c) the impact of any land ~~swap~~ transaction on the future design, planning or land use implications;*
- (d) the Town seeking advice on the lot shape and configuration that will best suit the Town’s needs and subsequent to that, adjustments being made to the lot boundaries shown on Drawing 2332-CP-1; and*
- (e) negotiations of a Memorandum of Agreement detailing conditions of purchase or acquisition;*

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Doran-Wu**

*That clause (iv)(a) be amended to read as follows:*

*“(iv) (a) support of the "land ~~swap~~ transaction proposal" should not be construed as support of any redevelopment proposal for their subject property at Nos. 103-105 (Lot 100) Oxford Street, Leederville; and*

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Lake, Seconded Cr Ker**

*That clause (vi) be deleted and the remaining clauses renumbered.*

Debate ensued.

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Cohen**

*That a new clause (x) be added as follows:*

*“(x) **AUTHORISES** the Mayor and CEO to meet with the Minister for Planning and Infrastructure and the Director General of the Department of Planning and Infrastructure as soon as is practicable, to discuss the strategic nature and benefits to the state of the project and implementation models to realise the project;”*

Debate ensued.

Cr Lake departed the Chamber at 8.45pm

**AMENDMENT CARRIED (5-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Lake was absent from the Chamber and did not vote. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Cohen**

*That a new clause (xi) be added as follows:*

*“(xi) **RESERVES** the right to offer development bonuses for development of the Perth Transit Authority reserve to the south of the Kailis land holding on Oxford Street;”*

Debate ensued.

Cr Lake returned to the Chamber at 8.47pm.

**AMENDMENT CARRIED (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Chester, Seconded Cr Lake**

*That a new clause (xii) be added as follows:*

*“(xii) **AUTHORISES** the CEO to immediately investigate options for the Town to engage a body to deliver key objectives of the project identified by the Town.*

Debate ensued.

**AMENDMENT LOST (2-4)**

<b><u>For</u></b>	<b><u>Against</u></b>
Cr Chester	Mayor Catania
Cr Lake	Cr Cohen
	Cr Doran-Wu
	Cr Ker

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**Moved Cr Cohen, Seconded Cr Lake**

*That clause (v) be amended as follows:*

*“(v) **EVALUATES** the Leederville Masterplan and the Economic Development Strategy prior to authorising **AUTHORISES** the CEO to engage the necessary consultants to further investigate the project options, including;*

- (a) obtaining the necessary financial, valuation, development, project management, architectural and legal advice;*
- (b) investigating the benefits and financial implications for the most appropriate development model for the proposed development;*
- (c) refining the redevelopment concept plans; and*
- (d) entering into discussion with the Water Corporation concerning possible development options over the drainage reserve and other Water Corporation landholdings;”*

**AMENDMENT CARRIED (5-1)**

<b><u>For</u></b>	<b><u>Against</u></b>
Cr Chester	Mayor Catania
Cr Cohen	
Cr Doran-Wu	
Cr Ker	
Cr Lake	

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

**MOTION AS AMENDED**  
**CARRIED BY AN ABSOLUTE MAJORITY (6-0)**

(Crs Farrell and Torre were apologies for the meeting. Cr Franchina not permitted to vote.)

At 9.05pm The Presiding Member called an adjournment of the meeting.

**COUNCIL DECISION ITEM 7.1**

*That the Council;*

- (i) *RECEIVES the report relating to the investigation of landholdings and future redevelopment concept plans for the Leederville Business District;*
- (ii) *SUPPORTS IN PRINCIPLE the concept plan to redevelop the Council's land subject to a further report being submitted detailing the financial, legal, economic, land use, planning and architectural aspects;*
- (iii) *SUPPORTS IN PRINCIPLE the concept of a "disposal"/acquisition of land with GNTM Pty Ltd, subject to;*
  - (a) *a formal proposal being lodged by GNTM Pty Ltd with the Council, indicating the exact details of the land to be exchanged and including a sworn valuation;*
  - (b) *a further report being submitted to the Council on the legal and financial aspects and cost implications of the option;*
  - (c) *the impact of any land transaction on the future design, planning or land use implications;*
  - (d) *the Town seeking advice on the lot shape and configuration that will best suit the Town's needs and subsequent to that, adjustments being made to the lot boundaries shown on Drawing 2332-CP-1; and*
  - (e) *negotiations of a Memorandum of Agreement detailing conditions of purchase or acquisition;*
- (iv) *ADVISES GNTM Pty Ltd that;*
  - (a) *support of the "land transaction proposal" should not be construed as support of any redevelopment proposal for their subject property at Nos. 103-105 (Lot 100) Oxford Street, Leederville; and*
  - (b) *any redevelopment on their site shall be sympathetic to the scale and rhythm of the streetscape in line with the provisions of the Town of Vincent Town Planning Scheme No. 1 and associated Policies, Oxford Centre Study and Leederville Masterplan;*
- (v) *EVALUATES the Leederville Masterplan and the Economic Development Strategy prior to authorising the CEO to engage the necessary consultants to further investigate the project options, including;*
  - (a) *obtaining the necessary financial, valuation, development, project management, architectural and legal advice;*
  - (b) *investigating the benefits and financial implications for the most appropriate development model for the proposed development;*
  - (c) *refining the redevelopment concept plans; and*

- (d) *entering into discussion with the Water Corporation concerning possible development options over the drainage reserve and other Water Corporation landholdings;*
- (vi) *DEFERS any further work on The Avenue and Frame Court Carparks until a final decision is made concerning the redevelopment of this land and the \$90,000 (for upgrade of The Avenue Carpark) in the 2004/05 Budget be carried forward to the 2005/06 Budget;*
- (vii) *NOT dispose of Lot 6 (No. 295) and Lot 7 (No. 291) Vincent Street, until further investigations have been carried out;*
- (viii) *APPROVES BY AN ABSOLUTE MAJORITY to reallocate \$35,000 from the "Water Corporation Reserve Upgrade" Cost Centre to "Oxford Centre Redevelopment Consultancies";*
- (ix) *NOTES that this report contains commercially sensitive information and therefore is to remain confidential;*
- (x) *AUTHORISES the Mayor and CEO to meet with the Minister for Planning and Infrastructure and the Director General of the Department of Planning and Infrastructure as soon as is practicable, to discuss the strategic nature and benefits to the state of the project and implementation models to realise the project; and*
- (xi) *RESERVES the right to offer development bonuses for development of the Perth Transit Authority reserve to the south of the Kailis land holding on Oxford Street.*

**ADDITIONAL INFORMATION:**

**BACKGROUND:**

The following information relates to the Leederville Masterplan.

- 18 September 2003 A meeting was held with the then Chairman of the Western Australian Planning Commission, Town of Vincent Elected Members, representatives of the Department for Planning and Infrastructure and Officers of the Town of Vincent to discuss the Western Australian Planning Commission's introduction of a \$500,000 budget allocation, to showcase demonstration proposals, which may include places of interest, redevelopment schemes, transport schemes and the like.
- 23 September 2003 The Council at its Ordinary Meeting resolved to produce a Masterplan for the Leederville area.
- 16 December 2003 The Council at its Ordinary Meeting endorsed the project brief for a Leederville Masterplan with amendments and approved a budget reallocation from the Town Planning Scheme Amendments and Policies to fund the \$50,000 for delivery of a Leederville Masterplan.
- 2 February 2005 The Consultants delivered a draft Leederville Masterplan to the Town for comment.

**DETAILS:**

Two emails dated 28 February 2005 were received from Councillor Simon Chester requesting information and data relating to the gross floor areas of uses, numbers of parking bays and vacancy rates within the Leederville Business District, and comments in relation to the Oxford Centre Study and the Leederville Masterplan Brief.

**COMMENTS:**

**Gross Floor Areas and Car Parking**

The Town has appointed Consultants *Pracsys* to undertake an Economic Development Strategy. As part of their research, information relating to gross floor areas and car parking within the Leederville Business District has been collected. A chart detailing this information is attached to this report.

Information relating to the nominal area of vacancy within the Leederville Business District is not available and as above, would require an on-foot survey.

**Leederville Masterplan**

In response to Councillor Chester's queries, the following is provided:

Point 1. *"The Oxford Centre study got nowhere because there was NO plan behind it to tell us how to implement it."*

This statement is incorrect in that the Oxford Centre Study included Recommendations and an Implementation Plan was prepared. The Oxford Centre Study Implementation was deferred by the Council at its Ordinary Meeting held on 10 February 2004 pending the final outcome of the Leederville Masterplan. It is noted that Year 1 of the 5 year Implementation Plan is listed on the current budget. The Implementation Plan is attached.

Point 2. *"Section 4.9 (Implementation) of the Masterplan Brief being somehow missed out from the consultant brief relegates the \$33k being spent on the Leederville Masterplan to being of little more use than the Oxford Centre study. The key difference between the Leederville Masterplan and the Oxford Centre study was that we now recognised that implementation was the key!"*

It is reiterated that an Implementation Plan was prepared for the Oxford Centre Study and the current Project brief requires the Consultant to outline a 4 point Implementation Plan also. It is noted that section 4.9 of the original brief (as detailed below) which was omitted from the Tender Brief, referred to a Feasibility Assessment. This omission was brought to the attention of the Town's Officers in mid January 2005 to which acknowledgement of the oversight was made to Councillor Chester.

**"4.9 Feasibility Assessment**

4.9 *To investigate and provide a feasibility assessment of the Leederville Masterplan*

**Outcome**

*The report is to contain a detailed section that outlines a feasibility assessment of the Leederville Masterplan with reference to costs, timelines and significant priorities and the Town's ability to deliver key aspects of the plan."*

It is noted however that an Elected Member's Request No.22961 requested that the Consultant's provide costings and should include a "bottom line cost". The request also asked whether it was part of the Project brief and if not, to have this as a variation. The Consultant responded that to carry this out would be an additional \$2,500-\$3,000. It is noted that a sum of \$50,000 was originally budgeted for the Leederville Masterplan.

Point 3. *"It is totally inadequate for the consultant to advise that the costings will be done in the final phase of the Leederville Masterplan. The project could have a 5 to 7 year life and having a sharp implementation/business plan that fundamentally drives the Masterplan is actually the more important document. Basic decisions made in considering the Masterplan in isolation could be flawed when considering the implementation plan. The implementation plan will shape the Masterplan and the implementation plan has to be done in parallel to effectively deliver the project."*

The Consultant has advised that the costings being done for the Masterplan will be broad brush costings for the works that are the responsibility of the Town along with a suggested timeframe for implementation. This is customary given that they have not been advised to target a specific site or work within a particular timeframe. The Council can then decide to proceed or otherwise within its own budgetary requirements.

It is noted that Elected Member Request No.22961 advised: " The 'costing work' does not form part of the Consultant's Brief, and this work will require a formal variation to the Brief".

Point 4. *"The Leederville redevelopment is a high risk project worth far more than \$55 million, the Leederville Masterplan is a key document. To have the integrity of such a key document compromised so early in the project raises serious concerns in my mind. I am far from satisfied with the attitude of Executive that we will just tag the costings onto the end of the preparation of the Leederville Masterplan as a last minute consideration."*

It is considered that the integrity of the document has not been affected and as outlined above, costings and an Implementation Plan will be provided with the final document.

**Note: The Chief Executive Officer advised that this report is now released to the public as the Council has determined the matter.**

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## **BACKGROUND:**

The purpose of this report is to provide preliminary concept plans for potential redevelopment of Council's land holdings in the Leederville Business District and to advise the Council of an opportunity to enter into an arrangement with an adjoining land owner to "swap land", with benefits to both parties.

At the Ordinary Meeting of Council held on 13 July 2004, the Council considered a Notice of Motion and resolved as follows;

*"That the Council AUTHORISES the Chief Executive Officer to:-*

(i) *develop a preliminary Leederville Business Case identifying potential funding sources for the proposed upgrades to public infrastructure in the Leederville District Centre identified in the:-*

- (a) *Oxford Centre Study; and*
- (b) *Leederville Masterplan;*

*in collaboration with, and consideration of funding opportunities identified in the preparation of the Leederville Masterplan. The Business Cases should prove the financial viability of the Leederville Masterplan and provide positive social, environmental and economic outcomes;*

- (ii) *investigate the development contribution cost provisions within the City of Stirling Town Planning Scheme No. 38, the City of Cockburn Town Planning Scheme No 3 and the Subiaco Redevelopment Scheme and assess the benefit to the Town of having similar provisions in the Town's Town Planning Scheme with particular consideration of foreshadowed upgrades of public infrastructure in the Town's District Centres; and*
- (iii) *submit a report on (ii) above for Council's consideration no later than October 2004;*
- (iv) *submit a report on (i) above for Council's consideration in conjunction with the Leederville Masterplan as a fully integrated document;*
- (v) *in relation to (i) and (ii) above, explore in detail the potential for public/private partnerships; and*
- (vi) *seeks advice from the East Perth Redevelopment Authority in the preparation of the Business Case."*

At the Ordinary Meeting of Council held on 8 June 2004, the Council considered a Notice of Motion and resolved as follows;

*"That the Council;*

- (i) *AUTHORISES the Chief Executive Officer, in liaison with the Consultants appointed for the Leederville Master Plan Study, to investigate and prepare concept options for:*
  - (a) *the re-configuration of Oxford Street (between Vincent Street and Leederville Parade) and Newcastle Street (up to Carr Street ) with a view of creating a pedestrian mall;*
  - (b) *the creation of wider streets for alfresco dining in the area; and*
  - (c) *the creation of multi-level carparks in the area;*
- (ii) *CONSULTS with the various stakeholders including but not limited to the Main Roads WA, The Public Transport Authority, the Western Australian Planning Commission, local business proprietors, land owners, residents, the Leederville Action Group, users and visitors and any other interested party regarding the concept options; and*
- (iii) *REQUESTS that a report be presented to the Council by November 2004 detailing the following;*
  - (a) *the various concept options for a mall, including full or part malls, permanent or temporary malls, the wider streets and the multi-level carparks and variations to each option;*
  - (b) *advantages and disadvantages for each concept option;*
  - (c) *the impact of each concept on the traffic flow, parking, infrastructure and the amenity of the area;*
  - (d) *the potential impact of each concept on the various businesses in the area;*
  - (e) *the results of community consultation with the various stakeholders regarding the proposal including but not limited to the Main Roads WA, The Public Transport Authority, local businesses, the Leederville Precinct Group and any other affected party;*
  - (f) *the estimated costs of implementing the various options;*

- (g) *the availability of any grants and alternative funding options; and*
- (h) *an indicative implementation time table for the various options."*

At the Ordinary Meeting of Council held on 13 April 2004, the Council approved the consultancy for the Leederville Masterplan, as follows;

*"That the Council:*

- (i) *ACCEPTS the Tender submitted by Considine and Griffiths Architects Pty Ltd for the undertaking of a Leederville Masterplan, in accordance with the specifications as detailed in Tender No. 285/04, for the sum of \$33,115.00; and*
- (ii) *AUTHORISES the Chief Executive Officer to invite representatives of the Western Australian Planning Commission's Urban Design and Revitalisation Projects Section to discuss funding and partnership options for the Leederville Masterplan project."*

A progress report concerning Clause (ii) of the Ordinary Meeting of Council decision of 13 July 2004 was reported to the Ordinary Meeting of Council held on 21 December 2004 (Item 10.1.22). A progress report of the Ordinary Meeting of Council decision of 8 June 2004 was reported to the Ordinary Meeting of Council held on 23 November 2004 (Item 10.2.2). The Town has received a draft Masterplan report and this is being assessed for final comments to the consultants. The final report is expected in March 2005. This development proposal has been provided to the Leederville Masterplan consultants.

This proposal has been prepared by the Chief Executive Officer in liaison with the Executive Management Team and has not, at this stage, involved the use of any external consultants. It has encompassed the area of the Masterplan Study. See Appendix No. 1.

**It is important to note that the concept plans analysis is very preliminary and further investigation and examination is essential.**

Council's decision and direction is now required in order to further progress the matter, if this is the decision of the Council. In addition, in view of the complexity of the matter, external professional advice is also now necessary.

#### **DETAILS:**

##### **Objectives**

The Chief Executive Officer has prepared preliminary objectives for this proposed Project and these include;

- to achieve objectives/recommendations specified in the Leederville Masterplan;
- to provide a development which complements the facilities already available and which will provide improved amenity to residents and businesses and increased parking in the area;
- to upgrade the infrastructure of the Oxford Centre Precinct;
- to return a maximum financial benefit to the Town by way of capital improvement or annual income, without compromising the function and operation of the existing facilities;
- to maximise the value of the Council's properties;
- to ensure that the Council retains ownership of all public carparks;

- to comply with and satisfy the criteria of local and state government authorities;
- to satisfy the Town's technical requirements and performance standards with respect to design and construction; and
- to ensure the Project meets the Town's needs relating to effectiveness, accountability, probity, equity, public access, sustainability and security.

### Landholdings

The Council owns the following landholdings in the area;

1. The Avenue Carpark (Refer to Appendix 2)

The land comprises:

	<b>Size</b>
Pt Lot 8	374m <sup>2</sup>
Pt Lot 9	374m <sup>2</sup>
Pt Lot 10	301m <sup>2</sup>
Pt Lot 9	1,755m <sup>2</sup>
Pt Lot 301	1,487m <sup>2</sup>
Pt Lot 33	1,214m <sup>2</sup>
Pt Lot 34 ( <i>NB: 2 pieces of land - 386m<sup>2</sup> + 89m<sup>2</sup></i> )	386m <sup>2</sup>
Pt Lot 36	1,606m <sup>2</sup>
Pt Lot 217	640m <sup>2</sup>
	<hr/>
	8,137m <sup>2</sup>
	<hr/>
Water Corporation Reserve	826m <sup>2</sup>
	<hr/>
<b>Total</b>	<b>8,963m<sup>2</sup></b>
	=====

2. Framecourt Carpark\* (Refer to Appendix 3)

The land comprises:

	<b>Size</b>
Lot 1 ( <u>Current Park</u> )	736m <sup>2</sup>
Pt Lot 5	836m <sup>2</sup>
Pt Lot 5	2,436m <sup>2</sup>
Pt Lot 27	2,258m <sup>2</sup>
Lot 28	2,628m <sup>2</sup>
Pt Lot 25 ( <u>Current Park</u> )	2,146m <sup>2</sup>
Lot 5	119m <sup>2</sup>
	<hr/>
Sub-Total	11,159m <sup>2</sup>
Vesting Order ( <u>No. 9790</u> )	877m <sup>2</sup>
	<hr/>
<b>Total</b>	<b>12,036m<sup>2</sup></b>
	=====

- \* HQ Youth Facility is approximately 2,597m<sup>2</sup> - this includes 877m<sup>2</sup> of land vested in the Town (and not available for redevelopment) and 2,882m<sup>2</sup> of parkland.

The HQ Facility is constructed over parks of Lots PT 25, 27, 28 and 5.

An area of approximately 6,640m<sup>2</sup> would be available for redevelopment after excluding the HQ Youth Facility premises (2,597m<sup>2</sup>), land which is vested in the Town (877m<sup>2</sup>) and suggested park (1,800m<sup>2</sup>).

The CEO's concept plan (Appendix 6) shows that the land could be developed as follows;

1.	Park	1,800m <sup>2</sup>
2.	New Building (G)	1,000m <sup>2</sup>
3.	Carpark Land	6,639m <sup>2</sup>
	<b>Sub-Total</b>	<b>9,439m<sup>2</sup> Approx.</b>
	HQ Facilities	2,597 m <sup>2</sup>
	<b>Total</b>	<b>12,036m<sup>2</sup></b>

3. Nos 291 and 295 Vincent Street (Refer to Appendix 4)

	<b>Size</b>
Pt Lot 7 (No. 291 - vacant)	526m <sup>2</sup>
Lot 6 (No. 295 - house and land)	526m <sup>2</sup>
<b>Total</b>	<b>1,052m<sup>2</sup></b>

**What Style of Development?**

The Oxford Centre Precinct is one of the most successful in Perth. Its vibrancy, diversity and success has evolved over many years. It is most beneficial to further enhance its success by providing for the redevelopment of the area and substantially increasing the number of carparking bays in the area.

As such, the Council should only give approval to a development that is in keeping with the objectives and Leederville Masterplan for this Precinct. This also makes good commercial sense.

Community needs in relation to housing have changed significantly in recent times. High quality inner city unit development close to cafes and public transport is in high demand. However, it is acknowledged that further investigation would also be required.

Contemporary property development is very important. Significant thought and effort goes towards defining the principles for what will be the overall living experience of the area. This includes;

- Housing style;
- Lot area;
- Landscape;
- Accessibility;
- Sustainability;
- Interaction and connection with surroundings;
- Facilities offered;
- Sense of community.

This holistic approach not only adds value to the project but ensures it will fit comfortably with adjoining land owners.

Because of its prime location, land values from the proposed development would be expected to be high. Residential Design Guidelines will need to be put in place to ensure suitable quality is maintained.

### **CONCEPT OPTIONS:**

#### **Draft Leederville Masterplan (Figure 20 - Refer to Appendix 5)**

The Leederville Masterplan draft report proposes redevelopment of The Avenue Carpark land and development of Council land on the south-east corner of Leederville Parade/Oxford Street intersection (and moving the existing park slightly northwards). The Masterplan consultants have been informed of this concept plan.

#### **The Avenue Carpark Land (currently 290 carbays)**

The Avenue Carpark land currently is flat top ground level carparking with 290 carbays. This carpark was reconfigured and partly redeveloped in 2003 at an estimated cost of approximately \$100,000. The Budget 2004/05 currently contains an amount of \$90,000 for resurfacing of this carpark, being Stage 1 of 2.

In view of the redevelopment potential, this resurfacing work should be deferred until the Council determines the future of this land.

The draft Leederville Masterplan recommends that substantial redevelopment of The Avenue Carpark land be carried out, including the construction of a multi-level carpark. It also recommends relocation of the Oxford Street Reserve from the corner of Oxford Street/Leederville Parade slightly northwards on Oxford Street and for the corner site, of approximately 1,000m<sup>2</sup>, to be redeveloped.

The Town's CEO obtained preliminary concept options for the possible redevelopment of the carpark land and this incorporated;

1. Residential units (30) up to four or five storeys along Leederville Parade, including undercroft parking for 30 carbays.
2. A multi-level carpark for 450 carbays. (Thereby giving an increase of 160 carbays.)
3. Residential units (30) to be constructed above the proposed multi-level carpark (or alternatively, a separate residential tower along Leederville Parade). Refer to Appendix 10 to see photographs of residential units above the Acland Street carpark in St. Kilda, Melbourne.
4. A residential tower (40 units) of eight storeys with undercroft carpark for 40 carbays. This tower would be built over a landscaped podium, with shop tenancies below opening onto the "piazza".

### **Frame Court Carpark and Adjoining Land (Refer to Appendix 6)**

1. Upper Level Carpark (currently 190 carbays):

The Frame Court carpark and adjoining street parking currently contains 190 carbays. The Town's Officers indicate that carparking in this area is at a premium and that an immediate additional 150 carbays is justified and would be well utilised.

The construction of an upper deck above the Frame Court carpark (with shade sails), to provide the additional 150 bays should be carried out prior to the redevelopment of The Avenue Carpark land - otherwise the severe reduction in The Avenue Carpark carbays will cause serious congestion and adversely impact on businesses.

2. Possible Building (Masterplan H&G):

This land is currently Oxford Street Reserve and is approximately 2,126m<sup>2</sup>. The Masterplan proposes moving the Reserve slightly northwards and this to be reduced to approximately 1,800m<sup>2</sup>. The land on the corner would comprise of approximately 1,000m<sup>2</sup> and could be redeveloped by the Council. This redevelopment could fund the relocation of the park and construction of the Frame Court multi-level carpark and generate other income.

This possible redevelopment would contain commercial on the ground level fronting Oxford Street and Leederville Parade, with a residential tower above. For the purpose of this report, an eight storey tower has been proposed - however, this would be subject to further investigation.

### **Vincent Street Land**

No examination of this land potential has been carried out at this stage. Accordingly, it is recommended that these lots (Lot 6 and Pt Lot 7) not be disposed of or redeveloped at this stage, until further investigations have been carried out.

### **Possible Land Swap - Kailis Development Oxford Street (Refer to Appendices 7 and 8)**

At the Ordinary Meeting of Council held on 21 December 2004 the Council approved the application submitted by T. Kailis on behalf of the owner GNTM Pty Ltd for proposed demolition of existing building and construction of two-storey mixed use development comprising offices, shops, associated undercroft carparking and visual feature, at Nos. 103-105 (Lot 100) Oxford Street, Leederville.

This proposed development involved developing approximately 1,776m<sup>2</sup> of land owned by the Kailis family. The "Site History" for this property is detailed in the report to the Ordinary Meeting of Council held on 11 March 2003 at Item 10.1.10.

On 3 February 2005, Theo Kailis, on behalf of the family group, met with the CEO and Executive Manager Environmental & Development Services to discuss the proposed development. During discussions, the matter of the Council purchasing some of Kailis' land or a "land swap" was discussed. Mr Kailis indicated that he would prefer to only develop sufficient land which would meet their needs. Mr Kailis' architect met with the Chief Executive Officer and Executive Manager Environmental & Development Services on Friday 18 February 2005 with a preliminary plan, indicating more precise land sizes.

The land swap/purchase option is shown at Appendix 8. This option would involve;

1. the Kailis family retaining approximately 1,572m<sup>2</sup> of land - with a 13.92m (approx) frontage to Oxford Street;
2. the Kailis family's "disposal" of approximately 687m<sup>2</sup> to the Town;
3. the Council disposing of approximately 461m<sup>2</sup> to the Kailis family (of which 31m<sup>2</sup> is currently dedicated roads - this will require the approval of the Department of Land Information and the Department of Planning and Infrastructure/WAPC).

The possibility of an exchange of land between the Council and GNTM Pty Ltd has advantages to both parties, including;

#### Advantages

1. The Town would dispose of approximately 461m<sup>2</sup> of land in the lower end of the carpark - which has limited use because of its triangular and narrow shape.
2. The Town would gain approximately 687m<sup>2</sup> of land along the Water Corporation Reserve (a net gain of 226m<sup>2</sup> to the Town) - such land could be developed, allow for creation of a central "piazza" and also allow for expansion of greenway along the Reserve.
3. The final lot sizes would allow for more optimum land use by both parties.

#### Advantages to the Kailis Family

1. The family would dispose of land "surplus" to their needs.
2. The family would gain an additional frontage to Leederville Parade and this would enable them to undertake a better quality development.
3. The final lot shape would allow for a better development and will allow for further development to open onto the proposed "piazza".

#### **Formal Submission**

As the submitted plans are indicative only, it will be necessary for Kailis Bros to make a formal application to the Council outlining the details of their proposed land swap.

#### **Future Kailis Development**

The CEO has been verbally advised that the revised Kailis development would involve demolition of the existing old building (on the former McAlister site), construction of undercroft parking, construction of ground floor shops (opening onto the "piazza") and commercial/offices in a 4-5 storey building(s).

#### **Water Corporation Drain Reserve (Refer to Appendix 9)**

On 1 July 2001, the Town entered into a licence agreement with the Water Corporation over the Mounts Bay Road Main Drain Reserve on Plan 560, for a period of 99 years. This drain reserve adjoins the Frame Court carpark and traverses in a north-west - south-east direction across The Avenue Carpark. The drain reserve also adjoins the current Kailis property.

Therefore, any redevelopment over this drain reserve will require the approval of the Water Corporation. It is most likely that the Water Corporation will require some sort of financial/monetary compensation (or "in kind" carbays for their use) and/or some possible protection works to infrastructure contained within the drainage reserve in exchange for the Town carrying out development over the reserve. No discussions have been carried out with the Water Corporation at this stage, however this will be necessary if the Council approves of this redevelopment concept plan. Accordingly, it is recommended that the CEO be authorised to enter into discussion with the Water Corporation.

### Indicative Costs

The following are indicative cost estimates;

(i) The Avenue Multi-Level Carpark

450 cars x \$15,000/car	=	\$6,750,000
+ 10% Contingency	=	\$750,000
+ 10% Professional Fee	=	\$750,000
<b>Indicative Cost</b>	=	<b>\$8,100,000</b>

(ii) Residential or Commercial - Units - Leederville Parade

Units (4 storeys) fronting Leederville Parade with 30 car basement carpark;

30 units @ 90m <sup>2</sup> gross area - 2,700m <sup>2</sup> x \$1,500/m <sup>2</sup>	=	\$4,050,000
30 cars (basement) x \$20,000/car	=	\$600,000
+ 10% Contingency	=	\$460,000
+ 10% Professional Fee	=	\$460,000
<b>Indicative Cost</b>	=	<b>\$5,570,000</b>

(iii) Residential - Tower No. 1 - The Avenue Carpark

Commercial on ground level (opening onto the "piazza"), eight storey residential tower with 40 car basement car park and comprising 40 x 2 and 3 bed units;

Gross area of residential tower 5,000m <sup>2</sup> x \$2,000/m <sup>2</sup>	=	\$10,000,000
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Carparking:

40 cars in basement	=	\$900,000
15 cars at ground level	=	\$45,000
+ 10% Contingency	=	\$1,090,000
+ 10% Professional Fee	=	\$1,090,000
<b>Indicative Cost</b>	=	<b>\$13,125,000</b>

(iv) Residential - Tower - Corner Oxford Street, Leederville Parade (Pt Lot 770)

Commercial on ground level, eight storey residential tower fronting Leederville Parade with 40 car basement car park and comprising 40 x 2 and 3 bed units;

Gross area of residential tower 5,000m <sup>2</sup> x \$2,000/m <sup>2</sup>	=	\$10,000,000
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Carparking:

40 cars in basement	=	\$900,000
15 cars at ground level	=	\$45,000
+ 10% Contingency	=	\$1,090,000
+ 10% Professional Fee	=	\$1,090,000
<b>Indicative Cost</b>	=	<b>\$13,125,000</b>

(v) Residential - Above The Avenue Carpark or Residential No. 2

30 units above the multi-level carpark, comprising 2-3 bedroom;

30 units @ 120m <sup>2</sup> gross area = 3,600m <sup>2</sup> x \$2,000/m <sup>2</sup>	=	\$7,200,000
+ 10% Contingency	=	\$720,000
+ 10% Professional Fee	=	<u>\$720,000</u>
<b>Indicative Cost</b>	=	<b><u>\$8,640,000</u></b>

(vi) Frame Court Carpark Multi-Level

Construction of 1 above ground level with shade sails above.

150 x \$15,000/car	=	\$2,250,000
+ 10% Contingency	=	\$250,000
+ 10% Professional Fee	=	<u>\$250,000</u>
<b>Indicative Cost</b>	=	<b><u>\$2,750,000</u></b>

(vii) Upgrade of Oxford Street (say) **\$1,000,000****Grand Total (i), (ii), (iii), (iv), (v), (vi), (vii)** = **\$52,310,000**

The following is a summary of the potential financial return;

<u>Item</u>	<u>Expenditure</u>	<u>Revenue</u>	<u>Net Profit</u>
Multi-level Carpark (450 bays)	\$8,100,000	\$0	-\$8,100,000
Residential Units (30 - Leederville Parade)#	\$5,570,000	\$9,000,000	\$3,430,000
Residential/Commercial Tower Units (40)*	\$13,125,000	\$18,000,000	\$4,875,000
Residential - above Carpark or Tower No.2 (30)**	\$8,640,000	\$10,500,000	\$1,860,000
Infrastructure Works - Oxford Street/ "Piazza", etc	\$1,000,000	\$0	-\$1,000,000
Frame Ct Carpark - Upper Level (150 bays)	\$2,750,000	\$0	-\$2,750,000
Disposal of Land - Lot Pt Lot 970	<u>\$13,125,000</u>	<u>\$18,000,000</u>	<u>\$4,875,000</u>
<b><u>Profit/Loss</u></b>	<b><u>\$52,310,000</u></b>	<b><u>\$55,500,000</u></b>	<b><u>\$3,190,000</u></b>

Notes:

- Escalation costs, allow 0.6% per month
- Costs exclude GST
- Costs include Professional Fees

# Based on an average unit sale price of \$300,000 each

\* Based on an average unit sale price of \$450,000 each

\*\* Based on an average unit sale price of \$350,000 each

Note:

**It should be noted that the costings in this report are indicative only. Further extensive analysis and evaluation of the financial aspects of the Redevelopment Project should be carried out.**

**Indicative Timeline - Council/Private Development Partner**

<b>Item</b>	<b>Time Period</b>
Council Decision to Consider and Approve Project in Principle	<b>2 March 2005</b>
Investigate Options and engage professional support	March 2005
Commence process for disposal of land	April 2005
Finalise disposal of land to Kailis Group	May-June 2005
Budget consideration	May-June 2005
Council to approve concept plan	July 2005
Advertise community consultation - 30 days	July 2005
Commence independent evaluation of Development Partnership Models	July/August 2005
Community consultation closes	August 2005
Council to consider public submissions	August/September 2005
Council to approve most appropriate Development Partnership Model	October 2005
Council to approve Expression of Interest (EOI) document	October/November 2005
Advertise EOI - 30 days	November 2005
EOI closes	December 2005
Assessment of EOIs received	December 2005/January 2006
	<b><u>2006</u></b>
Council to approve short list of tenderers	February 2006
Council to approve Request for Tender documents	March 2006
Advertise Request for tender for Development Partner - 30 days	March 2006
Tender Closes	April 2006
Assessment of Tenders	April/May 2006
Council to award tender of preferred Development Partner	June 2006
Council to approve Major Land Transaction documents	June 2006
Advertise Major Land Transaction Business Plan - 6 weeks	June/July 2006
Consideration of Submissions	August 2006
Council decision to proceed (or discontinue) with Major Land Transaction	September/October 2006
Council to approve contract with Development Partner	October 2006
Development Partner to commence design	November 2006
Development Partner to prepare design drawings	December 2006
	<b><u>2007</u></b>
Development Partner to submit plans to Council for approval	February 2007
Council to approve plans	March/April 2007
Development Partner to advertise tender for construction	April 2007
Development Partner to evaluate tenders	May-June 2007
Development Partner to award construction tender	June 2007
Project construction commences	July 2007

**Indicative Timeline - Council as the Developer**

<b>Item</b>	<b>Time Period</b>
Council Decision to Consider and Approve Project in Principle	<b>2 March 2005</b>
Investigate Options and engage professional support	March 2005
Commence process for disposal of land	April 2005
Finalise disposal of land to Kailis Group	April 2005
Budget consideration	May-June 2005
Council to approve concept plan	July 2005
Advertise community consultation - 30 days	July 2005
Commence independent evaluation of Development Partnership Model	July/August 2005
Community consultation closes	August 2005
Council to consider public submissions	August/September 2005
Council to approve most appropriate Development Partnership Model	October 2005
Council to approve Major Land Transaction	October 2005
Advertise Major Land Transaction Business Plan - 6 weeks	October/November 2005
Consideration of Submissions	November 2005
Council decision to approve (or discontinue) with Major Land Transaction	December 2005
Council to approve Tender documents for Architects and consultants	December 2005/January 2006
	<b><u>2006</u></b>
Advertise Request for tender - 30 days	January/February 2006
Tender closes	February 2006
Assessment of Tenders	March 2006
Council to award Architects tender	April 2006
Council's architect to prepare design/working drawings	May/June 2006
Council to advertise plans	July 2006
Council to consider funding models	July 2006
Council to approve funding model	August 2006
Council to approve plans	August/September 2006
Advertise construction tender	October 2006
Evaluate tenders	November 2006
Council to award construction tender	December 2006
	<b><u>2007</u></b>
Builder mobilisation	January/February 2007
Project construction commences (staged project)	February 2007

**Council/Private Partnership Model**

Advertise EOI	October 2005
Consider EOI	November 2005
Call tenders	February 2006
Consideration of Tender	March 2006
Award Tender	April 2006
Engage Project Partners	May-June 2006

Council Only Model

Advertise tender for Architect and Consultants	October 2005
Consider tenders	November 2005
Award tender	December 2005
Prepare Design/Working Drawing	January-April 2006
Council to approve plan	May 2006
Advertise tenders for construction	June 2006
Consider tenders	July 2006
Award tender	August 2006
Project construction commences	September 2006

**How will Council undertake this project?**

Because land development is highly specialised, and not Council's core business, consideration should be given to inviting Expressions of Interest (EOI) from experienced development companies through a competitive process with a view to forming a Development Partnership to undertake the project. The actual development models should be subject to an independent Funding and Risk Assessment Analysis. This independent assessment would cost between \$10,000-\$15,000, depending upon the complexity of the matter.

The initial land swap with the Kailis family would be undertaken by the Town, using consultants as required.

A Development Partner will provide significant benefits to Council, including:

- bring professional expertise to the project;
- assess a wide range of innovative development options and solutions;
- transfer a major portion of the development risk to a third party thus minimising Council's financial exposure and debt position; and
- avoid the need for bridging finance.

However, it should be noted that whilst engaging a Development Partner reduces the risk, it will also reduce the end financial return to the Town. This matter should be independently evaluated.

If a suitable Development Partner is not found, the Town may reconsider its development options, including undertaking the project as the developer.

The Town should appoint Project Management/Property Consultants to assist with the Project.

**Where to from here?**

There is a need to obtain specialist advice and also an in-house Project Officer to assist to further progress this matter;

	<b>Indicative Costs for Preliminary Advice</b>
• Architectural and Quantity Survey/Costings	\$10,000
• Legal	\$8,000
• Financial, Real Estate valuation	\$6,000
• In-house Project Officer (4 months P/T)	\$6,000
• Project Management	\$5,000
	<hr/>
<b>Total</b>	<b>\$35,000</b>
	<hr/> <hr/>

**CONSULTATION/ADVERTISING:**

Not applicable at this stage.

However, the Mayor and CEO recently met with the CEO of the East Perth Redevelopment Authority (EPRA) to seek advice - this proved beneficial. EPRA indicated that it would provide further preliminary advice to the Town, once the Council determines its position in the matter.

**LEGAL/POLICY:**

There are no legal implications at this stage, however at the appropriate time the Council will need to follow the requirements of the Local Government Act for Major Land Transaction, (Sections 3.58 and 3.59) and also the requirements for the "disposal" of any land.

The Local Government Act defines the term "disposal" to mean; *"to sell, lease or otherwise disposal of"*.

**STRATEGIC IMPLICATIONS:**

This proposal is in keeping with the Town's Strategic Plan 2005-2010, Key Result Areas 3.2, 3.3 and 3.3(a), (c) and (e) as follows;

- 3.2 *"Develop business strategies that provide a positive triple bottom line return for the Town",*
- 3.3 *"Promote the Town of Vincent as a place for investment appropriate to the vision for the Town and Develop partnerships and alliances with key stakeholders",*
  - 3.3(a) *"Adopt policies and practices to promote appropriate investment";*
  - 3.3(c) *"Promote partnerships at the intrastate, interstate and international level to attract investment to the Town and enhance its place as a regional centre";*
  - 3.3(e) *"Encourage local businesses to contribute to the local community."*

**Economic Development Strategy**

The Town has commissioned an Economic Development Strategy, which is due in early March 2005. This Strategy will recommend redevelopment of the Town's shopping precincts, including the Oxford Centre. This concept has been discussed with the consultants for this Strategy - who are supportive of the direction.

## FINANCIAL/BUDGET IMPLICATIONS:

### Current Budget

There are currently no funds in the 2004/05 Budget, therefore any expenditure for this project will require an Absolute Majority decision of the Council for reallocation of funds.

The 2004/05 Budget contains an amount of \$90,000 for resurfacing of The Avenue Carpark (Stage 1 of 2). These works would be deferred and therefore the funds will not be used this financial year. The funds should be carried forward.

The 2004/05 Budget contains an amount of \$35,000 for the upgrade of the Water Corporation Reserve (which adjoins the proposed "land swap" land). This upgrade would not be carried out until the adjoining building works are completed. Therefore, these funds would not be used in 2004/05 and are available for reallocation. Accordingly, it is recommended that these funds be reallocated to enable the consultancy to be carried out.

### Potential Future Benefits from the Proposed Development

The future benefits from the proposed redevelopment include;

1. Social Benefits

The creation of a "piazza" would provide a focal point for this precinct. This could also be used for community events, thereby promoting a "sense of community". The full social benefits will need to be explored.

2. Environmental Benefits and Amenity

The environmental benefits and amenity benefits have not been fully explored. However, this redevelopment allows for the creation of more improved parkland and better use of the Water Corporation Reserve which will be paved, drained, illuminated and landscaped and incorporated into the "piazza". It will remove the current lack of safety for persons using this part of the Water Corporation Reserve, at night times.

3. Economic Benefits

A full Business Plan for this redevelopment would need to be prepared, once the Council determines the precise redevelopment plan. However, some indicative economic benefits have been calculated.

The following is indicative additional annual income;

### Indicative Income

#### Parking:

It has been estimated that the provision of an extra 300 carbays of paid parking would generate \$200,000 per annum (after deduction of expenses, such as carpark maintenance, Ranger costs, etc)

\$200,000

#### Alfresco Dining Fees:

The potential alfresco dining fees of proposed restaurants opening onto and using the Council's piazza could generate - say; 4 restaurants/cafes x \$2,500 each

\$10,000

**Rent - Ground Floor Commercial Tenancies:**

- |     |   |                 |
|-----|---|-----------------|
| (a) | Premises adjoining the piazza - <i>say; \$50,000</i><br><i>(2 premises)</i> | <u>\$50,000</u> |
| (b) | Premises on corner Oxford Street/Leederville Parade                         | <u>\$50,000</u> |

**Rates:**

- |     |   |              |                         |
|-----|---|--------------|-------------------------|
| (a) | Future shops/restaurants (based on \$4,500) -<br><i>say; 7 premises</i> | \$31,500     |                         |
| (b) | Future residential units  |              |                         |
|     | <i>say, 80 x 2 bedroom units (\$645 each)</i>                           | \$51,600     |                         |
|     | <i>say, 60 x 3 bedroom units (\$670 each)</i>                           | \$40,200     |                         |
|     |   |              | <u>\$123,300</u>        |
|     |   | <b>Total</b> | <b><u>\$433,300</u></b> |

**COMMENTS:**

The redevelopment project of the Oxford Centre land will be a major project for the Town. It embraces the thrust of the Leederville Masterplan. It will require considerable resources to progress the various matters identified in the report.

The project will further enhance the Oxford Centre as one of Perth's most popular commercial centres. The financial returns generated from the Council properties will, if carefully managed, provide for the finance to enable this project to come to fruition and for future additional revenue. The project must be carefully managed and implemented to ensure that the current business activity in the locality is not adversely impacted. Considerable consultation will need to be carried out.

**In conclusion, it must be stressed that this report contains preliminary information and further careful and extensive assessment would need to be carried out.** However, the benefits of this project are potentially enormous and accordingly the Council's support in principle is recommended.

**8. CLOSURE**

**The Presiding Member, Mayor Catania JP, declared the meeting closed at 10.23pm with the following persons present:**

Cr Simon Chester	North Ward
Cr Caroline Cohen	South Ward
Cr Doran-Wu	North Ward
Cr Basil Franchina	North Ward
Cr Ian Ker (Deputy Mayor)	South Ward
Cr Sally Lake	South Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Executive Manager, Environmental & Development Services
Rick Lotznicher	Executive Manager, Technical Services
Peter Hunt	Peter Hunt Architect
Graham Hunt	Peter Hunt Architect

Nil Members of the public

These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 2 March 2005.

Signed: .....Presiding Member  
Mayor Nick Catania, JP

Dated this ..... day of ..... 2005