



TOWN OF VINCENT

"Enhancing and celebrating our diverse community"

MINUTES

SPECIAL COUNCIL MEETING

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| <p>5 JUNE 2007</p> |
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(5 JUNE 2007)

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6. DECLARATION OF INTERESTS

- 6.1 Mayor Nick Catania declared a Financial Interest in Item 7.1 (clause (i)). The extent of his interest being that the report relates to the vehicle used by him in his capacity as Mayor. He also uses the vehicle for personal use and as such, derives a benefit.
- 6.2 Chief Executive Officer John Giorgi declared a Financial Interest in Confidential Item 7.2 - Chief Executive Officer's Contract of Employment. The extent of his interest being that this item concerns his term of employment and conditions with the Town of Vincent.
- 6.3 Executive Managers Rob Boardman, Michael Rootsey and Rick Lotznicher declared a Financial Interest in Confidential Item 7.3 – Executive Managers Contracts of Employment. The extent of the interest in that the item relates to their contract of employment with the Town.

7.1 Review and Adoption of Members Fees and Expenses 2007/2008

| | | | |
|------------------------------|---------------------|--------------------|-------------|
| Ward: | Both | Date: | 1 June 2007 |
| Precinct: | All | File Ref: | ADM0051 |
| Attachments: | 001 | | |
| Reporting Officer(s): | John Giorgi | | |
| Checked/Endorsed by: | | Amended by: | |

OFFICER RECOMMENDATION:

That the Council APPROVES BY AN ABSOLUTE MAJORITY for 2007/2008 the financial support that will be provided to Elected Members through the payment of allowances, fees and reimbursement of expenses incurred and insurance cover while performing the official functions and duties of office as detailed in Policy 4.2.7 - "Elected Member Allowances, Fees and Re-imbusement of Expenses" subject to the following amendment (as shown in Appendix 7.1);

(i) *that clause 2.1 and 2.2 read as follows:*

“2.1 A fully serviced and maintained vehicle will be available for the term of the Mayor for the Mayor's use as chosen by the Mayor (in liaison with the Chief Executive Officer) up to the standard of that provided to the Chief Executive Officer. The Chief Executive Officer (in liaison with the Mayor) is authorised to negotiate the most suitable and cost effective vehicle purchase or lease contract.

2.2 All lease costs, insurance, vehicle registration costs shall be deducted from the Mayor's Allowance paid by the Town;

Subject to the Mayor only claiming:

(i) mobile phone and call costs specified in Policy “Clause 3.4 - Telecommunications - mobile phone;”

(ii) *clause 3.3(b) be amended to read as follows:*

“3.3 (b) the cost, on production of receipts, for one internet connection fee up to 80 per cent of the actual fee to a maximum of \$300 \$150 per annum plus one ADSL modem up to a cost of \$150 for each Elected Member's term, and up to 80 per cent of the actual monthly fee to a maximum of \$480 per annum;”

Mayor Catania declared a financial interest in clause (i) of the Item 7.1, as it relates to the vehicle used by the Mayor. He did not speak and departed the Chamber at 6.16pm.

Deputy Mayor Cr Farrell assumed the Chair.

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

That the recommendation be adopted.

The Presiding Member Cr Farrell ruled that the two clauses would be considered separately, as Mayor Catania had declared a financial interest in clause (i) – relating to the vehicle used by the Mayor.

Discussion ensued.

The Chief Executive Officer provided a verbal explanation of the report.

Discussion ensued.

Moved Cr Lake, Seconded Cr _____

“That the existing clause be numbered 1. and a new clause 2. be added as follows;

That the Council;

2. AUTHORIZES the Chief Executive Officer to:

(a) advertise the amended policy for a period of twenty-one (21) days, seeking public comment;

(b) report back to Council with any submissions received; and

(c) include the amended policy in the Town’s Policy Manual if no public submissions are received.”

The Presiding Member ruled that he would not accept the amendment, as he did not consider it a major amendment to the Policy and taking on board the comments made by the Chief Executive Officer.

Moved Cr Maier, Seconded Cr Lake

That the ruling of the Presiding Member be disagreed with.

MOTION PUT AND LOST (2-5)

For

Cr Lake
Cr Maier

Against

Deputy Mayor Cr Farrell
Cr Chester
Cr Doran-Wu
Cr Messina
Cr Torre

(Cr Ker was an apology for the meeting. Mayor Catania was absent from the Chamber as he had declared a financial interest in the matter under consideration.)

Debate ensued.

Moved Cr Maier, Seconded Cr

That clause 3 (actual correct clause number is 1.3) 1.3 – Deputy Mayoral Allowance of the Policy be amended by deleting the words “equivalent to 25% of the Mayoral Allowance” and inserting in its place “of \$1,000”.

The Presiding Member ruled that he cannot accept the amendment at this point of time, as the discussion under consideration is about clause (i) (mayoral vehicle). He asked Cr Maier to move his amendment after the debate on clause (i) has been dealt with.

CLAUSE (i) WAS PUT AND CARRIED (2-5)

| <u>For</u> | <u>Against</u> |
|-------------------------|----------------|
| Deputy Mayor Cr Farrell | Cr Lake |
| Cr Chester | Cr Maier |
| Cr Doran-Wu | |
| Cr Messina | |
| Cr Torre | |

(Cr Ker was an apology for the meeting. Mayor Catania was absent from the Chamber as he had declared a financial interest in the matter under consideration.)

Mayor Catania returned to the Chamber at 6.30pm and assumed the Chair.

Moved Cr Maier, Seconded Cr Lake

That clause 3 (actual correct clause number is 1.3) 1.3 – Deputy Mayoral Allowance of the Policy be amended by deleting the words “equivalent to 25% of the Mayoral Allowance” and inserting in its place “of \$1,000”.

Debate ensued.

AMENDMENT PUT AND LOST (1-7)

| <u>For</u> | <u>Against</u> |
|------------|----------------|
| Cr Maier | Mayor Catania |
| | Cr Chester |
| | Cr Doran-Wu |
| | Cr Farrell |
| | Cr Lake |
| | Cr Messina |
| | Cr Torre |

(Cr Ker was an apology for the meeting)

Moved Cr Maier, Seconded Cr

That a new clause be added to the Policy (relating to Mayor’s vehicle), that “no contract be entered into to lease or purchase a vehicle until after this year’s Council Elections.”

As this matter related to the vehicle used by the Mayor, Mayor Catania advised that he had declared a financial interest and departed the Chamber at 6.40pm. He did not speak or vote on the matter.

The Presiding Member Cr Farrell ruled he cannot accept the amendment, as it is contrary to what was just recently approved by the Council.

Debate ensued.

The Presiding Member reiterated his ruling.

Mayor Catania returned to the Chamber at 6.46pm and assumed the Chair.

Moved Cr Maier, Seconded Cr Lake

That clause (ii) of the recommendation be amended to delete the words “80 per cent of the actual monthly fee to a maximum of \$480 per annum” and replacing it with the following;

“50 per cent of the actual monthly fee to a maximum of \$300 per annum”.

Debate ensued.

Cr Messina departed the Chamber at 6.45pm.

Debate ensued.

Cr Messina returned to the Chamber at 6.46pm.

Debate ensued.

AMENDMENT PUT AND LOST (1-7)

| | |
|-------------------|-----------------------|
| <u>For</u> | <u>Against</u> |
| Cr Maier | Mayor Catania |
| | Cr Chester |
| | Cr Doran-Wu |
| | Cr Farrell |
| | Cr Lake |
| | Cr Messina |
| | Cr Torre |

(Cr Ker was an apology for the meeting)

CLAUSE (ii) WAS PUT AND CARRIED (7-1)

| | |
|-------------------|-----------------------|
| <u>For</u> | <u>Against</u> |
| Mayor Catania | Cr Maier |
| Cr Chester | |
| Cr Doran-Wu | |
| Cr Farrell | |
| Cr Lake | |
| Cr Messina | |
| Cr Torre | |

(Cr Ker was an apology for the meeting)

Mayor Catania departed the Chamber at 6.55pm, as he had declared a Financial Interest in clause (i).

Deputy Mayor Cr Farrell assumed the Chair.

**MOTION AS AMENDED PUT AND CARRIED
BY AN ABSOLUTE MAJORITY (5-2)**

| | |
|-------------------------|-----------------------|
| <u>For</u> | <u>Against</u> |
| Deputy Mayor Cr Farrell | Cr Maier |
| Cr Chester | Cr Lake |
| Cr Doran-Wu | |
| Cr Messina | |
| Cr Torre | |

(Cr Ker was an apology for the meeting. Mayor Catania was absent from the Chamber and did not vote.)

Mayor Catania returned to the Chamber at 6.57pm and assumed the Chair.

FURTHER REPORT:

At the Ordinary Meeting of Council held on 22 May 2007 this matter was considered and the Council resolved as follows:

“That the Item be DEFERRED to allow for a further report to be prepared relating to the Mayor’s vehicle.”

The Town’s administration has further investigated this matter and the following is advised:

1. The vehicle currently leased by the Mayor is a Ford Fairlane Ghia. Ford has advised that due to declining sales, this model will no longer be manufactured, effective from September 2007.
2. The lease on the Mayor’s vehicle expires ~~in October~~ on 6 September 2007. (Information corrected by Chief Executive Officer).
3. The Mayor has advised that his preference is for a vehicle which is smaller, and which has a better trade-in/re-sale value.
4. Comparison

The Policy matter of Elected Members’ allowances, fees and entitlements is for each Local Government to determine and it varies considerably between Local Governments. To provide a benchmark comparison, the Town has contacted several similar Local Governments, including the Town’s of Victoria Park and Cambridge and the Cities of South Perth, Nedlands and Subiaco, to determine what arrangements are in place with regard to the allocation of a vehicle for their respective Mayors.

The following information has been received:

Table 1:

| Local Government | Budget \$ | No. of Residents | Mayoral Allowance * \$ | Vehicle Type | Payment Details |
|-------------------------|------------------|-------------------------|----------------------------------|---------------------|------------------------|
| Vincent | 26,352,237 | 25,918 | 41,500 | Fairlane Ghia | \$10,440/annum |
| Victoria Park | 15,050,280 | 28,313 | 43,500 | Camry ** | Nil |
| Cambridge | 27,542,000 | 24,508 | 10,000 | Holden CRV ** | Nil |
| South Perth | 38,505,928 | 37,684 | 40,000 | Fairlane Ghia *** | Nil |
| Nedlands | 18,385,000 | 21,338 | 34,500 | N/A | N/A |
| Subiaco | 23,170,000 | 15,673 | 3,600 | N/A | N/A |

* 2006/07 Figures

** Has approval for a Ford Fairlane Ghia or equivalent

*** Has approval for a Ford Fairlane Ghia or Holden Statesman or equivalent

5. Replacement Options

The Mayor has indicated a range of vehicles which may be appropriate as a replacement model. The Town's Executive Manager Technical Services advises of the following vehicle information:

Table 2:

| | Ford Falcon Futura Sedan 6 Cylinder (LPG) | Ford Fairmont Sedan (LPG) | Ford Fairmont Sedan Ghia (6 Cylinder) | Holden CDXI Epica (4 cylinder) | Holden Calais "V" 6 Cylinder (top of range) | Toyota Grande Sedan (4 cylinder) | Toyota Aurion Sedan 6 cylinder (top of range) |
|-------------------------------|---|---------------------------|---------------------------------------|--------------------------------|---|----------------------------------|---|
| Purchase \$ | 28,500 | 31,300 | 37,500 | 24,500 | 39,000 | 30,500 | 37,900 |
| Lease \$ (per annum) | 11,400* | 11,400* | 11,400* | 9,480* | 13,800 – 15,000** | 11,400 – 12,000** | 12,200 – 14,400** |
| Fuel Consumption Litres/100km | 15.9 # | 15.9 # | 10.2 | 9.3 | 11.4 | 9.9 | 9.9 |
| Engine Capacity Litres | 4.1 | 4.1 | 4.1 | 2.5 | 3.6 | 2.4 | 3.5 |
| Vehicle Length (mm) | 4,916 | 4,916 | 4,916 | 4,805 | 4,900 | 4,815 | 4,825 |
| Vehicle Width (mm) | 1,864 | 1,864 | 1,864 | 1,810 | 1,899 | 1,820 | 1,820 |
| Vehicle Weight (kg) | 1,694 | 1,694 | 1,694 | 1,460 | 1,707 | 1,480 | 1,575 |
| Greenhouse Rating | 5/10 | 5/10 | 5/10 | 6/10 | 4.5/10 | 5.5/10 | 5.5/10 |
| Air Pollution Rating | 5/10 | 5/10 | 5/10 | 6.5/10 | 5/10 | 6.5/10 | 8.5/10 |

Note: Purchase price (excludes GST)

*confirmed lease (40,000km 2 year)

**estimated lease (40,000km 2 year)

Lease - no residual payment

Amended to show the correct consumption

Justification – Chief Executive Officer's Comment

As can be seen in Table 1, similar Local Governments to the Town of Vincent (ie South Perth, Cambridge and Victoria Park) provide their Mayor with a vehicle at no cost. Whilst it is the prerogative of each Local Government to determine its own entitlements, it is well known that since the creation of the Town in 1994, the Mayoral duties have almost been "full time". The late Mayor Marks, former Mayor John Hyde and current Mayor Nick Catania have all contributed many hours service to the Town, including after hours and weekends. In many cases a suitable vehicle is required in order to carry out the mayoral duties required for the Town.

Mayor Catania does not claim any expenses other than mobile phone calls and internet costs and this is a cost saving to the Town.

The CEO is of the opinion that the Town could provide a vehicle for its Mayor (as has Cambridge, Victoria Park and South Perth have done) to recognise his services and value to the Town. As Council is well aware, Mayor Catania is a tireless worker for the Town's residents and Council. He also actively lobbies State and Federal politicians and this has been most successful (eg the Mayor and CEO lobbied for the \$3.6 million contribution from the Department of Sport and Recreation towards the Loftus Centre Redevelopment. The use of a vehicle could be justified recognition of the Mayor's services and is also considered appropriate and befitting of a progressive Local Government, such as Vincent. Accordingly, approval of the policy amendment is recommended.

The following is the verbatim report of the last meeting.

"PURPOSE OF REPORT:

The purpose of this report is to review and adopt the fees and expenses applicable to Elected Members for 2007/2008, as required by the Local Government Act 1995.

BACKGROUND:

At the Ordinary Meeting of the Council held on 8 June 2004, the Council approved the Policy - Elected Members Allowance, Fees and Re-imbursment of Expenses, policy number 4.2.7. The Policy prescribes that Council review annually the Elected Member Allowances, Fees and Reimbursements.

Reimbursement of Telecommunications Expenses – Clause 3.3(b)

The amended clause is to remove ambiguity and provide for a more realistic reimbursement. It will allow for:

- (a) internet connection fees up to \$150 per annum; and*
- (b) re-imbursment of up to 80% of the actual monthly fee to maximum of \$480 per annum.*

A reasonable broadband monthly service fee varies from \$30 to \$50 per month depending upon usage/download. Assuming that 80% of the internet is used for Council business purposes, re-imbursment will be \$480 per annum, based on a monthly account fee of \$50. In addition, an ADSL modem is required for a broadband internet service. These cost between \$100 and \$150 each.

This clause was last reviewed in May 2003. There has been significant changes in internet services in the past 2-3 years, particularly with broadband internet services being provided.

The increase reflects the current costs of broadband internet services currently offered.

CONSULTATION/ADVERTISING:

The Council's Policy relating to Elected Member Fees and Expenses was previously advertised for public comment in May 2003.

In view of the very minor nature of the proposed amendment which does not materially affect the principle conditions of the policy, it is recommended that the amendments to fees and expenses not be advertised separately for public comment, but considered as part of the Budget process.

LEGAL/POLICY:

The Local Government Act provides that a Member has a legal right to be reimbursed for rental on one telephone line and one facsimile line and in addition, can claim child care costs incurred whilst attending to Council business.

The Local Government (Administration) Regulations also provide:

“The extent to which an expense ...can be reimbursed is the actual amount, verified by sufficient information”.

The above criteria must be met before any reimbursement can be made. That is:

- *the Council must first approve the types of expenses which can be reimbursed (and may set limits to these);*
- *the expense must be incurred in performing a function as a council member;*
- *reimbursement is limited to the actual expense incurred; and*
- *the expense must be verified by sufficient information.*

STRATEGIC IMPLICATIONS:

This matter is in keeping with the Strategic Plan 2006 – 2011 – Leadership, Governance and Management – Objective 4.1.2 “Manage the organisation in a responsible, efficient and accountable manner”.

FINANCIAL/BUDGET IMPLICATIONS:

The above costs associated with this policy are included in the Annual Budget 2007/2008.

COMMENTS:

The expenses and allowances approved by the Town of Vincent are comparable with other local governments of a similar size and budget to the Town of Vincent.”

At 6.57pm Moved Cr Torre, Seconded Cr Farrell

That the Council proceed "behind closed doors" to consider Confidential Items 7.2 and 7.3 – which relate to a matter affecting an employee and Item 7.4 – which relates to a matter that, if disclosed, would reveal information that has commercial value to a person and also deals with legal advice obtained or which may be obtained..

CARRIED (8-0)

(Cr Ker was an apology for the meeting)

At 7.00pm Executive Managers Rob Boardman, Rick Lotznicker and Mike Rootsey departed the Chamber.

Journalist Chris Thomson of The Perth Voice also departed the Meeting and did not return. There were no members of the public present.

Moved Cr Torre, Seconded Cr Messina

That the Chief Executive Officer be permitted to remain in the Chamber to answer any questions which may arise during discussion and debate.

CARRIED (8-0)

(Cr Ker was an apology for the meeting)

7. CONFIDENTIAL REPORTS (*Behind Closed Doors*)

| |
|--|
| 7.2 Confidential Report: Contract of Employment – Chief Executive Officer |
|--|

| | | | |
|------------------------------|----------------------------|--------------------|-------------|
| Ward: | - | Date: | 1 June 2007 |
| Precinct: | - | File Ref: | Personal |
| Attachments: | - | | |
| Reporting Officer(s): | Mayor Catania, John Giorgi | | |
| Checked/Endorsed by: | | Amended by: | |

OFFICER RECOMMENDATION:

That the;

- (i) Council **APPROVES** of a new Contract of Employment for the Chief Executive Officer, John Giorgi, for a period of five (5) years, effective from 1 July 2007, with;
 - (a) an annual salary of \$170,000; and
 - (b) a total remuneration package not exceeding \$254,144;
- (ii) Mayor (in liaison with the Deputy Mayor) be authorised to finalise the contract negotiations between the Town and the Chief Executive Officer; and
- (iii) Mayor and Chief Executive Officer be authorised to sign the Contract of Employment and affix the Council's Common Seal.

Moved Cr Farrell, Seconded Cr Torre

That the recommendation be adopted.

Debate ensued.

COUNCIL DECISION ITEM 7.2

OFFICER RECOMMENDATION:

That the;

- (i) *Council APPROVES of a new Contract of Employment for the Chief Executive Officer, John Giorgi, for a period of five (5) years, effective from 1 July 2007, with;*
 - (a) *an annual salary of \$170,000; and*
 - (b) *a total remuneration package not exceeding \$254,144;*
- (ii) *“Attraction and Retention Allowance” (as specified in the remuneration package) not be changed. For the future, the Chief Executive Officer is requested to provide a further report on the inclusion into the Contract of Employment of a Performance Bonus and the thresholds of the Key Performance Indicators, required for the consideration of the Performance Bonus;*
- (iii) *Mayor (in liaison with the Deputy Mayor) be authorised to finalise the contract negotiations between the Town and the Chief Executive Officer; and*
- (iv) *Mayor and Chief Executive Officer be authorised to sign the Contract of Employment and affix the Council’s Common Seal.*

CARRIED (6-2)

For
Mayor Catania
Cr Chester
Cr Doran-Wu
Cr Farrell
Cr Messina
Cr Torre

Against
Cr Maier
Cr Lake

(Cr Ker was an apology for the meeting)

Confidential Report 7.2 Chief Executive Officer’s Contract of Employment remains confidential as it deals with a matter affecting an employee.

7.3 Confidential Report: Contracts of Employment – Executive Managers

| | | | |
|------------------------------|-------------|--------------------|-------------|
| Ward: | - | Date: | 1 June 2007 |
| Precinct: | - | File Ref: | Personal |
| Attachments: | - | | |
| Reporting Officer(s): | John Giorgi | | |
| Checked/Endorsed by: | | Amended by: | |

OFFICER RECOMMENDATION:

That the Council;

(i) **APPROVES** a new Contract of Employment for the Town's Executive Managers, Robert Boardman, Rick Lotznicker and Michael Rootsey, for a period of five (5) years, effective from 1 July 2007, with;

(i) an annual salary of up to \$120,000; and

(ii) a total remuneration package not exceeding \$171,000;

(ii) **NOTES** that;

(a) subject to approval of (i) above, the Chief Executive Officer will finalise the contract negotiations between the Town and the Executive Managers; and

(b) that the titles for the Employees and Organisational Divisions have been changed to;

- Director- Corporate Services;
- Director -Technical Services; and
- Director -Development Services; and

(iii) **AUTHORISES** the Mayor and Chief Executive Officer to sign the Contracts of Employment and affix the Council's Common Seal.

Moved Cr Farrell, **Seconded** Cr Torre

That the recommendation be adopted.

COUNCIL DECISION ITEM 7.3

OFFICER RECOMMENDATION:

That the Council;

(i) **APPROVES** a new Contract of Employment for the Town's Executive Managers, Robert Boardman, Rick Lotznicker and Michael Rootsey, for a period of five (5) years, effective from 1 July 2007, with;

(i) an annual salary of up to \$120,000; and

(ii) a total remuneration package not exceeding \$171,000;

- (ii) *NOTES that;*
- (a) *subject to approval of (i) above, the Chief Executive Officer will finalise the contract negotiations between the Town and the Executive Managers; and*
- (b) *the titles for the Employees and Organisational Divisions have been changed to;*
- *Director- Corporate Services;*
 - *Director -Technical Services; and*
 - *Director -Development Services; and*
- (c) *the Chief Executive Officer (in liaison with the employee) will prepare Key Performance Indicators for inclusion into the Individual Contracts of Employment and for these to be assessed annually; and*
- (iii) *AUTHORISES the Mayor and Chief Executive Officer to sign the Contracts of Employment and affix the Council's Common Seal.*

CARRIED (6-2)

| | |
|-------------------|-----------------------|
| <u>For</u> | <u>Against</u> |
| Mayor Catania | Cr Chester |
| Cr Doran-Wu | Cr Maier |
| Cr Farrell | |
| Cr Lake | |
| Cr Messina | |
| Cr Torre | |

(Cr Ker was an apology for the meeting)

Confidential Report 7.3 Executive Managers Contract of Employment remains confidential as it deals with a matter affecting an employee.

DETAILS:

The Chief Executive Officer is of the opinion that this report is of a confidential nature as they deal with matters affecting an employee. In accordance with the legislation, the report is to be kept confidential until determined by the Council to be released for public information.

LEGAL:

The Local Government Act 1995, Section 5.23(2) prescribes that a meeting or any part of a meeting may be closed to the public when it deals with a range of matters.

The Town of Vincent Local Law Relating to Standing Orders states the following:

“2.15 *Confidential business*

- (1) *All business conducted by the Council at meetings (or any part of it) which are closed to members of the public is –*
- (i) *to be treated as strictly confidential; and*

- (ii) *not, without the authority of Council, to be disclosed to any person other than–*
 - (a) *the Members; and*
 - (b) *Officers of the Council but only to the extent necessary for the purpose of carrying out their duties;*

prior to the discussion of that matter at a meeting of the council held with open doors.

- (2) *Any report, document or correspondence which is to be placed before the Council or any committee and which is in the opinion of the Chief Executive Officer of a confidential nature, may at his or her discretion be marked as such and –*
 - (i) *then to be treated as strictly confidential; and*
 - (ii) *is not without the authority of the Council to be disclosed to any person other than the Mayor, Councillors or the Officers of the Council referred to in sub-clause (1).”*

The confidential reports were provided separately to Elected Members, the Chief Executive Officer and Executive Managers.

At the conclusion of these matters, the Council may wish to make some details available to the public.

Cr Torre and Cr Maier departed the Chamber at 8.40pm.

7.4 Confidential Report: Leederville Masterplan Project - Approval of Project, Concept Plans, Objectives, Delivery Model, Indicative Timeline and Progress Report No. 6

| | | | |
|------------------------------|-------------------------------------|--------------------|-------------|
| Ward: | South | Date: | 1 June 2007 |
| Precinct: | Oxford Centre P4/ Leederville P3 | File Ref: | PLA0153 |
| Attachments: | - | | |
| Reporting Officer(s): | John Giorgi | | |
| Checked/Endorsed by: | - | Amended by: | - |

OFFICER RECOMMENDATION:

That the Council;

- (i) **RECEIVES** Progress Report No. 6 on the Leederville Masterplan Project as at 1 June 2007;
- (ii) **APPROVES;**
 - (a) *the Leederville Masterplan Concept Plan for the Town owned land, as detailed in this report and shown in Plans at Appendices 7.4(1) - (17). and AUTHORISES these Plans to be used as a basis for the Project and ACKNOWLEDGES that these concept plans may be subject to change;*
 - (b) *the Delivery Model to be a Joint Venture or Development Agreement between the Town and a private partner(s) in compliance with Sections 3.58 and 3.59 of the Local Government Act 1995;*
 - (c) *the Objectives, as shown in Appendix 19;*
 - (d) *the Indicative Timeline, as detailed in this report; and*
 - (e) *the Memorandum of Understanding between the Town and the Western Australian Planning Commission (WAPC) as shown in Appendix 18;*
- (iii) **AUTHORISES** the Chief Executive Officer to;
 - (a) *prepare the necessary Expression of Interest and Tender documents for the consideration and approval of the Council;*
 - (b) *engage the necessary consultants to assist in the delivery and implementation of the Leederville Masterplan Project;*
 - (c) *carry out an Urban Redevelopment Review to "revitalise" the area bounded by Loftus, Newcastle and Charles Streets and the Graham Farmer Freeway;*
 - (d) *finalise and sign (in conjunction with the Mayor), the Memorandum of Understanding between the Town, the Department of Planning and Infrastructure and the Western Australian Planning Commission; and*
 - (e) *make public the Leederville Masterplan Project (in conjunction with the Mayor), at the appropriate time and to proceed with a Public Consultation process, as detailed in this report;*

(iv) **NOTES;**

- (a) *the progress of the Memorandum of Understanding (MOU) between the Town and the Western Australian Planning Commission (WAPC) / Department of Planning and Infrastructure (DPI), as detailed in this report;*
 - (b) *the information received from the Minister for Police and Emergency Services, as detailed in his letter dated 13 April 2007, advising that the Western Australian Police Services are no longer interested in pursuing the Leederville Early Childhood Centre site for use as a Police Station and will be pursuing a "shop front" in the Leederville Business District;*
 - (c) *that the Town's Administration will explore sources of funding for the relocation of the Leederville Early Childhood Centre site and the upgrade of the Margaret Kindergarten;*
 - (d) *that the Town's Administration will further explore the possible sites for the future relocation of HQ facilities, as detailed in this report;*
 - (e) *the progress of the transferring of the Water Corporation Reserve land situated in "The Avenue Car Park", to the Town, in exchange for the upgrade of part of the water drains; and*
 - (f) *the potential Economic Benefits and Yields which may be achieved as a result of the implementation of the Leederville Masterplan Project, as shown in Appendix 20; and*
- (v) **DIRECTS** *that this report remain confidential, as it contains commercially sensitive information, until it has been made public by the Chief Executive Officer/Mayor and thereafter, only the information authorised by the Chief Executive Officer is to be made public.*
-

Cr Torre and Cr Maier returned to the Chamber at 8.42pm.

Moved Cr Farrell, Seconded Cr Torre

That the recommendation be adopted.

Debate ensued.

Debate ensued.

Cr Farrell departed the Chamber at 8.42pm.

Debate ensued.

Cr Farrell returned to the Chamber at 8.45pm.

Debate ensued.

Cr Doran-Wu departed the meeting at 8.45pm and did not return.

Debate ensued.

Moved Cr Chester, Seconded Cr Lake

That Appendix 14 (Relating to 'Outer Ring' densities), be deleted.

Debate ensued.

AMENDMENT PUT AND LOST (3-4)

| | |
|-------------------|-----------------------|
| <u>For</u> | <u>Against</u> |
| Cr Chester | Mayor Catania |
| Cr Lake | Cr Farrell |
| Cr Maier | Cr Messina |
| | Cr Torre |

(Cr Ker was an apology for the meeting)

Debate ensued.

Cr Farrell departed the meeting at 9.12pm and did not return.

MOTION PUT AND CARRIED (5-1)

| | |
|-------------------|-----------------------|
| <u>For</u> | <u>Against</u> |
| Mayor Catania | Cr Chester |
| Cr Lake | |
| Cr Messina | |
| Cr Maier | |
| Cr Torre | |

(Cr Ker was an apology for the meeting. Cr Doran-Wu and Cr Farrell had departed the meeting).

The Council requested the Chief Executive Officer to review and reword the Objectives and also provide an Information Table for Appendix 16 – Yields.

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

PURPOSE OF REPORT:

The purpose of this report is to provide the Council with a progress report concerning the Leederville Masterplan Project and obtain approval to proceed into a Joint Venture Delivery Model and the necessary Business Plan and documentation.

BACKGROUND:

The Town has been progressing the Leederville Masterplan Project since 2004. At the Special Meeting of Council held on 17 October 2006, the Council resolved as follows;

"That the Council;

- (i) RECEIVES Progress Report No. 5 on the Leederville Masterplan Project as at 10 October 2006;*

- (ii) *APPROVES IN PRINCIPLE;*
- (a) *the Leederville Masterplan Concept Plan for the Town owned land, as detailed in this report and shown in Plans at Appendices C-H and AUTHORISES these Plans to be used as a basis for the Project and ACKNOWLEDGES that these plans are INDICATIVE ONLY as they require further consideration and may be subject to significant change;*
 - (b) *the Indicative Timeline, as detailed in this report;*
 - (c) *the Project Objectives, as shown in amended Appendix I, subject to the Town's Key Objective "to relocate HQ facilities to a more appropriate setting within the wider Town Centre Place Area" being replaced with;*

"should the HQ facility be removed, equivalent easily accessible facilities will be provided within Vincent, prior to the removal of the HQ facility;"
 - (d) *the preferred Delivery Model to be a "Joint Venture" between the Town and a private partner, subject to a further Due Diligence investigation being carried out and including entering into discussions with the Department of Planning and Infrastructure (DPI) and East Perth Redevelopment Authority (EPRA) concerning the proposed preferred Delivery Model; and*
 - (e) *to enter into a partnership with the State Government of Western Australia through a Memorandum of Understanding (MOU) with the Department of Planning and Infrastructure for the Leederville Masterplan;*
- (iii) *ACKNOWLEDGES that the Leederville Masterplan Concept Plans, Timeline and Financial Implications are indicative and will change, depending upon the timing of the final decision of the Council and the final Masterplan which is approved;*
- (iv) *AUTHORISES the Chief Executive Officer to;*
- (a) *submit an application to the Western Australian Planning Commission (WAPC)/ Department of Planning and Infrastructure seeking funding of up to \$80,000 to prepare a detailed Business Case for a "Co-ordinated Development Plan" for the Leederville Masterplan Project, with the aim of seeking a significant State Government capital contribution (of up to \$4 million), to enable the project to be implemented;*
 - (b) *negotiate with the Department of Planning and Infrastructure (DPI) concerning the draft Memorandum of Understanding (MOU), subject to this matter being reported to the Council for final approval;*
 - (c) *prepare a Communication and Consultation Strategy for the implementation of community consultation and engagement of the Leederville Masterplan, including the engaging of external consultants, as required;*
 - (d) *investigate options for the relocation of the Headquarters (HQ) and facilities (and included the Skate Park) within the Town of Vincent, preferably within the broader Town Centre place area and prepares a further report for the consideration of the Council; and*
 - (e) *provide a further report prior to the signing of the MOU that considers the priorities and initiatives to be considered by the Management Committee under the terms of the MOU between the Town and DPI and how they specifically relate to and are to be measured against the Project objectives defined by the Leederville Masterplan Working Group;*

- (v) *NOTES;*
- (a) *the Town's Leederville Masterplan Project Objectives and Principles comply with most of the requirements, Vision, Values, Objectives and Principles for the State Government's Network City Community Planning Strategy for Perth and Peel;*
 - (b) *the Indicative Financial Implications, as detailed in this report and ACKNOWLEDGES THAT THE FINAL FINANCIAL IMPLICATIONS WILL CHANGE and will be dependent upon the final Concept Masterplan approved by the Council;*
 - (c) *the progress of the Water Corporation Masterplan for the John Tonkin Centre, which is currently being prepared on their behalf by the Cox (Howlett & Bailey Woodhead) - Architectural Planning Design Group;*
 - (d) *the progress of the Central Technical and Further Education (TAFE) - Leederville Campus Masterplan for the Leederville Campus, which is currently being prepared on their behalf by Peter Hunt Architect;*
 - (e) *the progress of the School of Isolated and Distance Education (SIDE) Masterplan, which is yet to be commenced;*
 - (f) *the progress of the "overall" Masterplan for the area bounded by Richmond Street, Oxford Street, Leederville Parade and Loftus Street which is currently being prepared on behalf of the Town by the Project Team;*
 - (g) *that additional information concerning Town Centre Mapping, Traffic Study, Services Infrastructure Report and Economic Impact Assessment is currently being prepared by the Project Consultancy team;*
 - (h) *that should the Town's Boundary Proposal to obtain a portion of the City of Perth be successful, there is the potential to extend the Masterplan area to include a further twelve (12) hectare area bounded by Loftus, Newcastle and Charles Streets and the Graham Farmer Freeway, as shown in Appendices V and X; and*
- (vi) *DIRECTS that this report remains strictly confidential, as it contains commercially sensitive information."*

The following is a summary of key reports, Forums and Working Group meetings;

Progress Reports

Progress reports have been submitted to the Council on the following dates;

- 12 July 2005, 13 September 2005, 25 October 2005, 28 March 2006, 17 October 2006 and 22 May 2007.

Elected Member Forums

This matter has been presented at Council Forums held on 21 June 2005, 19 July 2005, and 23 August 2006.

Working Group Meetings

The Leederville Masterplan Working Group has met on the following occasions;

- 7 June 2005, 6 September 2005, 4 October 2005, 1 November 2005, 5 December 2005, 7 March 2006, 4 April 2006, 6 June 2006, 21 February and 23 April 2007.

DETAILS:

The Leederville Masterplan Project area originally covered the area bordered by Loftus, Vincent and Oxford Streets and Leederville Parade. This was subsequently extended on 28 February 2006 to cover the area bordered by Loftus, Richmond and Oxford Streets and Leederville Parade.

A Working Group was approved at the Ordinary Meeting of Council held on 26 April 2005 and this comprised the Mayor and Councillors Chester, Doran-Wu, Farrell, Ker and Torre, Chief Executive Officer, Executive Managers Corporate Services, Environmental & Development Services and Technical Services, Manager Planning, Building & Heritage Services, Senior Planning Officer (Strategic) and Co-ordinator Major Projects. Terms of Reference were also approved. The Town appointed a team of external consultants in October 2005.

LEEDERVILLE MASTERPLAN - FINAL CONCEPT PLAN

Leederville Masterplan - Overview

The Leederville Masterplan Project covers an area bordered by Loftus, Richmond and Oxford Streets and Leederville Parade. (*Refer Appendix 1.*)

The Leederville Masterplan, which has been developed over the last two years, aims to create a social, physical and economic environment where people universally feel invited to live, work and play. The town centre will incorporate adequate car parking, diverse housing choices, active activities such as retail, restaurants and cafés, office space and diversity of activities that will help create a sustainable and vibrant precinct.

The Town is set to enter into a Memorandum of Understanding with the State Government through the Western Australian Planning Commission/ Department of Planning and Infrastructure as part of the State's Network City Planning Strategy. The Masterplan for Leederville complies with the vision, values, objectives and principles of Network City with the aims of sustainability, inclusiveness, innovation and creativity, sense of place and equity.

The Leederville Masterplan takes a holistic approach to the area bounded by Richmond and Oxford Streets, Leederville Parade and Loftus Street.

The area not only encompasses the famed retail and entertainment area centred around Oxford Street, but also incorporates the Water Corporation site, Technical and Further Education (TAFE) Leederville Campus, Leederville Early Childhood Centre, Margaret Kindergarten, the Town of Vincent Administration and Civic Centre, Department of Sport and Recreation, Leederville Oval (Medibank Stadium), the Loftus Recreation Centre and the Schools of Isolated and Distance Education (SIDE).

Working collaboratively with the Water Corporation and their Masterplan for the John Tonkin Centre, Central TAFE Leederville Campus, SIDE, local child care and education centres, State Government Departments and Agencies, residents and local businesses, the Leederville Masterplan is a blueprint for the future development of the area focusing on the environmental, economic and social needs of the community.

The Masterplan will help create an invigorated and robust community square close to the Leederville café strip that will act as a magnet for a diverse range of activities that will complement the Leederville image. At present, Leederville is a young and vibrant centre with great retail and entertainment. Almost 40 per cent of those currently living in Leederville are aged between 20 and 34 and about 45 per cent live in semi-detached houses, townhouses, apartments or units and this contributes to the cosmopolitan and urban feel of the area.

The Town is working towards developing collaborative agreements/partnerships that will join the efforts of the State Government and Town, recognise the interests of major stakeholders in the Water Corporation, SIDE and TAFE and integrate the objectives of the Network City/State Sustainability Strategies with the Leederville Masterplan objectives.

A Working Group was approved in early 2005 and this comprised the Mayor, Councillors, Chief Executive Officer, Executive Managers and Town's Officers.

A consultant team of urban designers, property and economic advisers prepared a concept plan to redevelop the area and previously the Town owned land.

The Town of Vincent will embark on community consultation in mid 2007 and it is anticipated that implementation of the Leederville Masterplan and construction will commence in mid-late 2009.

The Project Team has prepared a final Concept Plan for the area as follows;

1. **Masterplan** - *Appendix 2*

A Masterplan for the area has been prepared and is summarised in this plan. It incorporates the following key sites;

1. Redeveloped Commercial
2. Retail Anchor
3. Kailis Development
4. Icon Building
5. Frame Court Parking
6. Water Corporation Extension
7. Leederville Hotel
8. New Retail Precinct
9. Possible new Office Building (or Administration & Civic Centre Extension)
10. Town of Vincent Administration and Civic Centre
11. Loftus Recreation/State Gymnastics Centre/Loftus Community Centre
12. Town Library and Local History Centre
13. Childcare Centre
14. New TAFE Entry
15. New Shop Front
16. Industry Training
17. Civic Residential
18. Existing Water Corporation Site
19. Service Station Redevelopment
20. Mixed Use
21. Department of Sport and Recreation

2. **Precincts** - *Appendix 3*

The following Precincts have been identified;

The Leederville Masterplan has identified a number of precincts:

1. Oxford Street North - centered along Oxford Street between Vincent and Richmond Streets
2. Education Centre - centered around TAFE's Leederville Campus and SIDE

3. Civic Precinct - centered around the Town of Vincent Administration and Civic Centre
 4. Food Precinct (Oxford Markets) - centered around The Avenue Car Park
 5. Entertainment Precinct - centered around the corner of Newcastle/Oxford Streets
 6. Town Centre - centered around a proposed park near the current Oxford Street Reserve
 7. Carr Street Residential
 8. Newcastle Street Commercial.
3. **Oxford North - Appendix 4**

This area is along Oxford Street, between Vincent and Richmond Streets. This encompasses the following;

1. The transition from suburb to Town Centre
 2. Richmond Street marks the northern extent of the Oxford Town Centre
 3. Opportunity to connect to TAFE
 4. Shop front to TAFE
 5. Encourage up to five (5) storey development, East / West permeability
 6. Respect for the heritage buildings.
4. **TAFE/Distance Education/Sports and Recreation - Appendix 5**

This encompasses;

1. Create an integrated Campus
2. Introduce legible structure
3. New shop front to existing TAFE
4. Create "Centre of Excellence"
5. Integrated HQ, introduce youth to education.

Leederville TAFE Campus - Masterplan:

Following the Council decision on 28 February 2006, a number of meetings have been held with Central TAFE. As reported to the Ordinary Meeting of Council held on 12 September 2006, the following is the outcome of the meetings.

Transfer of TAFE Department of Sport to Leederville Campus:

As a result of meetings held, TAFE transferred its sport and recreation programs from the Mount Lawley Campus to the Leederville Campus and commenced from the beginning of 2007.

A Memorandum of Understanding (MOU) for the TAFE students' use (3 year period) of Leederville Oval was signed in mid-April 2007. TAFE will pay \$3,000 per annum for this use.

The transfer of the Sport and Recreation programs involves approximately 250 students. The East Perth and Subiaco Football Clubs have been consulted and they have supported the proposal.

Establishment of Programs and Services Associated with HQ Youth Facility:

TAFE have indicated that they are keen to pursue this proposal and have instructed their Project Architect to prepare a plan for the refurbishment of an existing trades building for use as a Contemporary Music Centre. This proposal is still at an early stage and discussions concerning programs associated with the Headquarters Youth Facility are also in an early stage.

Campus Masterplan:

TAFE have engaged Peter Hunt Architect to prepare a masterplan for their land and an "indicative" concept plan was presented to the Elected Member Forum held on 23 August 2006. This concept masterplan is as follows;

- TAFE masterplan timeline is still proceeding slowly;
- TAFE minor refurbishment work is contemplated for 2007;
- a long term plan could envisage new buildings on the Oxford Street frontage, relocation of staff car park, away from Oxford Street, a central pedestrian accessway/greenway linking Oxford Street to the Leederville Public Open Space and re-use of existing buildings. This plan is still in its preliminary stages and is confidential; and
- there is an opportunity to integrate the TAFE campus into the Leederville Oval Public Open Space.

Schools of Isolated and Distance Education (SIDE)

SIDE has been identified as a significant component of this project. Contact was made with SIDE and further information requested. However, to date, no information has been received and no further contact has been made with SIDE.

5. **Loftus Street Civic Precinct - Appendix 6**

This encompasses the following;

1. The Town has successfully transformed the Loftus Centre development into a major recreation hub. It will incorporate a larger Gymnastics and State Gymnastics Centre.
2. Library and Local History Centre.
3. Civic Extension / new Office Building.
4. Redevelop Richmond Street Child Care Precinct (for future relocation of Leederville Early Childhood Centre and an upgraded Margaret Kindergarten).

Leederville Police Station Feasibility:

Since October 2006, the Town has been pursuing a response from WA Police with respect to the proposed Leederville Police Station. Information from WA Police has been very limited and in late 2006, WA Police announced a Perth Police Complex on private land in Roe Street, corner Lake Street, Northbridge.

Perth Police Complex:

On 13 April 2007, the Minister for Police and Emergency Services wrote to the Town and advised that WA Police are no longer interested in the Leederville Early Childhood Centre site. In view of this proposed Perth Police Complex, the construction of a much smaller police station for Leederville (as was proposed in the draft concept plans prepared by the Town, in conjunction with the WA Police) is "no longer consistent with the position of WA Police; it would simply not be efficient or operationally cost effective to build such a facility so close to the Central Metropolitan District hub."

Leederville Police Shopfront:

A Police "shop front" is being proposed for Leederville which will maintain its standard hours of operation and face-to-face services with members of the public.

Further information will be provided to the Town after a new Service Delivery Model has been fully prepared.

Future of Leederville Early Childhood Centre Site (LECC) and Margaret Kindergarten:

As WA Police are no longer interested in this site, it is the Town's preferred position that the LECC and Margaret Kindergarten be co-located on the Community site in the long-term. This means that these two projects will not proceed until at least 2008/09 and in the interim period, the Town's Administration will investigate funding options.

Discussions with Leederville Early Childhood Centre Inc (LECC) (Current site is approximately 3,005m²):

A number of discussions were held with the LECC during 2006, concerning their future needs. They have advised that there is strong demand for places at the Centre. They have also advised that they have a synergy with the Margaret Kindergarten and would not object to relocating to an area adjacent to the Margaret Kindergarten, subject to their needs being met.

A concept plan reveals that a suitable site on the north-eastern side of Leederville Oval on surplus TAFE land or on Town land (just south of the existing Margaret Kindergarten site) is recommended.

The Project Architect (in liaison with the LECC) has prepared a concept plan which would create three (3) smaller buildings, connected by a "circulation spine". The three (3) smaller buildings would provide the following advantages:

- Increased capacity for up to 90 children;
- Improved layout and internal efficiencies;
- Smaller and separate play areas; and
- Better flexibility for LECC.

An indicative replacement cost for a new building of 850m² (based on \$2,000 per m²) would be approximately \$1.7 million (costs as at mid-2007).

Lease:

LECC has a lease on their site until 30 April 2014.

LECC have indicated that they could justify a significant increase in size from 430m² to 850m². This would accommodate approximately 90 children. (Currently there are 60 children at LECC.) The overall site area would be 2,700m².

Margaret Kindergarten (Current site is 2,407m², main building 285m², demountable building 130m²):

Discussions have been held with Margaret Kindergarten during 2006. The concept plan reveals that the current existing building and temporary building are poorly located on the site. After considerable discussions with the Margaret Kindergarten, it has been determined that the best option is to construct a new "L" shaped building fronting Richmond Street.

The concept plan reveals that the proposed site would be 1,530 m² together with a building of 330 m² and a verandah of 100 m². An indicative costing, based on \$2,000 per m² indicates that the proposed new building would be approximately \$750,000 (costs as at mid-2007).

Lease:

Margaret Kindergarten lease expires on 30 June 2010.

However, Margaret Kindergarten have now indicated that their preference would be to relocate to a site closer to the Mount Hawthorn Primary School. No site has been identified; however, a possibility could be to reconfigure Berryman Street, as it abuts Braithwaite Park. No substantial work has been carried out on this suggestion, other than a concept plan.

6. **Oxford Markets - Appendix 7**

This encompasses;

1. Major retail precinct - food markets
2. New supermarket / City car park
3. Carr Street access
4. Residential Apartments
5. Mixed Use.

7. **Entertainment Precincts - Appendix 8**

This encompasses;

1. Encourage night hot spots
2. Embrace but quarantine activities to specific area
3. Major redevelopment of the Leederville Hotel
4. Mixed use development
5. Redeveloped shop front.

8. **Oxford Town Square - Appendix 9**

This encompasses;

1. Leverage of Transit Oriented Development (TOD)
2. Create new Civic Square ("Piazza")
3. Major new residential / commercial building
4. Shop front to car park
5. 350 bay multi car park
6. A proposal to provide a new "pedestrian friendly" pedestrian bridge and link to the Leederville Train Station.

A new Oxford Town Square of approximately 2,000-2,500m² will be created on the land currently occupied by the Frame Court Car Park and Oxford Park (Part). This Square will provide a place for passive activities and will incorporate public art.

9. **Carr Street Residential - Appendix 10**

This encompasses;

1. The introduction of Sliding Densities to encourage land amalgamation
2. Creation of a Vincent Street / Carr Street Connection
3. Major Residential Precinct to the Town.

10. **Newcastle Street Commercial - Appendix 11**

This encompasses;

1. The encouragement of denser commercial development
2. Upgrade Newcastle Street streetscape
3. An Icon Watercorp Tower.

11. **Lanes and Networks - Appendix 12**

This encompasses;

1. A Town Centre where pedestrians have priority over vehicles
2. A network of pedestrian lanes between permeable retail
3. Strongly defined street crossings. Pedestrian control of the streetscape.

12. **Skate Park - Appendix 13A and 13B**

A number of sites have been explored as follows;

1. Britannia Road Reserve Option
2. Lake Monger Reserve Option
3. Freeway Reserve Option
4. Loftus Centre Option
5. Existing Skate Park Footprint
6. Corner of Southport Street and Cambridge Street Option
7. Loftus / Freeway Intersection, North East Option
8. Loftus / Freeway Intersection, South East Option.

13. **Outer Ring, Richmond and Leeder Localities - Appendix 14**

Richmond Locality:

- Currently zoned R80 below Melrose Street and R60 above;
- Predominantly single residential;
- Approximately 145 lots overall, averaging 440m².

Leeder Locality:

- Largely zoned as R40, R60 along Loftus;
- Most houses are single lots, many with dual frontages;
- Focus area between Galwey and Richmond Streets averages 650m² lots.

14. **Built Heights - Appendix 15**

The indicative current and proposed built height has been summarised in this Appendix. It incorporates existing building heights and indicative heights for new building, varying from 3-24 storeys. Built Form Guidelines will need to be prepared to provide guidance for the future development of these buildings.

15. **Town Owned Land**

The Project Team has prepared several options covering the Town's land (area bounded by Loftus and Vincent Streets and Leederville Parade). These have been refined and have now been reduced to the final concept plan (as outlined in this report). It should be noted that the financial arrangement of the final concept will have various options, depending upon the Joint Venture financial arrangements, disposal of land timing and other matters which may be included in the submissions received, as part of the Expressions of Interest and Tender.

The Avenue Car Park:

- Storey height limit assumed for residential sites has not been restricted, but is not to exceed 24 storeys.
- Site 1 (3,900m²) is sold (multi level parking - indicatively 360 bays).
- Site 2 (3,200m²) is sold.

Frame Court Car Park:

- Site 3 (3,850m²) and Site 4 (2,500m²) are sold.
- Car park on site 5 (2,250m²) developed by the Town – indicatively 375 bays.

YIELD AREAS - Appendix 16

The yield for the Leederville Masterplan is shown in this Plan.

ECONOMIC BENEFIT - Appendix 20

The Leederville Masterplan Redevelopment Project has the potential to provide the following short and long term economic and financial benefit to the Town of Vincent and business proprietors in the area. The details are shown for the total development area (i.e. redevelopment potential of all land in the area (Town owned and non-Town owned) and Town owned land (primarily the land currently comprised The Avenue Car Park, Frame Court Car Park, Nos. 291 and 295 Vincent Street and the land adjoining the Town's Administration and Civic Centre.

The Yield Tables have been based on an option for up to 24 storeys, an option up to 16 storeys and an option up to 8 storeys.

The Project Consultants have advised that the economic benefit from the Leederville Masterplan as follows;

Estimated Economic Impact - Town Owned Land

The preliminary estimated economic impact associated with the Leederville Masterplan total area is in the order of \$600 million. Town owned land and associated road infrastructure improvements are in the order of \$300 million; however, this is dependent upon the development which is finally approved by the Council.

The following is a summary of the Economic Benefit and Yields, as detailed in Appendix 20:

Summary - Additional Residences/Apartments, Floorspace, Number of Employees/Students, Retail Expenditure and Rates Income

| ITEM | OPTION | | | | | |
|--|------------|------------|-----------|----------------------|------------|-----------|
| | Total Area | | | Town Owned Land Only | | |
| | 24 Storey | 16 Storey* | 8 Storey | 24 Storey | 16 Storey* | 8 Storey |
| Retail Café/Restaurants m ² (NLA) | 10,300 | 12,600 | 10,300 | 4,100 | 6,400 | 4,100 |
| Education/Civic m ² (NLA) | 19,000 | 19,000 | 19,000 | 0 | 0 | 0 |
| Offices (NLA) | 77,506 | 77,171 | 77,506 | 4,100 | 4,300 | 4,700 |
| No. of residences/apartments | 950-964 | 890 | 879 | 256 | 196 | 185 |
| No. of Employees/Students (Retail/Services) | 246 | 301 | 246 | 98 | 153 | 98 |
| No. of Employees/Students (Commercial/Education) | 5,167 | 5,145 | 5,167 | 262 | 240 | 262 |
| Annual Retail Expenditure - Employees/Students | \$10.91M | \$10.91M | \$10.91M | \$0.726M | \$0.792M | \$0.726M |
| Annual Retail Expenditure - Dwellings | \$5.27M | \$4.92M | \$4.88M | \$1.42M | \$1.088M | \$1.02M |
| Rate Income - Per Annum | \$ | \$ | \$ | \$ | \$ | \$ |
| Year 2010 <i>(based on 25% development)</i> | 719,797 | 714,482 | 696,893 | 127,712 | 122,397 | 104,807 |
| Year 2011 <i>(based on 50% development)</i> | 1,439,595 | 1,428,964 | 1,393,785 | 255,424 | 244,794 | 209,615 |
| Year 2012 <i>(based on 100% development)</i> | 2,879,189 | 2,857,929 | 2,787,571 | 510,848 | 489,588 | 419,230 |
| Year 2013 <i>and thereafter</i> | 2,879,189 | 2,857,929 | 2,787,571 | 510,848 | 489,588 | 419,230 |

Notes:

- * - The Architect proposes more buildings of a lower height.
- No estimation has been made for increased Town costs to provide services to the new area or cleaning and maintenance of streets and infrastructure.
- The figures provided are indicative and will change, depending upon the final development approved.
- "NLA" means "nett lettable area".
- "M" means "million".
- The economic figures contain some minor anomalies with regard to the Education/Civic and Office precise square metres. (This has occurred due to differences between the Architect's figures and those provided by the Economic Consultant.)

The detailed economic impact of the total area and Town's land is shown in Appendix 20.

Economic Benefit - Multi Level Car Park Anticipated Income

The Town will retain ownership, care, control and management of public car parking in the area. It will operate these as trading undertakings or major trading undertakings.

The Avenue Multi Level Car Park (360 bays):

Based on a 60% occupancy rate, open for 16 hours per day, with an hourly fee of \$1.50, an estimated annual income of **\$1,181,000** is envisaged.

Frame Court Multi Level Car Park (375 bays):

Based on a 60% occupancy rate, open for 16 hours per day, with an hourly fee of \$1.50, an estimated annual income of **\$1,471,000** is envisaged.

Economic Benefit - Value of new developments/construction

| | Development/ Number of Residences/ Retail/Commercial Buildings / Multi Level Car Park | Total Value (today's dollars) | Total Value upon Completion | Indicative Completion Date |
|-------|--|--|--|---------------------------------------|
| Lot 1 | Retail/Commercial Buildings / Multi Level Car Park | \$16,550,000 | \$18,864,200 | 2010 |
| Lot 2 | 110 | \$56,874,950 | \$73,980,830 | 2012 |
| Lot 3 | 142 | \$78,819,940 | \$102,525,988 | 2012 |
| Lot 4 | 85 | \$44,364,520 | \$57,705,055 | 2013 |
| Lot 5 | Multi level car park | \$13,500,000 | 15,390,000 | 2011 |
| | Total | \$210,109,410 | \$268,466,073 | |

(costs based on CPI of 3.5% per annum)

Economic Benefit - Infrastructure Improvement

The Town expects to achieve the following infrastructure improvements

| Item | Estimated Value | Indicative Completion Date |
|--|------------------------|-----------------------------------|
| New Oxford Town Square | \$2,000,000 | 2011 |
| New roads/improvements | \$2,000,000 | 2010-2011 |
| New / upgrade of street lighting | \$2,000,000 | 2010 |
| New "The Avenue" multi level car park (360 bays)# | \$10,680,000 | 2010 |
| New "Frame Court" multi level car park (375 bays)# | \$13,500,000 | 2011 |
| Total | \$30,180,000 | |

Based on construction cost of \$30,000/bay

Water Corporation Masterplan - Update

The Water Corporation have engaged a consultancy team to review their Masterplan. In April 2007, they advised that their Masterplan is progressing slowly and will be completed by December 2007. The Town's Consultants have shown an icon tower on the corner of Loftus/Newcastle Streets and other low-rise buildings on Leederville Parade and Newcastle Street. These are conceptual only and no discussion has been held with the Water Corporation.

Possible Extension of the Leederville Masterplan Area (*Refer Appendix 17*)

On 9 February 2007, the Minister for Local Government announced that he had approved of a change to the Town's boundaries and all land north of the Graham Farmer Freeway will become a part of the Town of Vincent, effective from 1 July 2007.

As has been reported to Council, whilst the land size is not large, it does contain two strategic sites, namely the Power Station site and the area bounded by Loftus, Newcastle and Charles Streets and the Graham Farmer Freeway.

This area bounded by Loftus, Newcastle and Charles Streets and the Graham Framer Freeway, comprises of ~~12~~ 19.3 hectares of land and approximately 77 lots of land. This land is mainly light industrial and is "run down".

It is the Town's Administration's view that this area should be incorporated into the Leederville Masterplan project. However, at the Working Group Meeting held on 23 April 2007, the Group expressed the view that concept plans be prepared to "revitalise" the area and should be progressed concurrently with, but not as a part of, the Leederville Masterplan.

The Project Architects and Urban Designers have advised of the following indicative cost to extend the Leederville Masterplan study into this new area;

| | | |
|----|--|-------------------------------------|
| 1. | Initiate Site Inspection | \$3,360 |
| 2. | Site Mapping | \$4,280 |
| 3. | Workshop/Discussions | \$4,320 |
| 4. | Masterplan Options | \$9,920 |
| 5. | Draft Presentation to Town | \$3,040 |
| 6. | Integration of Preferred Option into LMP | \$13,060 |
| 7. | Final Presentation | \$3,440 |
| | Total | \$41,420 (<i>plus GST</i>) |
| | <u>Exclusions:</u> | |
| | Property Advice | <i>allow</i> \$3,000 |
| | Traffic Advice | <i>allow</i> \$3,000 |
| | Civil/Engineering | <i>allow</i> \$3,000 |
| | Disbursements | Cost + 10% |

This work would take approximately three (3) months.

The Avenue Car Park - Water Corporation Works

The Town approved of payment to the Water Corporation of \$512,525 to re-align the existing main drain which traversed The Avenue Car Park. This work was completed in late 2006. As part of the payment, the Water Corporation agreed to transfer approximately 826m² of Reserve land to the Town. The Town's Officers are liaising with the Water Corporation to transfer this land to the Town's ownership.

DELIVERY MODELS - OPTIONS

Following the Council's decision of 17 October 2006, the following meetings have been held;

Meeting with East Perth Redevelopment Authority (EPRA)

On 11 November 2006, the Mayor and Chief Executive Officer met with the Chairman and Chief Executive Officer of EPRA to discuss a preferred Delivery Model for the Leederville Masterplan. The meeting is summarised as follows;

1. EPRA advised that they are currently fully committed to their current projects.
2. EPRA is not looking for additional work or projects.
3. EPRA would only pursue the LMP if requested to do so by the Minister or Town.
4. The LMP land would not be considered a priority for EPRA.
5. The LMP area is considered too small (i.e. land size) for EPRA.
6. The Town should explore a Joint Venture (JV) Partnership/Public Private Partnership (PPP).

In April 2007, the Chief Executive Officer again met with the Chief Executive Officer of EPRA, whereby the above matter was again discussed. EPRA's Chief Executive Officer reconfirmed their previous view and position.

Meetings with Department of Planning and Infrastructure (DPI)

The Chief Executive Officer and Executive Managers met with Senior Officers of the DPI, primarily to discuss the role of the Western Australian Planning Commission (WAPC)/DPI.

The DPI (at Officer level) do not support the engaging of a Redevelopment Authority as a delivery model for the Leederville Masterplan and support a Joint Venture or Public Private Partnership between the Town and a private company. The prime reasons for this are;

1. A Redevelopment Authority's objectives and priorities are not always the same as the Town's.
2. A time delay to set up a Redevelopment Authority is considerable.
3. The Town's planning control of the Masterplan area would be lost.

Joint Venture – Public Private Partnership

Consideration of the delivery model would involve calling Expressions of Interest (EOI) and subsequently a tender to enter into a Joint Venture (JV)/Public Private Partnership (PPP) arrangement.

A "*joint venture*" as defined in Regulation 10 of the Local Government (Functions and General) Regulations 1996, is a trading undertaking or land transaction that is to be jointly carried on or entered into.

"*Joint Venturer*" means the local government or another person with whom the local government is to carry on or enter into the joint venture.

What is a JV/PPP?

A Joint Venture (often abbreviated "JV") is an entity formed between two or more parties to undertake economic activity together. Another similar entity is a Public Private Partnership (PPP). The parties sometimes agree to create a new entity by both contributing equity. They then share in the revenues, expenses and control of the enterprises. (It should be noted that the creation of a new entity is prohibited by the Local Government Act and therefore cannot be pursued.) To achieve the JV, the Town would enter into Legal Agreements with the Joint Venture company.

Key Attributes for a JV

Consideration is being given to an Expression of Interest (EOI) and entering into a joint venture arrangement for the development of the Leederville Masterplan due to the scale and complex nature of the project.

Engaging a development partner to work with the Town on this project is defined as a Joint Venture (JV).

The key elements for a successful JV can be summarised as follows;

- *Scale* - normally a project should have a capital value greater than \$50 million or more;
- *Duration* - long term service delivery periods (sometimes up to 25 years or more);
- *Service focus* - clearly definable and measurable output specifications, suitable for payments on a services delivered basis;
- *Risk allocation* - capacity to allocate significant risk to the private sector;
- *Complexity* - complexity and other features that encourage innovative solutions; and
- *Market appetite* - a real business opportunity that will attract a number of competent bidders.

The Leederville Masterplan clearly contains the elements of a successful JV as outlined in the key attributes detailed above. The project satisfies all the attributes identified in terms of scale, duration, risk allocation, complexity and "market appetite".

With respect to "market appetite", the Town expects to receive significant interest from large property development firms in this project, due to not only its scale, but also the prestigious element in the development of the land. By attracting the large property development firms, the Town can expect a range of creative and innovative development options being presented.

Reasons for forming a Joint Venture

1. *Build on an organisation's strengths:*

The Town's strengths are that it is the land owner, approving authority and has considerable knowledge at an administrative level and with the Council. The Town would also retain control and "ownership" of the project throughout the whole project.

A private developer's strength is that their prime objective is development and they have considerable knowledge of the market place.

2. *Spreading Costs and Risks:*

The development of the Town's two (2) hectares of land for the Leederville Masterplan will have an estimated financial component of in excess of \$300 million. The Town does not have the financial capacity to carry out this development on its own. Furthermore, the Town (and its consultants) do not have the intricate knowledge which is essential for a project of this size and magnitude. Private developers do possess the necessary knowledge to avoid pitfalls and minimise risks.

It is therefore appropriate to transfer and spread the risk to the private sector.

3. *Improving access to Financial Resources:*

Due to the Town's small size and budget, the Town's borrowing capacity is restricted and limited by statute.

A private developer will have access to a greater funding source.

4. *Economies of scale and advantages of size:*

A JV arrangement will have the advantage of economies of scale when negotiating with builders, financiers and the like.

5. *Access to Innovation, new Technologies and Customers:*

A JV partner has considerable expertise and access in this area. Their commercial acumen to provide innovative designs, wider opportunities and incentives, which maximise benefits and to appeal to a wider range of customers, will be a distinct benefit for the JV.

6. *Town to retain Planning Control:*

This is one of the strongest components of a JV. As land owner and approving authority, the Town can have a direct control and influence on the Leederville Masterplan, designs, building height limits and the "built form".

7. *Sharing the Costs and Profit:*

A JV will share costs and profits. The arrangement will be negotiated and will be included into legal documents (e.g. Contracts, Agreements and the like).

Having considered the successful elements for engaging a development partner, as outlined above, it is recommended that the Council progresses this development by authorising the Chief Executive Officer to prepare Expressions of Interest documents for the approval of the Council.

Joint Venture Agreement

Therefore, any Joint Venture Agreement will necessitate the following;

1. all contractual responsibilities must be clearly defined and well documented in a legal document. This includes; cost sharing, profit sharing, land ownership, services and/or buildings to be provided (e.g. piazza, car parks, new streets and infrastructure), ongoing maintenance;
2. all roles will need to be clearly defined and documented. This includes;
 - design of buildings;
 - appointment of builders, financiers, vendors;
 - consultation and communication; and
 - project management.

To achieve the above, the Town will need to engage the services of external consultants to assist the Town, on an "as needs" basis. It will also necessitate the Council in clearly determining its objectives/requirements.

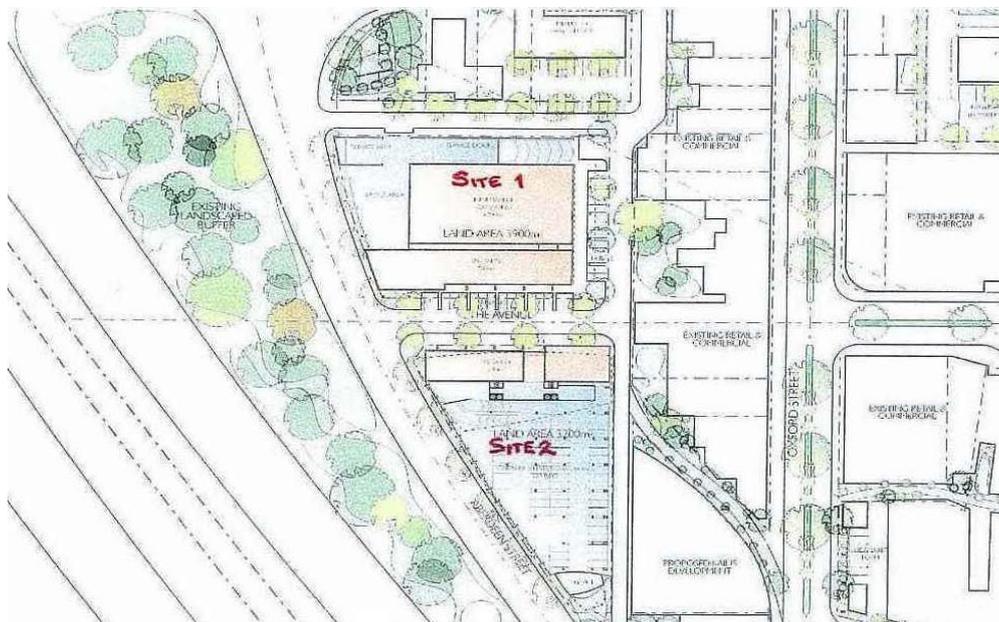
Joint Venture - Business Plan Development Arrangements

The JV development arrangements will be explored and a Business Plan (as required by Section 3.59 of the Local Government Act) will be prepared, prior to any JV Agreement being entered into.

Landholdings

The JV will indicatively involve the following landholdings owned by the Town in the area;

Sites 1 and 2 - Plan



1. The Avenue Car Park (Refer to Appendix 2)

The land comprises:

| | Size |
|--|---------------------------|
| Pt Lot 8 | 374m ² |
| Pt Lot 9 | 374m ² |
| Pt Lot 10 | 301m ² |
| Pt Lot 9 | 1,755m ² |
| Pt Lot 301 | 1,487m ² |
| Pt Lot 33 | 1,214m ² |
| Pt Lot 34 (<i>NB: 2 pieces of land - 386m² + 89m²</i>) | 386m ² |
| Pt Lot 36 | 1,606m ² |
| Pt Lot 217 | 640m ² |
| | 8,137m ² |
| Water Corporation Reserve (<i>currently being transferred to Town</i>) | 826m ² |
| Total | 8,963m² |

Site 1 (Indicatively 3,900m²)

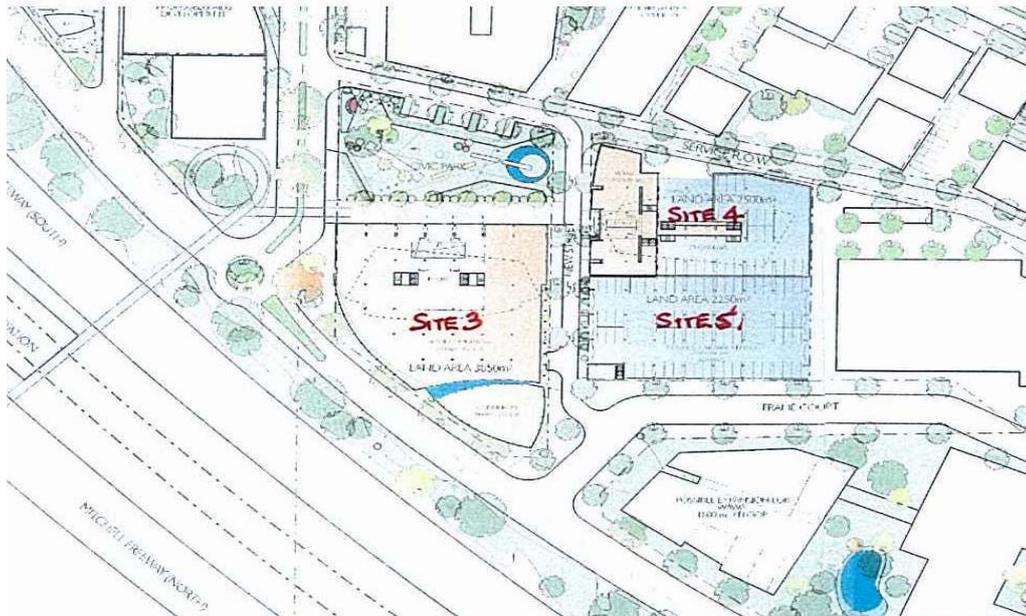
This land is situated on the north part of the current "The Avenue Car Park". Under the current proposal, the land will be sold for a supermarket (approximately 1,250m²) and speciality shops (700m²) constructed on a new road ("The Avenue"). A multi-level car park for 360 bays (e.g. 90 bays per level) will also be built over the supermarket and the Town will retain ownership of this (and possibly the land which will hold the supermarket and speciality shops) - a rent income in the long term will be derived. This requires further investigation.

Site 2 (Indicatively 3,200m²)

This land is situated on the south part of the current "The Avenue Car Park". The land will be sold and redeveloped for;

- Residential tower (16-24 storeys) - allowing 1,000m² per residential floor.
- Podium (ground level for shops, 2-3 levels for commercial/residential)
- Car park - some below ground level

Sites 3, 4 and 5 - Plan



Framecourt Car Park*

The land comprises:

| | Size |
|-----------------------------------|--------------------------------|
| Lot 1 (<u>Current Park</u>) | 736m ² |
| Pt Lot 5 | 836m ² |
| Pt Lot 5 | 2,436m ² |
| Pt Lot 27 | 2,258m ² |
| Lot 28 | 2,628m ² |
| Pt Lot 25 (<u>Current Park</u>) | 2,146m ² |
| Lot 5 | 119m ² |
| Sub-Total | 11,159m ² |
| Vesting Order (<u>No. 9790</u>) | 877m ² |
| Total | 12,036m² |

* *HQ Youth Facility is approximately 2,597m² - this includes 877m² of land vested in the Town and 2,882m² of parkland.*

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

Site 3 (Indicatively 3,850m²)

This land is situated on the current Oxford Street Park. It will be sold and redeveloped for;

- Podium (3 levels) for ground floor shops, offices and commercial on Levels 2 and 3 / 2,500m² / floor for commercial
- A high rise residential tower (up to 24 storeys) will be constructed above.

Site 4 (Indicatively 2,500m²)

This land is situated on the north part of the current "Frame Court Car Park". This land is to be sold and redeveloped for retail offices/commercial and residential units.

Site 5 (Indicatively 2,250m²)

This land is situated on the south part of the current "Frame Court Car Park" and "HQ Youth Facility Skate Park". This land is to be retained by the Town and redeveloped into a multi-level car park for 375 car bays. The HQ Youth Facility may be relocated to a site yet to be identified (possibly TAFE land or land around Leederville Oval). The Skate Park component will be relocated - as detailed elsewhere in this report.

Site 6 - Nos. 291 and 295 Vincent Street (1,052m²)

| | Size |
|----------------------------------|------------------------------------|
| Pt Lot 7 (No. 291 - vacant) | 526m ² |
| Lot 6 (No. 295 - house and land) | 526m ² |
| Total | 1,052m² ===== |

These two (2) lots are situated at Nos. 293 and 295 Vincent Street. These lots are recommended to be sold and redeveloped for mixed commercial/residential (shops/offices on the ground floor, with offices/residential above). The Town has met with the owner of a property nearby who has expressed an interest in the Town's land. However, no formal approach has been received to date.

Subdivision

The Town (or JV) will need to amalgamate lots and carry out new lots and subdivision. This is to be carried out once the redevelopment plan is approved.

New Civic Park (approximately 2,500m²)

A new civic park will be constructed north of Site 3 (west of Site 4) on land currently being used as a part of the Frame Court Car Park (off Oxford Street).

Infrastructure Upgrade and Maintenance

The JV partner will be expected to upgrade (or significantly contribute to) the footpaths, roads, street lighting and street furniture of Oxford Street, Newcastle Street, parts of Leederville Parade and Vincent Street.

A component of the JV Agreement should also require the joint maintenance of the infrastructure for a period of not less than 2-5 years (to be negotiated).

Town's Contribution

The Town's involvement in the JV will be to provide land and contribute to the costs of the development (or parts of it). It will also share in the profit from the sale of the land and/or new residential units/shops/commercial. This is to be negotiated. As car parking is a critical aspect of the Oxford Centre, it is essential that the Town retain ownership and control of this and the proposed multi-level car parks.

The Leederville Masterplan JV is potentially a ten year project, with the redevelopment of the Town owned land taking between 2-7 years. This is not unrealistic, bearing in mind that the Town has already spent 2 years in the planning and "due diligence" stage. Redevelopment of the land outside the Town's ownership (Water Corp, TAFE, SIDE) will follow and may take longer. The Town will encourage these organisations, as well as private property owners, to facilitate redevelopment.

Memorandum of Understanding (MOU) (See Appendix 18)

On 27 October 2006, the Town wrote to the WAPC/DPI seeking approval of the draft MOU. No response was received until late January 2007 when the DPI acknowledged the Town's letter.

The Town's Chief Executive Officer and Executive Managers met with Dr Mike Mouritz, Executive Director, Office of Urban Innovation and Glen Finn, Senior Policy Officer of the DPI, to discuss the draft MOU.

The WAPC has approved in principle the Draft MOU, subject to the Town and DPI agreeing to the final details. The Town's Chief Executive Officer has expressed the view that the MOU must not add another layer of bureaucracy and accordingly, the role of the Policy Committee and day-to-day liaison has been streamlined.

The draft MOU proposes the following:

Policy Committee

The Policy Committee would provide an overview at a strategic level and would meet quarterly.

A Policy Committee will be established to provide overall guidance and make recommendations for development and implementation of the Leederville Masterplan.

The Policy Committee will include the Mayor, (or nominee), the Chief Executive Officer, the Executive Managers Environmental & Development Services and Technical Services for the Town and the Executive Director Urban Innovation, DPI and the Project Officer (DPI) assigned responsibility for the Leederville project.

The Management Committee will be chaired and resourced by the Mayor of the Town of Vincent.

Roles and Responsibilities:

The role of the Policy Committee will include the following tasks:

- Initiate the project governed by this Agreement within one month of signing the Agreement
- Scope the elements of the project and identify those priorities and initiatives that will achieve the objectives of the Agreement
- Establish a process to assist in the implementation of the project

- Review the timeframe within which the project will be completed on an ongoing basis
- Oversee the Agreement on an ongoing basis
- Receive reports on the progress of the report
- Report to the Sponsors of the Agreement at completion of the project.

Town/DPI Liaison

The Council at the Special Meeting of Council held on 17 October 2006 resolved as follows;

"(iv) AUTHORISES the Chief Executive Officer to;

- (e) provide a further report prior to the signing of the MOU that considers the priorities and initiatives to be considered by the Management Committee under the terms of the MOU between the Town and DPI and how they specifically relate to and are to be measured against the Project objectives defined by the Leederville Masterplan Working Group; ... "*

The Town and DPI would closely liaise in regard to the day-to-day issues of the project. Officers would meet monthly (or bi-monthly) and will also have responsibility for the day-to-day issues for;

1. Development of strategies and actions to address gaps and ensure achievement of objectives of *Network City, State Sustainability* and the Town of Vincent Leederville Masterplan Strategies.
2. Identification and analysis of gaps between the objectives of each party.
3. Development of performance indicators.
4. Clarification of the goals and objectives of relevant strategies and all interested parties.
5. Undertaking of necessary consultation and design work to combine the Masterplan elements into a single coherent planning design.

MOU Term

The MOU period would be from 1 July 2007 until 30 June 2009, to match the DPI's funding period.

Funding of the MOU

The WAPC agrees to provide an amount of \$100,000 over a period of two consecutive financial years towards funding the delegated activity as defined in the Agreement with resources from the DPI to assist the execution of the project.

The Town of Vincent has provided an amount of \$192,650 to initiate and progress the development of the Leederville Town Centre Development Framework and agrees to provide a further sum of \$20,000 over a further two consecutive financial years towards contributory funding of the delegated activity, as defined in the Agreement.

Delegated Activities

Subject to this Agreement, the WAPC will pay the monies to the Town in the amounts and at the times to be agreed for the following;

- a consultation/community engagement process
- a process to develop an urban design based development framework
- an implementation model/mechanism for the development sites (consideration of issues)
- developer contribution framework (to help pay for the growth)
- other associated matters agreed between the Town and WAPC.

| STAGES | INDICATIVE DATES |
|--|---|
| Stage 3b - Extension of Masterplan Area - North of Vincent Street | In progress |
| <ul style="list-style-type: none"> • North of Vincent Street – by Peter Hunt Architects • Masterplan Study for Leederville TAFE (TBA) • South of Vincent Street – by JCY – generally to be completed end of September subject to completion of WAWA study • Amalgamation of above Masterplans into single overarching document (assume 1 month after completion of North and South Vincent Street Studies) | <p>End October 2006</p> <p>Completed</p> <p>Completed (except Water Corporation Land)</p> |
| Stage 3c - Water Corporation Study | October-December 2006 (To be carried out) |
| <ul style="list-style-type: none"> • Space Planning and consultation with Water Corporation stakeholders to establish current, mid-term and long term Masterplan for Water Corporation Site • Input into Leederville Masterplan | January-December 2007 (Currently in progress) |
| Stage 3d - Funding Application to WAPC | |
| <ul style="list-style-type: none"> • Submit application to WAPC for \$80,000 grant • Submit application to WAPC for up to \$4 million Capital Contribution | <p>November 2006 - <u>May 2007</u></p> <p>Dec 2006 – March 2007</p> <p><u>To be advised</u></p> |
| Stage 4 - TOV and Community Consultation Strategy | (To be carried out) |
| <ul style="list-style-type: none"> • Presentation of Draft Expanded Leederville Town Centre Masterplan to TOV • Presentation of <u>Final</u> Concept - Leederville Town Centre Masterplan to TOV • Creation of Communication Strategy • Engagement of suitable Public Relations Consultant (if required) • Community Consultation • Consideration of Submissions | <p>Completed - Nov 2006</p> <p>Completed - May 2007</p> <p>June 2007</p> <p>June 2007</p> <p>June - July 2007</p> <p>July - August 2007</p> |
| Stage 5a - Approval of Delivery Model | |
| <ul style="list-style-type: none"> • Approval of Delivery Model* | June 2007 |
| Stage 5b - Pre-EOI Tasks to be Completed | |
| <ul style="list-style-type: none"> • Confirmation from WAPC/Stakeholders that a high density development will be supported • Traffic and Parking Study • Civil Study - Services Plan, costing of Major Services • Development of Design Guidelines | <p>June - July 2007</p> <p>June - August 2007</p> <p>June - August 2007</p> <p>June - August 2007</p> |
| Stage 6 - Expression of Interest (EOI) Process | |
| <ul style="list-style-type: none"> • Preparation of EOI Documentation • Council approval of EOI document • Advertise EOI (6 week period) • Evaluation of EOIs (Design, financial, objectives) • Council decision to approve EOI shortlist | <p>June - August 2007</p> <p>September 2007</p> <p>October - November 2007</p> <p>Dec 2007 - February 2008</p> <p>February 2008</p> |
| Stage 7 - Tender Process | |
| <ul style="list-style-type: none"> • Preparation of Request for Tender documents • <u>Council approval of Request for Tender documents*</u> • Advertise Request for Tender (12 weeks) • Evaluation of Tenders • <u>Council approval of Tenderer(s) (JV Partners)*</u> • Preparation of Business Plan for Major Land Transaction • <u>Council approval of Business Plan documents*</u> • Advertise Business Plan / Major Land Transaction (6 weeks) | <p>Feb 2008 - March 2008</p> <p>April 2008</p> <p>April - June 2008</p> <p>July – August 2008</p> <p>August 2008</p> <p>September 2008</p> <p>October 2008</p> <p>October - November 2008</p> |

| STAGES | INDICATIVE DATES |
|--|--|
| <ul style="list-style-type: none"> • Advertise Disposal of Land (6 weeks) (if required) • Consideration of Business Plan Submissions • <u>Council Decision of Major Land Transaction Business Plan submissions (and land disposal submissions) to proceed (or discontinue with Major Land Transaction)</u> (Council decision to proceed to Design / Implementation Stage)* • Preparation of JV documentation | <p>October - November 2008</p> <p>December 2008</p> <p>December 2008</p> <p>December 2008 - March 2009</p> |
| Stage 8 - Preparation of Design Plans and Subdivision | |
| <ul style="list-style-type: none"> • Detailed Public Realm Design • Preparation of Design Guidelines • Preparation of detailed Civil Design • Preparation of Landscape Plan - Themes • Preparation of Subdivision Documentation • Presentation to Council for approval of above* | December 2008 - June 2009 |
| Stage 9 - Development / Implementation | |
| <ul style="list-style-type: none"> • Implementation / Staged Construction | July 2009 onwards |

* *Critical Milestone Dates*

TOWN OBJECTIVES (*Appendix 19*)

The Town has previously "Approved in Principle" the Objectives for the project, as shown in Appendix 19. It is recommended these now be formally approved.

CONSULTATION/ADVERTISING:

To date no public consultation has been carried out, as the project has been formulated and some information is considered "Commercial-in-Confidence".

As the project will have long term and far reaching implications to landowners, visitors and other stakeholders in the project area, it is essential that a Communication and Consultation Strategy be prepared and implemented.

Ongoing consultation with all landowners and stakeholders is considered essential. This should occur at a stage when concept plans have been approved (e.g. mid 2007) and again as part of the Tender and Business Plan statutory consultation.

The Leederville Masterplan will completely transform the Oxford Business Centre part of Leederville. It will serve as a catalyst for revitalisation of this already successful Centre.

It is therefore essential that consultation with the various stakeholders be carried out. These stakeholders include;

- Community - residents;
- Business proprietors;
- Directly affected Government organisations; Water Corporation, TAFE, SIDE, DSR;
- Government Departments - DPI/WAPC, Western Power, Public Transport Authority, Australia Post; and
- Ancillary - Subiaco and East Perth Football Clubs, Leederville Early Childhood Centre, Margaret Kindergarten, Town of Cambridge.

A Community Consultation Strategy has been prepared by the Town's Public Relations Officer to communicate the Leederville Masterplan to the public.

When to engage in consultation?

There are two schools of thought as to when to engage the public.

1. Consult once Council has approved the Concept Plan:

Advantages:

- Keeps the residents/businesses/stakeholders informed
- Allows for feedback, ideas
- Allows for stakeholders to be part of the Leederville Masterplan

Disadvantages:

- May cause delay and unnecessary concern
- May create false expectations - as the concepts may change after the Expressions of Interest/Tender stage

2. Consult when Expressions of Interest are called:

Advantages:

- Concepts are more conclusive
- Saves consulting twice.

Disadvantages:

- Stakeholders are not kept informed
- Misinformation may occur - causing concern.

Consultation

It is recommended that consultation occur as soon as practicable after the Council has approved of the Leederville Masterplan Concept Plans. This would be around June/July 2007. Costs associated with consultation will be recovered from the DPI, as part of the MOU. The Town's Public Relations Officer has prepared a draft Communication/Consultation Strategy. The consultation will be in three main components;

1. Public Consultation - (6 weeks)

The Leederville Masterplan should be publicly launched by the Mayor, with maximum media exposure.

2. Stakeholder Presentations

A PowerPoint presentation will be prepared and delivered by the Chief Executive Officer / Project Team to the identified stakeholders. Also, public meetings are to be held.

- A public meeting will be held at the Administration and Civic Centre - public and business proprietors; and
- A public meeting for business proprietors - at the suitable time.

3. Potential JV Partners

It is envisaged that a Town appointed consultant will be the primary contact for enquiries.

The Chief Executive Officer will also assist with any enquiries from persons interested in the forthcoming Expressions of Interest/Tenders.

LEGAL/POLICY:

The Local Government Act 1995 - Major Land Transactions requirements will need to be followed with this project. It is envisaged that an Expression of Interest and a number of tenders will be called on an ongoing basis as this project is being implemented.

EOI/Tenders

The Council is required to comply with Section 3.57 of the Local Government Act 1995, as it relates to the tendering for goods and services. Also Section 3.58 of the Act applies in relation to the disposal of property should the Town wish to proceed with an Expression of Interest that involves the sale (disposal) of all or part of the land. Both of these sections require that tenders be invited for either the provision of goods or services and/or disposal of land. (Note: The Town can also dispose of land at public auction. The Land can be disposed of by private treaty if it is within six months of the land being offered for auction, or if the advertising process under the Local Government Act 1995 has been followed.)

For the purpose of disposal of land by tender, it is considered that the Expression of Interest would form part of the overall tender process from which a shortlisted number of suppliers may be invited to tender. ("Disposal" is defined by Section 3.59 of the Local Government Act to include to sell, lease or otherwise dispose of – whether absolutely or not.)

The regulations relating to tendering for providing goods and services outlines the process for inviting Expressions of Interest, if a local government considers there are good reasons to make a preliminary selection from amongst prospective tenderers. The regulation also states that there is good reason to make a preliminary selection if:

- (a) the nature of the goods and services required; or
- (b) the cost of preparing plans, specifications or other information for the purpose of adequately describing the goods or services required;

would be advantageous, if tenders were invited only from persons considered capable of satisfactorily supplying the goods or services.

In this instance, due to the nature of the land development and the method of delivery, it is recommended that an Expression of Interest and Tender process be adopted in accordance with the Local Government Act and Regulations.

Business Plan

A further requirement of the Local Government Act is for Council to prepare a Business Plan and advertise for public comment for six weeks prior to entering into an agreement to dispose of, or develop land that is considered to be a major land transaction (Section 3.59 of the Local Government Act 1995). In this instance, the Leederville Masterplan would meet the requirements of a major land transaction. Therefore, as the Town will consider a proposal in the Expression of Interest process that involves the sale (disposal) of all or part of the land, the Town is required to prepare and advertise a Business Plan before agreeing to enter into the transaction. Also, a Business Plan would need to be prepared and advertised before any agreement to develop the land was entered into.

The Town will most likely be required to advertise for public comment any proposal to dispose of land by private treaty.

Expression of Interest (EOI)

The Expression of Interest (EOI) process would facilitate involvement of property development firms in the development of the land. Involving property development firms will enable the Town to transfer a significant portion of the risk in relation to the development and can also be a means of obtain creative development solutions. In addition, the demand on staff resources required by the Town to manage the development will be reduced allowing officers to continue to manage operations and other Council projects.

Process

There are a number of steps that need to be followed in order to achieve an acceptable development option for the Town. The EOI process will enable the Town to identify potential development partners and consider various options presented during the EOI phase. These options can be thoroughly assessed and an option selected to suit the Town's development preferences that will include both financial and non-financial criteria.

Recommended EOI and Tender Process

Pre-Expression of Interest (EOI) Requirements

The Town's Property Consultants recommend that the Town completes the following tasks prior to the Expressions of Interest (EOIs) being advertised;

1. Public Consultant process
2. Confirmation from the WAPC/Stakeholders that the high density development will be supported
3. Traffic Study
4. Civil Studies - for service costs, major works
5. Development of Design Guidelines.

A recommended process that complies with the Town and legislative requirements is as follows;

Outcomes

Firstly, the Town would need to determine the expected outcomes from an EOI process. Essentially, the main requirements are:

1. Financial ownership proposal, development and/or disposal of the Town's land (i.e. JV or purchase).
2. Financial return to the Town (price).
3. Compliance with Town Project Objectives.
4. Design Guidelines/Criteria.
5. Development Timeline.

Functional EOI Specification

Once this has been determined, a functional specification needs to be written enabling developers to lodge submissions. Enough information needs to be provided in the functional specification to enable property development firms to respond to the Town's needs. Parameters need to be included outlining the restrictions on development and advise what the Council will or will not consider.

These parameters could range from being restrictive on the development options such that only an *en globo* sale would be considered or they could provide flexibility for developers to propose a range of options including various joint venture arrangements.

Process

The Town's Property Consultants recommend the following process;

A two stage sales process, which involves a public invitation to submit an expression of interest (EOI). The second stage will involve a limited tender or bid process from amongst the shortlist from the EOI process.

The main benefit of an EOI process is to enable property development firms to submit creative solutions that had not been previously considered. If the EOI process is too restrictive, the opportunity for innovation is limited. Therefore, it is preferable to keep the process open and allow the property development firms to submit a range of ideas so the Council could select one that would best suit its desired outcomes from both a financial and non-financial perspective.

Market Testing - EOI

Once the functional specification is completed and approved by the Council, it will be necessary for the Town to advertise the EOI to provide an opportunity for interested parties to make submissions. The Local Government Act 1995 requires the Town to publicly invite Expressions of Interest as part of a tender process for both the disposal of land and the provision of goods and services.

EOI Submissions

A period of six (6) weeks' advertising period should be allowed for submissions to be lodged. Submissions should address the requirements specified in the EOI including the Selection Criteria determined by the Town. Proponents will be required to submit a formal expression of interest which will cover (but not be limited to) the following key points;

| EOI Submission Requirements | Selection Criteria |
|--|---|
| <ul style="list-style-type: none">Indicate the lot(s) the Proponent wishes to develop and nature of interest (i.e. joint venture approach, outright purchase or some other alliance arrangement. | <ul style="list-style-type: none">Lots being considered and intended procurement structure. |
| <ul style="list-style-type: none">Stipulate the land use/type of development the proponent wishes to construct on each lot. | <ul style="list-style-type: none">Quality, sustainability initiatives and diversity of development proposal(s). |
| <ul style="list-style-type: none">Outline the preferred timeframe for the development of each lot(s) and rationale if stage. | <ul style="list-style-type: none">Development program and rationale. |
| <ul style="list-style-type: none">Provide examples of comparable development. | <ul style="list-style-type: none">Quality and relevance of development experience. |
| <ul style="list-style-type: none">Indicate a price or price range. Proponents seeking to enter a joint venture or other alliance arrangement with the Town of Vincent are still | <ul style="list-style-type: none">Price. |
| <ul style="list-style-type: none">Indication of financial capacity to undertake the proposed development. | <ul style="list-style-type: none">Financial capacity, including parent company support (where relevant). |

In addition, the proponent may be required to address a range of criteria which should include, but need not be limited to, the following;

- Preparation of a Concept Plan
- Environmental assessments and compliance with sustainable development principles
- Compliance with Council Objectives
- Amendment to the Town Planning Scheme (if required)
- Subdivision approval
- Financial analysis including a risk/return model
- Community engagement (consultation) in the development process
- Liaison with key stakeholders.

There are likely to be many more issues that need to be addressed in a development of this nature, however, it is considered important for potential proponents to be made aware of the important issues and expectations from the Town's perspective.

In addition, the potential proponents need to be made aware that progress on this project will be subject to a number of conditions, before the development can proceed. These conditions include;

- all statutory requirements being complied with;
- economic viability being established; and
- advertising and consideration of the Business Plan required under Section 3.59 of the Local Government Act 1995.

If any of these items are not achieved, the project may not proceed and the process would be terminated.

It is envisaged that individual firms will submit a range of development options for the Council to consider.

Assessment of EOI

When submissions are received, it will be necessary for the Town to consider the content of those submissions and assess them against the Selection Criteria and decide which, if any, are acceptable. The EOI (and tender) Evaluation Panel would comprise the Town's Chief Executive Officer, Executive Managers, Probity Auditor, Consultant (Property). The Town's Consultant Planner will be asked to assess the design component. Once the assessment is complete, a shortlist of property development firms that the Town would be willing to work with on this project should be prepared. Prior to EOI, clarification concerning proposals and feedback to the applicants would be conducted to allow the EOI submissions to be fine tuned. This will be the role of the Town's Property Consultant in liaison with the Chief Executive Officer.

Proceeding to Calling Tenders

Assuming the Council receives acceptable submissions under the EOI process, documentation would need to be prepared to invite the shortlisted property development firms to tender.

The tender would be more specific than the EOI document and provide more detail concerning the development options the Town would consider. The tender requirements could be refined based on the submissions received as a result of the EOI.

Submissions will be assessed against the above selection criteria and a shortlist of proponents will be invited to lodge a formal binding bid in the second stage of the sales process. The second stage will run for ~~eight (8)~~ twelve (12) weeks to give proponents sufficient time to prepare plans and a firm financial proposal. Specific requirements could be as follows;

| Submission Requirements | Selection Criteria |
|---|--|
| <ul style="list-style-type: none"> • Financial ownership proposal - JV or purchase • Development Approval standard plans • Development timeline • Price | <ul style="list-style-type: none"> • Cost/Benefit Analysis of each bid. • Design outcomes • Delivery of completed development • Present value assessment of each bid |

The above submission requirements and selection criteria can be modified to meet the objectives of the project and can include issues such as place marketing initiatives, if it is felt they are appropriate.

At each stage, an Evaluation Panel will assess the proposals. The Evaluation Panel should include the following persons as a minimum;

- Probity Auditor
- Senior Officers of the Town of Vincent
- Property/Finance Consultant
- Architects - responsible for design assessment (component only).

A matrix will be established for the review of bids. The matrix will list the selection criteria and may choose to weight the criteria, but this would be determined by the Review Panel with the input of the Probity Auditor. Each member of the Panel would review the bids individually and then they would meet to reach a consensus on the bid scores. This process is controlled and run by the Probity Auditor.

Tender Evaluation and Selection

The Town would receive tenders and again make an assessment against the Selection Criteria. The Tender Evaluation Panel would make a recommendation to the Council to award the contract and enter into negotiations. The selection would be subject to the Town complying with the requirements of Section 3.59 of the Local Government Act 1995, relating to the preparation and advertising of a Business Plan, as discussed in this report.

Selection Criteria

The Tender documentation and selection criteria will need to be established in order to assess submissions and finally select a JV partner. Appropriate selection criteria for a development of this nature could include (but not be limited to);

- Proposed development concept (i.e. JV or purchase);
- Estimated financial return to the Town of Vincent (i.e. price);
- Compliance with the objectives/outcomes of the EOI/Tender;
- Demonstrated experience and credentials of the firm and key personnel on large urban redevelopment projects;
- Management structure for the project and proposed relationship with the Town, including joint venture agreement;
- Financial capacity of the Proponent(s);
- Development Timeline;
- Methodology for delivery of the project; and
- Methodology for minimising risk throughout delivery of the project.

Council Approvals

During the EOI/Tender process, there will be a number of Council decisions to be made. It is proposed that the Council will approve the following stages of the EOI/Tender process.

- EOI document prior to advertising;
- Selection of the shortlisted property development firms to invite to tender;
- Tender documentation prior to advertising;
- Business Plan (prior to entering into any Agreements or awarding a tender);
- Public Advertising of Town's intention to dispose of land by means other than by auction or tender (i.e. private treaty); and
- Awarding of tender.

EOI/Tender Timeline

Assuming that no unforeseeable delays occur, the entire EOI process up to the awarding of the tender is expected to take up to two (2) years to achieve. In order to provide a guide, an estimate of the time required and dates to complete each phase is shown in the Project Indicative Timeline, detailed in this report.

EOI Tender - Professional Assistance

The magnitude and complexity of this project demands the most thorough and professional approach. The selection of the right development proposal and partner are critical to the Town's success with this project. To ensure the Town follows a rigorous and transparent process, it is proposed that the services of various consultants be engaged to assist the Town.

The proposed development to be undertaken by the Town is complex and of a considerable size. Therefore, the expertise of a professional in the property development field is considered essential as not only a resource, but to ensure all proposals are professionally analysed and the process is conducted fairly and properly. The engagement of external professional assistance will also demonstrate probity in the selection process which is essential for the development of such a major public asset.

Preparation of EOI/Tender documents for property development projects is not a core activity for the Town and with a project the size of the Leederville Masterplan, the services of professional consultants will be necessary. While the Town's Administration has successfully delivered other major projects (e.g. upgrade of Perth Oval, Leederville Oval, construction of Department of Sport and Recreation building, subdivision of old Town depot), the scale of the Leederville Masterplan in terms of staff resources and complexity, will require assistance in relation to this process.

It is envisaged that professional assistance will be required for;

- Preparation of the EOI and Tender documentation
- Evaluation of submissions including a due diligence assessment
- Making recommendations on EOI shortlisting for tender and awarding the tender contract
- Contract negotiation and finalisation of joint venture agreement
- Ensuring the integrity and transparency of the selection process (Probity Auditor).

Separate legal advice will also be required during the process to ensure statutory compliance is achieved and contract conditions are properly prepared.

The Town's Chief Executive Officer will have a high involvement in the leadership and delivery of this project, supported by the Town's Executive Managers (as and when required). His tasks will substantially reduce the costs of external consultants (many of whom charge \$150 to \$500 per hour).

Advice from other local governments involved in major projects has revealed that costs involved with external consultants can be substantial and should be carefully controlled. In many cases, where external consultants have been engaged, the local government officer is still required to have a high involvement and input into the consultancy. The Town's Chief Executive Officer is cognisant of this and every endeavour will be made to keep consultancy costs under strict control throughout the project.

It is envisaged that external consultants will include (but not be limited to);

- Legal
- Project Management
- Property Services/Valuers
- Financial/Economic
- Technical/Engineering (traffic, civil, engineering, hydraulic, electrical, surveying)
- Probity Auditor
- Marketing/Media/Public Relations
- Architects
- Urban Design
- Landscape Architects

Advice has not been obtained in relation to the likely cost of the services of the consultants; however, it is expected that the task will be extremely comprehensive and thorough. Therefore, a sum of \$100,000 has been included on the Draft Budget 2007/08 for this purpose; however, depending on quotes received, this amount may need to be reviewed. Indicative costs are currently being obtained.

STRATEGIC IMPLICATIONS:

This proposal is in keeping with the following Objectives from the Town's Strategic Plan 2006-2011;

- Objective 1.1 *"Improve and maintain environment and infrastructure";*
- Objective 2.1.1 *"Promote the Town of Vincent as a place for investment appropriate to the vision for the Town";*
- Objective 2.1.2 *"Develop and promote partnerships and alliances with key stakeholders";*
- Objective 2.1.3 *"Promote Business Development";*
- Objective 2.1.6 *"Develop business strategies that provide a positive triple bottom line return for the Town";*
- Objective 2.1.7(a) *"Develop and implement the approved Leederville Masterplan";*
- Objective 2.1.7(b) *"Ensure the Masterplan redevelopment achieves triple bottom line objectives."*

FINANCIAL/BUDGET IMPLICATIONS:

The Town's original Budget contained an amount of \$222,500. Costs to date are as follows;

| | |
|--------------|-----------------|
| (i) 2005/06 | \$58,297 |
| (ii) 2006/07 | \$31,700 |
| | ----- |
| Total | \$89,997 |
| | ===== |

Funds remaining: \$132,503 (to be carried forward)

An amount of \$100,000 has been listed in the Town's Draft Budget 2007/08 for consultancy services which may arise during the EOI and Tender process.

COMMENTS:

The Leederville Masterplan project has been developed over the previous two years and is now at a stage where approval is essential in order to progress the project. The project will completely transform the Oxford Business Centre and will revitalise this already successful Centre.

Accordingly, it is recommended that the Council approve the Officer Recommendation, in order to allow the project to be progressed.

8. CLOSURE

The Presiding Member, Mayor Nick Catania, JP declared the meeting closed at 9.20pm with the following persons present:

| | |
|--------------------|--|
| Cr Simon Chester | North Ward |
| Cr Lake | South Ward |
| Cr Maier | North Ward |
| Cr Izzi Messina | South Ward |
| Cr Maddalena Torre | South Ward |
| John Giorgi, JP | Chief Executive Officer |
| Rob Boardman | Executive Manager, Environmental and Development Services |
| Mike Rootsey | Executive Manager, Corporate Services |
| Rick Lotznicker | Executive Manager, Technical Services |

These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 5 June 2007.

Signed:Presiding Member
Mayor Nick Catania, JP

Dated this day of 2007