

**INDEX  
(17 OCTOBER 2006)**

<b>ITEM</b>	<b>REPORT DESCRIPTION</b>	<b>PAGE</b>
<b>7.</b>	<b>REPORTS</b>	
7.1	Approval of Proposed Redevelopment of the Loftus Centre, incorporating a State Gymnastics Centre, Construction of a New Town Library and Local History Centre and Modified Loftus Community Centre, 99 Loftus Street, Leederville (RES0061)	3
7.2	Approval of the Financial Assistance Agreement with the State Government of Western Australia for the Loftus Centre Redevelopment, 99 Loftus Street, Leederville (RES0061)	22
7.3	Approval of Contract, Lease and Deed of Mortgage with Belgravia Leisure Pty Ltd for Loftus Recreation Centre, 99 Loftus Street, Leederville (PRO3548/PRO3549)	27
7.4	Local Government Economic Development Conference - Melbourne, Victoria - 16-17 November 2006 (ADM0031)	36
<b>8.</b>	<b>CONFIDENTIAL REPORTS (<i>BEHIND CLOSED DOORS</i>)</b>	
8.1	Confidential Report: Leederville Masterplan Project - Approval in Principle and Progress Report No. 5 (PLA0153) - <u><i>This report released for public information by the Chief Executive Officer on 30 January 2009</i></u>	41
<b>9.</b>	<b>CLOSURE</b>	70

Minutes of the Special Meeting of Council of the Town of Vincent held at the Administration and Civic Centre, 244 Vincent Street, Leederville, on Tuesday 17 October 2006, commencing at 6.00pm.

**1. DECLARATION OF OPENING**

The Presiding Member, Mayor Nick Catania JP, declared the meeting open at 6.07pm.

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

**(a) Apologies:**

Cr Maddalena Torre – work commitments  
Rick Lotznicker, Executive Manager, Technical Services – sick leave

**(b) Present:**

Mayor Nick Catania, JP	
Cr Steed Farrell ( <i>Deputy Mayor</i> )	North Ward
Cr Simon Chester	North Ward
Cr Helen Doran-Wu	North Ward
Cr Ian Ker	South Ward
Cr Sally Lake	South Ward
Cr Dudley Maier	North Ward
Cr Izzi Messina	South Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Executive Manager, Environmental and Development Services
Mike Rootsey	Executive Manager, Corporate Services
Andrew Neilson	Co-ordinator Major Projects (until 6.55pm)
Brendan Foster	Journalist – Perth Voice (until 6.55pm)

1 Member of the Public (until 6.55pm)

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

Nil.

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

Nil.

**4. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

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

**5.1 Landmark Decisions for Major Projects**

Councillors, CEO, Executives, Officers and Public, tonight is a another milestone in the short history of the Town and at this meeting we will be considering two significant items, which will have a major impact on the Town.

Firstly, Loftus Centre Redevelopment:

This Project was first considered by the Council and approved at a Special Meeting on 30 October 2001 and to date will be the largest construction project undertaken by the Town.

Secondly, the Leederville Masterplan, when approved will be the largest ever undertaken by the Town. The benefits which will flow from this decision will have a long lasting effect on the Town, particularly the Leederville Business Precinct. The opportunity for another partnership with the State Government demonstrates that this is the way of the future in delivering projects of this nature.

Before we consider the matters, may I thank you for all your contributions to date and, in particular, the CEO and the Executives and those Councillors who have been involved with these projects from their inception.

**6. DECLARATION OF INTERESTS**

Nil.

**7.1 Approval of Proposed Redevelopment of the Loftus Centre, incorporating a State Gymnastics Centre, Construction of a New Town Library and Local History Centre and Modified Loftus Community Centre, 99 Loftus Street, Leederville**

Ward:	South	Date:	12 October 2006
Precinct:	Oxford Centre, P4	File Ref:	RES0061
Attachments:	<a href="#">001</a>		
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-	Amended by:	-

**OFFICER RECOMMENDATION:**

*That the Council;*

- (i) *CONSIDERS the submissions received concerning the Loftus Centre Redevelopment, as detailed in this report;*
- (ii) *APPROVES the Plan Nos. A-~~H~~ I, as detailed in the report and shown in Appendix 7.1, which is estimated to cost \$12 million (plus GST); and*
- (iii) *AUTHORISES the Chief Executive Officer to;*
  - (a) *advertise a tender from suitably qualified and registered builders for the project, using the Criteria detailed in this report; and*
  - (b) *enter into negotiations with Skadada, WA's Premier Aerial Company, to formalise their use of the proposed State Gymnastics Centre and prepare a lease or other documentation, for the consideration of the Council.*

**Note: The following Indicative Timeline was corrected and distributed prior to the meeting. Changes are indicated by strikethrough, italic font and underline**

---

**Moved Cr Farrell, Seconded Cr Messina**

*That the recommendation be adopted.*

Debate ensued.

**Moved Cr Maier, Seconded Cr Ker**

*That Clause (ii) be amended to read as follows;*

*"(ii) APPROVES the Plan Nos. AI, as detailed in the report and shown in Appendix 7.1, which is estimated to cost \$12 million (plus GST) subject to the adoption of a cost recovery strategy for the underground car park;"*

Debate ensued.

**AMENDMENT LOST (3-5)**

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

(Cr Torre was an apology.)

Moved Cr Farrell, Seconded Cr Messina

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

“(iv) (c) *investigate options for a Cost Recovery Strategy for the Underground Carpark and for all parking in the Leederville Masterplan Area and carryout a parking assessment and allocation at the completion of the project and report to the Council.*”

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

Moved Cr Maier, Seconded Cr Lake

*That a new clause be added as follows:*

“*Approval is subject to compliance with the Town’s Percent for Art Policy.*”

Debate ensued.

**AMENDMENT LOST  
ON THE CASTING VOTE OF THE MAYOR (4-5)**

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

(Cr Torre was an apology.)

Moved Cr Maier, Seconded Cr Ker

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

“(iv) *REQUESTS that every endeavour be made to retain the Marri trees at the northern end of the carpark (along Richmond Street).*”

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

**MOTION AS AMENDED CARRIED (8-0)**

(Cr Torre was an apology.)

**COUNCIL DECISION ITEM 7.1**

*That the Council;*

- (i) ***CONSIDERS the submissions received concerning the Loftus Centre Redevelopment, as detailed in this report;***
- (ii) ***APPROVES the Plan Nos. A-I, as detailed in the report and shown in Appendix 7.1, which is estimated to cost \$12 million (plus GST); and***
- (iii) ***AUTHORISES the Chief Executive Officer to;***
  - (a) ***advertise a tender from suitably qualified and registered builders for the project, using the Criteria detailed in this report;***
  - (b) ***enter into negotiations with Skadada, WA's Premier Aerial Company, to formalise their use of the proposed State Gymnastics Centre and prepare a lease or other documentation, for the consideration of the Council;***
  - (c) ***investigate options for a Cost Recovery Strategy for the Underground Carpark and for all parking in the Leederville Masterplan Area and carryout a parking assessment and allocation at the completion of the project and report to the Council; and***
- (iv) ***REQUESTS that every endeavour be made to retain the Marri trees at the northern end of the carpark (along Richmond Street).***

**ADDITIONAL INFORMATION:**

Loftus Centre - Western Elevation and Activation - *(Details requested by Councillor Chester)*

This information was presented to a Forum on 10 October 2006 by the Project Architect. It is shown in Appendices (G) and (H). It is summarised as follows;

1. The Centre's current box shape will be retained in the area to be used by Rhythmic Gymnastics. However, the façade will be changed from the current rust green to a white upper portion, with two tone blue lower portion. Horizontal striations will be introduced via impressions in the pre-cast tilt up panels. Ochre/deep gold vertical bands will be introduced to provide visual contrast. Appropriate openings/windows will be introduced to provide visual aspect onto the Oval.
2. The new recreation sports halls will have a curved roof (as opposed to the current flat roof). It will have matching colour and façade horizontal striations.
3. The existing centre portion, which will be used as a function room/aerobics room will be "opened" by providing a visual aspect to the Oval. An ochre deep gold colour will be introduced to the solid balustrade. The viewing platform will be provided with external stairways, which will serve as emergency escapes. The viewing platform will have direct vision onto the external soccer pitch. It will allow for spectators to view the outdoor soccer from this area.

4. The external soccer pitch has been provided in a more central location, away from its original position outside the proposed sports halls. This new location is more cost efficient and also is further away from the residences in Richmond Street - thereby reducing any potential for noise complaints.
5. New retaining walls, with appropriate landscaping - yet to be determined, will be erected on the western portion of the existing Loftus site.
6. The Leederville Oval public open space will have pathways, lighting, street furniture (chairs, water fountains, bins) and tiered seating. This will be shown in the Landscape Plan, which will be prepared by the Town's Technical Services Division. The extent of tiered seating is yet to be determined and is also dependent upon whether the proposed Leederville Early Childhood Centre site proceeds. Gentle sloping grassed banks will also be provided for viewing football matches.
7. The area for the proposed Leederville Early Childhood Centre site will be dependent upon whether this project proceeds.

#### **INDICATIVE PHASED EXPENDITURE**

*\*\*\* Information to remain confidential*

---

#### **PURPOSE OF REPORT:**

For the Council to approve of the Loftus Centre Redevelopment plans and authorise the calling of a building tender for the project.

#### **BACKGROUND:**

At the Ordinary Meeting of Council held on 12 September 2006, the Council considered this matter and resolved as follows;

*"That the Council;*

- (i) *RECEIVES the Progress Report No. 12 as at 6 September 2006, relating to the proposed Loftus Centre Redevelopment which incorporates a State Gymnastics Centre and construction of a new Town Library and Local History Centre and modified Loftus Community Centre, 99 Loftus Street, Leederville and adjoining land and Progress Report No. 1 relating to the Vincent Police Station Feasibility;*
- (ii) *CONSIDERS the submission received concerning the Major Land Transaction Business Plan for the Loftus Centre Redevelopment and APPROVES BY AN ABSOLUTE MAJORITY to proceed with the Major Land Transaction for the Redevelopment of the Loftus Centre, as detailed in this report;*
- (iii) *APPROVES IN PRINCIPLE the plans, as detailed in the report and shown in Appendix 10.4.4(A-J), which is estimated to cost \$12 million (plus GST); and*
- (iv) *AUTHORISES the Chief Executive Officer to;*
  - (a) *advertise the concept plans for public comment for a period of fourteen (14) days, in accordance with the Council Policy No. 4.1.21 "Community Consultation", inviting written submissions as part of the consultation process; and*
  - (b) *make minor changes to the concept plans, as a result of matters which may arise during the public consultation period and/or of a technical or infrastructure improvement."*

## Submissions

The plans were advertised for a period of three weeks and closed on 6 October 2006. Copies were sent to all stakeholders, including Precinct Groups, the Department of Sport and Recreation, East Perth Football Club, Subiaco Football Club, Gymnastics WA, Loftus Community Centre, Belgravia Leisure, Leederville Early Childhood Centre, Margaret Kindergarten and the WA Police.

At the close of the community consultation period for the plans, nine (9) submissions were received as follows;

1. Marie Slyth, Strathcona Street, West Perth

Expressed a particular interest in the trees located within the Richmond Street/Loftus Street area of the car park and also in the trees located around the perimeter of this car park, i.e. along Richmond Street and along Loftus Street. Asked the following questions:

- "1. How many of these trees are to be removed and how many pruned?"*
- 2. What re-plantings are planned by the Town? This question is made with particular reference to "the mature size of any re-plantings, their type/species, whether the re-plantings will be native to the region, the number of re-plantings, and whether the re-plantings will be in accordance with the findings of Vision 2024."*

Stated that the Town and especially the Projects people and Parks and Gardens should be congratulated on their proposal to replace numbers greater than a "one-for-one" replacement and that it is keeping re-plantings in accordance with the findings of Vincent Vision 2024.

### CEO's Comments:

The trees shown on the concept consultation plans are indicative only.

1. No firm decision has yet been made on the actual number of trees that will be removed or pruned. It is advised that 99% of the trees located within this car park area will be removed and replaced as the car park is to be reconfigured.

With respect to the existing trees located along Loftus Street it is advised that apart from a few Sheoaks and an Eastern State Eucalyptus all trees will remain insitu apart from those that have to be removed due to the reconfiguration of the car park. With respect to the existing trees along Richmond Street all trees other than the mature Jarrahs will be removed. Re-plantings will be as follows:

2. The replantings will be semi-mature Tuarts (2-3 metres in height) which are indigenous to the region. The Town has already planted Tuarts on the Vincent Street frontage to Leederville Oval and at the DSR building car park so this will be in keeping with the Town's current practice. It is expected that the trees will be replaced in numbers greater than a "one for one" replacement and in fact probably closer to a "two for one basis". It is believed that the re-plantings will therefore be in accordance with the findings of Vincent Vision 2024.

2. Subiaco Football Club

Submitted the following comments:

*Eastern Bank*

*Thank you for meeting with the two Club CEOs and as mentioned in your letter we are keen to finalise these works.*

*Scoreboard*

*It is desirable that an electronic scoreboard be installed with the capacity to have the team names and scores of the game in progress and provision of "continuous scrolling" of advertising, score updates from other grounds and general information for patrons.*

*The overall size of the electronic scoreboard would need to be approximately 4m wide x 3m high.*

*The best location of the scoreboard would be on the roof of the eastern toilet block, with the capability of being operated from the back of the grandstand.*

*Lighting*

*There are no specific needs of the Club (on the eastern bank) other than the safety and security requirements the Town is required to install for the use of walkways and public areas at night.*

*Other Needs*

*Access to the Loftus Centre changeroom facilities will alleviate a problem that occurs at major games held at Medibank Stadium. The problem relates to when either a state game of WAFL final is played at the ground.*

*Access to the Loftus Centre changerooms will allow the Colts to use the Clubs' changerooms.*

*This would only happen once or twice a year and would not involve any normal fixtured games. It would only be required for the curtain raiser game of a State game and for WAFL finals.*

*With this in mind we would like the Town to provide an access gate to the Loftus Centre from the eastern banks of Medibank Stadium. There is no issue with teams entering the playing arena from the eastern side of the ground."*

CEO's Comments:

1. *Eastern Bank:*  
The concept plans will be progressed and refined. It is proposed to finalise the works in early 2007.
2. *Scoreboard:*  
A new scoreboard will need to be provided to replace the existing. The location and proposal are supported.
3. *Lighting:*  
This will be similar to that provided along other newly created walkways (e.g. Venables Park).
4. *Access to Loftus Centre Changerooms:*  
This idea has merit and will be forwarded to the Project Architect and Belgravia Leisure for consideration.

3. David Waterhouse, Richmond Street, Leederville

Expressed disappointment at lack of publicity for this consultation period.

Could not find any elevations or any larger site plan that would enable him to place the proposed development in context with its surroundings.

Pleased to see that one aim of the redevelopment will move the open playing areas and other areas likely to generate noise, generally away from nearby residences.

Pleased to see the proposed expanded library occupying the North-East corner of the building.

Suggested that Town consider re-arranging the entry foyer and the reading room area to make the entry more obvious.

Suggested to provide some large (native) trees for building shade and aesthetic appeal on the Northern side, along with a native-plant "buffer" between the library and the car park. Would like to see a similar theme of tall native tree plantings as suggested for the northern side of the library to soften the building line, and also to provide additional light and sound buffering for nearby residents.

Commendable that the Town will provide an extra forty parking spaces than already exist.

Suggested careful consideration of library, childcare and community centre pick-up and set-down points to maximise flow and minimise congestion.

CEO's Comments:

1. *Consultation:*  
The comment about publicity consultation is not supported. The Loftus Business Plan was advertised for six weeks in May 2006 and the concept plans were included. The proposal was also included in a recent Town newsletter and a local paper. Specifically, this consultation included the usual advertisements, display in the Administration & Civic Centre and the Town's Library. The Town's Co-ordinator Major Projects subsequently met with Mr Waterhouse to discuss the matters which he has raised and Mr Waterhouse was satisfied with the explanations provided.
2. *Elevation Plans:*  
Due to the large size and number of plans for this project, the western elevation plans were displayed as hard copies in the Administration & Civic Centre and the Library. New western elevations were prepared, as a result of the Forum held on 23 August 2006.
3. *Location of Outdoor Soccer Pitch:*  
This has been moved as far away as possible from the residences in Richmond Street. Noise should not be a factor to local residents.
4. *Library:*  
The north-east location appears popular and an improvement on the current location.

5. *Library Entrance:*  
The entrance will be directly opposite the Loftus Street vehicle access. Its prominence will be highlighted by an entry canopy. The Architect has been advised of this matter.
6. *Tree Plantings:*  
Large size Tuart trees are proposed to be planted. As many trees as practicable will be planted. A landscape plan will be prepared by the Town.
7. *Car Parking:*  
Additional car bays will be provided.
8. *Vehicle Set down Points:*  
Vehicle set down points will be carefully planned and located so as to be safe, convenient and minimise congestion. The Town's Technical Services will liaise with stakeholders.

4. Belgravia Leisure Pty Ltd

Belgravia Leisure looks forward to working closely with the Town of Vincent throughout the term of this project.

Belgravia Leisure note that there have been a number of refinements to the plans since the last Draft and acknowledge that budget constraints have impacted on the scope of development. The outcome which will be achieved is still impressive and represents a significant commitment from Council. The redeveloped Centre will provide a tremendous community asset relevant to the current and future needs of the Vincent community.

Offered the following comments for consideration:

- Clarify the changes to the reception and kiosk area.
- Suggest that a small reception desk be introduced into the health club next to the members lounge as a point of greeting, control and administration of sales.
- The amount of storage space for the Centre is of concern.
- The cardio screen wall needs to be wider.
- Provide for power to the second overhead strut.
- Detail the provision of mirrors in the heavy weights area.
- The small reception desk next to the members lounge needs to accommodate a small drinks fridge, computer, telephone and desk area for diaries, etc.
- Provide for power to the members area for a wall mounted television and DVD player.

CEO's Comments:

1. The Town is currently progressing the Contract and Lease documentation prior to Belgravia's commencement on 1 January 2007.
2. Comments about the Recreation Centre have been referred to the Project Architect. All comments have been addressed (or are in progress).

5. Skadada, WA's Premier Aerial Company

Skadada applauds the Town of Vincent's initiative in the creation of a State Centre for the WA Gymnastics community. Skadada has shared the space and resources at the Len Fletcher Sports Pavilion with Gymnastics WA for the past three years and this partnership with Gymnastics WA will continue in the move to the Loftus Centre in 2007, where Skadada will be sharing the space in the Rhythmic Gymnastics training gym.

This partnership has been extremely beneficial for both parties. Skadada has been an avenue for elite athletes retiring from competitive gymnastics and sports acrobatics and the Gymnastics community has combined with us in several large-scale events including Cirque de Gymnastique held at Challenge Stadium in 2005.

Skadada's unique training program for young elite aerialists "SYRC" is growing rapidly from its inception over 2 years ago. A second stream was added this year and currently there are over 30 young people training with the company. This is set to double by the end of 2007.

Short to Mid Term:

Skadada are satisfied that their short term needs could be met in the current arrangement they have with Gymnastics WA. This current arrangement gives them an office space within Gymnastics WA's new offices, access to meeting rooms, photocopiers, etc and the sharing of the Rhythmic Gymnastics training gymnasium.

This allows for day-time use from 11.30am to 3.30pm each day, plus weekend use of the Rhythmic Gymnastics space on Saturday afternoon and on Sunday. The main disadvantage is that access on most week nights is restricted to after 7.00pm which restricts Skadada's training program with young people quite significantly.

Put forward several proposals which would better suit their needs:

- Option 1:  
Access to existing Basketball Court between 4pm to 7pm (followed by the use of the Rhythmic Gymnastics space from 7pm to 9.30pm). This would enable Skadada to run classes for an extra three hours per night.
- Option 2:  
Access to existing Basketball court between 4pm to 9.30pm each day (including Saturdays and Sundays). This has the advantage that Skadada's aerial apparatus would only have to be installed in the one gym as they would be able to combine all the aerial training and rehearsals they are currently doing in the day and in the evenings into these time slots.

Whatever hire charge was negotiated with the tenant would be within Skadada's budget restrictions. (Skadada has been paying \$9,600 per year for the past three years to Gymnastics WA.)

Long Term Vision:

WA Centre for Excellence in the Aerial and Related Arts based at the Loftus Centre.

- Option 1: Dedicated Existing Basketball Court to house the Skadada Centre The WA Centre for Excellence in the Aerial and Related Arts.

This vision includes a full flying trapeze rig complete with net, multiple aerial apparatus to accommodate 3 levels of 20 training aerialists at one time, a tumbling and acrobatics area complete with sprung floor and matting, poles and other circus equipment. The aerial rig would house in-built catwalks for rigging equipment and lighting. The space could convert into a theatre with seating for 500 people minimum. An enclosed storage space to be built at one end of the gym and 3 offices located close to the gym hall.

- Option 2: The building of a Purpose Built new Aerial Arts Centre for Skadada

A purpose built Centre could be modelled on Shanghai Circus World, where Skadada performed when the company opened the 4th China Shanghai International Arts Festival. (Shanghai Circus World is a purpose built 25m high circus dome with seating for over 2000 people in the round with a completely gridded ceiling for aerials.)

CEO's Comments:

The current informal lease arrangement between Skadada and Gymnastics WA has never been brought to the attention of the Town and needs formalising. A letter has been sent to Gymnastics WA about this. It is suggested that the lease (or sub-lease) arrangement needs addressing. This will occur over the forthcoming weeks.

It is disappointing that Skadada's needs have only just been brought to the attention of the Town. At this late stage of the project, there is little flexibility and insufficient funds to make wholesale changes.

*Short to Mid Term Needs:*

It is pleasing that these can be met. With respect to access to existing Basketball courts, this is best negotiated with the Centre Managers, to reach a mutually convenient arrangement.

*Long Term Vision:*

The Town has never been requested to consider Skadada's needs (hence no inclusion to date). The long term needs would need to be investigated to ascertain whether they could be met. No funding is available at this stage and to delay the project any further will only incur additional escalation costs.

It is considered that there is insufficient room to construct a purpose-built Aerial Arts Centre on the Loftus site.

6. Loftus Community Centre

Supportive of the project and the Town's efforts to accommodate stakeholder needs.  
Requested a number of minor items.

CEO's Comments:

The Community Centre's comments are appreciated. The minor items requested will be met and have been referred to the Project Architect.

7. WA Police

The WA Police advised that they are investigating a number of options for the delivery of policing services in Leederville and that they are not in a position to advise the Town of its preferred option at this point of time, however it is anticipated that this information will be available in November.

CEO's Comments:

The WA Police comments have been noted.

8. Smith's Lake Precinct Group

The Precinct Group advised they had only one comment to make regarding changes to the parking provision. They are concerned about the safety of children leaving and entering cars in the parking area as it functions at present. They would like to see the new design improve on the present arrangements. This becomes of greater importance when the proposed redevelopment of the Leederville Early Childhood Centre and Margaret Kindergarten is undertaken.

CEO's Comments:

It is acknowledged that the current car park design and layout is inefficient and can be improved. The Town's Technical Services will be responsible for the car park layout and design and will take into consideration all aspects, including safety, access and egress, amenity and landscaping.

9. Ms A. Connor, Lynton Street, Mount Hawthorn

Expressed the view that *"the design of the Loftus Centre should be in keeping with the character of Leederville and surrounds"*.

CEO's Comments:

The Project Architect has prepared concept designs, which have been previously reported to Council. It is considered that these designs are aesthetically pleasing, particularly the proposed Library elevations. The current "box-like" Recreation Centre elevations will be improved wherever possible.

**REDEVELOPMENT, FEATURING ALTERATIONS AND ADDITIONS AND A NEW LIBRARY AND LOCAL HISTORY CENTRE (PRESENTED TO THE CONFIDENTIAL FORUM HELD ON 23 AUGUST AND 10 OCTOBER 2006)**

The Project Architect presented updated Concept Plans dated October 2006 (Appendix 7.1(A-I)):

Loftus Centre (Concept Plans shown at Appendix 7.1 (A-I))

- A new indoor 3 court sports hall built at the same level as the existing change rooms and sports hall with a viewing gallery.

- Minor alterations of part of the existing crèche to create a smaller crèche area of approximately 120m<sup>2</sup>.
- Minor alterations to the cardio area to create a Board Room.
- An extension at ground floor (west side of the change rooms) to create an office area for the centre management and additional storage capacity.
- At first floor level, extend the existing gym to create a large group fitness area/function area overlooking the oval with new windows also overlooking the gymnastics hall - (490m<sup>2</sup>).
- Relocation of the gym into the existing library area.
- Retain the existing reception and kiosk areas with minor alteration/refurbishment.
- Increase the facilities of the Community Centre by incorporating additional craft room area as well as a child's toilets, toy library, storage and improved office facilities.
- Relocate the child play area into an internal courtyard.
- Create an outdoor soccer area on the west side of the new sports hall, accessible to both the sports hall and the existing change rooms.
- A design concept to increase the present car parking by approximately 40 cars in an underground car park, with ramp access and reconfiguration of the car bays.
- Revised entry via Loftus Street.
- Elevations which gives greater activation onto the oval and public open space.

#### **Changes Since 12 September 2006**

- New gymnasium equipment layout shown.
- Ramp entrance to three court multi-purpose sports hall shown.
- Change to storage provision to three court multi-purpose sports hall, maintaining the total area of internal storage but providing it in two locations.

#### State Gymnastics Centre (Concept Plans shown at Appendix 7.1(E))

#### **No changes have been made to this Facility since reporting to Council on 12 September 2006.**

- Conversion of the existing two (2) courts to a gymnastics area - (1,342m<sup>2</sup>).
- An extension of the existing southern two (2) court Sports Hall. This Sports Hall to become a dedicated WA Gymnastic and Rhythmic Gymnastics Performance Hall - (590m<sup>2</sup>).
- Alterations to the existing physio and adjacent areas to create gymnastics admin offices and meeting room areas.
- Fixed seating (500) in the Gymnastics Hall and 100 retractable seats in the Rhythmic Gymnastics Hall.

#### Library and Local History Centre (Concept Plans shown at Appendix 7.1(D, I))

A new Library and Local History Centre of approximately 1,455m<sup>2</sup>.

New facilities include;

- Possible expansion and needs for "Vincent Vision 2024".

- Separate reading area (with tea preparation room) for up to 50 people, to also serve as a launch area.
- Separate "Young Adults" area with access to Information Technology (IT) and listening posts.
- Separate children's area with access to "wet area" for crafts.
- Separate Media Room for up to 10 computers.
- Separate Interview Room (for oral history interviews).

This room will have a level of sound proofing to limit the sounds of phones and closing doors being recorded. It may also be offered for tutors, such as Read, Write Now! Adult literacy volunteers.

- Separate Local History Area with IT terminals for research.
- Archives Store.
- Large Foyer - which can also hold displays.
- Separate book return and control desk.
- Staff offices and workstation and amenities.
- Separate public toilets and accessible parents' room.
- Communications Room – to house IT controls, server, and other electrical wiring. Must have dedicated air conditioning, and be waterproof.
- Store rooms – also need to consider space for large display boards, Christmas trees, etc.
- Utility room – house photocopier, printer, fax etc. Considering one machine to meet all needs.
- After hours book return – vandal proof after hours chute, with disabled access via ramp.

#### **Changes Since 12 September 2006**

- Entrance foyer alterations, to the "Porte coche" library main entrance to make it more visibly prominent and safer.
- Staircase added at Library Staff Room location to permit internal access between the basement car park and ground floor (for security reasons - to be tendered as an option).
- Changes to staff room/kitchen layout.
- Minor changes to office 4 and office 5 layout (mainly furnishings and fittings).
- Changes to Workroom to allow increased storage area behind the cleaner's room and to furnishings and fittings.
- Minor changes to Local History Centre, mainly furnishings and fittings.
- Basement storage to be an "optional extra" and will be included if funding permits.

### Elevations:

Changes include external windows in the reading area and young adults' library, material specification and alterations to the "Porte coche" library entrance to make the entrance more visibly prominent.

### Possible Basement Store

A separate basement storage area, with access via the basement car park has been indicatively costed at \$150,000 to \$200,000. Should access be required via a lift and stairs directly from the library, this would cost \$120,000 extra. It is considered that this storage is not required. The Town's Work Depot has ample room for storage - if it is required in the future.

### Landscaping

The Town's Technical Services Division will be preparing a Landscape Plan for the project and this will be presented to the Council in early 2007. It is proposed to use native species (particularly "water wise") of plants.

### Environmental and Energy Efficiency Initiatives

The Project Architect engaged Gabriels Environmental Design to review the environmental issues and energy efficiency initiatives for the project. This included;

1. Building Envelope;
2. Solar orientation;
3. Thermal insulation;
4. Lighting; and
6. Noise.

A copy of the report is "Laid on the Table".

### **Previous Council Decisions**

At the Special Council Meeting held on 30 October 2001, the Council approved of entering into a partnership with the State Government of Western Australia to redevelop and construct a number of sporting facilities, including a State Indoor Sports Centre on Loftus Centre land.

### **Previous Reports**

Previous progress reports were previously submitted to the Council on 23 July 2002, 12 August 2003, 7 October 2003, 16 December 2003, 10 February 2004, 23 March 2004, 26 October 2004, 2 March 2005, 12 July 2005, 22 November 2005, 28 February 2006, 23 May 2006 and 12 September 2006. (Forums: 23 August and 10 October 2006.)

### **Negotiations with Gymnastics WA - Lease**

Several meetings have been held with Gymnastics WA. They have advised the Town in writing of their "in-principle" agreement to the proposed concept plans and for a lease of that portion of the Loftus Centre, subject to the following conditions;

<b>Item</b>	<b>Amount</b>
Lease Term	20 years
Rent	\$40,000 per annum, increased annually by CPI
Contribution to Capital Reserve Fund	\$10,000 per annum, increased annually by CPI
Contribution to Outgoings	On a proportion basis
Number of Employee Car Bays	10 car bays

It should be noted that the informal arrangement between Skadada and Gymnastics WA needs addressing. The rent paid by Gymnastics WA may need reviewing.

### **Negotiations with Loftus Community Centre**

The Town has held several meetings with the Centre Management in mid 2006.

#### Previous Lease Conditions

The City of Perth granted the first lease from 1 July 1989 to 30 June 1995, with a base rent of \$100 per annum, indexed to CPI. For the same period, a Sinking Fund contribution of \$3,900, indexed to CPI.

A new lease commenced from 1 July 1996 to 30 June 2002 had a rent of \$170 per annum, with the Reserve Fund contribution of \$6,065 per annum (due to CPI increases).

The Centre was on a monthly lease from 1 July 2002 until February 2003. The Sinking Fund contribution was suspended from 1 July 2002, to date, due to the proposed redevelopment of the Centre.

A one year lease was granted from 1 March 2003 to 30 April 2004. The Centre is currently on a monthly lease.

In the 2005/06 Budget, the Council approved the Annual Grant to be increased from \$15,000 to \$30,000.

The proposed Centre will be increased in size from approximately 650m<sup>2</sup> to 850m<sup>2</sup> (including play area).

#### Proposed Lease Conditions

<b>Item</b>	<b>Amount</b>
Lease Term	20 years (4 x 5 year terms)
Rent	\$5,200 per annum, increased annually by CPI
Contribution to Capital Reserve Fund	\$1,000 per annum, increased annually by CPI
Contribution to Outgoings	On a proportion basis
Number of Employee Car Bays	Nil

Proposed Refurbishment

The proposed refurbishment of the Community Centre will include the following;

- new playgroup/children's room - 75m<sup>2</sup> (approx)
- new playground area - 227m<sup>2</sup>
- replacement storeroom
- new toilets
- internal modifications and improved office accommodation.

**Changes Since 12 September 2006**

- Playgroup/Children's room increased in floor area by extending the external wall towards the edge of the veranda and moving the entrance doors from the corridor towards the reception area. Increased storage provision at the new entrance lobby to this Playgroup/Children's room. 11 square metres of external playground storage provided at the top of the playground area (to match the existing provision).
- Internal door indicated between Community Hall and the external store 2.
- Minor changes to internal storage provision as requested by the Users.

**INDICATIVE TIMELINE**Comment (17 October 2006)

The Quantity Surveyor today advised that the Bill of Quantities cannot be completed before 7 November 2006. Accordingly, it will be necessary to make minor changes to the Indicative Timeline.

**Note: The following Indicative Timeline was corrected and distributed prior to the meeting. Changes are indicated by strikethrough, italic font and underline**

<b>Date</b>	<b>Item</b>
<b>17 October 2006*</b>	• <b>Council approval of "Request for Tender - Construction of Centre" documentation</b>
<del>21 and 28 October 2006</del>	• <b>Advertise "Request for Tender" - Construction of Centre</b>
<del>4-6</del> <u>7</u> November 2006	• Bill of Quantities available
5 December 2006	• Tender Closes
5-13 December 2006	• Evaluation of Tender
<b>19 December 2006*</b>	• <b>Council approval of Tender</b>
<b>20 December 2006*</b>	• <b>Appointment of Builder</b>
10 January 2007	• Builder Mobilisation
<b>14 January 2007*</b>	• <b>Construction commences</b>
January 2008	• Finalisation of "snag list".
<b>1 February 2008*</b>	• <b>2<sup>nd</sup> Stage complete and opened</b>
February-March 2008	• Official Opening of New Centre and Library

\* *Critical Dates*

**TENDER CRITERIA**

The following evaluation criteria will be used for the calling of the tender:

Criteria	%	Weighting
<p><b>1. Financial Offer/Fee Proposal:</b></p> <ul style="list-style-type: none"> <li>• This contract is offered on a lump sum (fixed price) fee basis. Include in the lump sum fee all fees, any other costs and disbursements to provide the required service and the appropriate level of the Goods and Services Tax (GST).</li> <li>• Represents the "best value" for money.</li> </ul>	<b>60</b>	<b>60%</b>
<p><b>2. History and Viability of Organisation</b></p> <ul style="list-style-type: none"> <li>• Detail your history, viability and experience.</li> <li>• Include any comments received from referees.</li> <li>• Demonstrate your capacity and depth to effectively address the range of requirements of the Town.</li> </ul>	<b>10%</b>	<b>10%</b>
<p><b>3. Relevant experience, expertise and project team</b> Demonstrate your:</p> <ul style="list-style-type: none"> <li>• Experience, expertise and project team.</li> <li>• Role and credentials of the key persons in the provision of the service (i.e. formal qualifications and experience).</li> <li>• Ability to provide ongoing availability of sufficient skilled persons capable of performing the tasks consistent with the required standards.</li> <li>• Understanding of the requirements associated with delivering the services to the Town.</li> <li>• Experience and success in the sphere of recent similar facilities, particularly in Western Australia.</li> </ul>	<b>10%</b>	<b>10%</b>
<p><b>4. Methodology, Key Issues and Risk</b> Demonstrate your:</p> <ul style="list-style-type: none"> <li>• Proposed methodology for this project to be completed on time and within budget.</li> <li>• Evidence of successful results, particularly in Western Australia.</li> <li>• Ability to provide a high level of: <ul style="list-style-type: none"> <li>- Site management</li> <li>- Finish of the building works</li> <li>- Practices regarding industrial relations</li> <li>- Practices regarding environmental protection</li> <li>- Practices providing a safe working environment.</li> </ul> </li> <li>• Understanding of the required service by identifying the key issues and risk associated with delivering the project. Explain how you intend to address these issues and risks.</li> </ul>	<b>15</b>	<b>15%</b>
<p><b>5. Financial capacity and evidence of stability</b></p> <ul style="list-style-type: none"> <li>• Demonstrate the financial capacity of the organisation to carry out works for this project.</li> <li>• Demonstrate evidence of stability and experience.</li> </ul>	<b>5</b>	<b>5%</b>
		<b>100%</b>

**LEGAL/POLICY IMPLICATIONS:**

The proposed redevelopment will be advertised in accordance with the Local Government Act tender requirements and Council's policy relating to tenders.

**ADVERTISING/COMMUNITY CONSULTATION:**

The tender will be advertised for thirty (30) days.

**FINANCIAL/BUDGET IMPLICATIONS:**

The Council's Budget 2006/07 contains the following:

Loftus Centre Redevelopment	\$10,705,000
Vincent Police Station	\$5,500,000
New Leederville Child Care Centre	\$1,600,000
New Margaret Kindergarten Building	\$800,000
Leederville Oval Public Open Space	\$560,000

**Cost Estimate for the Loftus Centre Redevelopment**

The Quantity Surveyors, Peter Blunt of Rawlinsons has prepared cost estimates, as shown below;

(a) Buildings	\$9,450,000
(b) External Works and Services	\$870,000
(c) Other Project Costs	\$1,170,000
Summary of Estimated Base Costs	
Sub-Total	<u>\$11,490,000</u>
Add on Costs:	
- Cost Escalation to January 2007	\$500,000
<b>Final Estimated Cost</b>	<b>\$11,990,000</b>
<i>Goods and Services Tax</i>	<i>\$1,199,000</i>

Note:

The costings are based on the assumption that the Town of Vincent will be responsible for all car park alterations, landscaping and retaining walls in the public open space etc.

It should also be noted that no fit out or sporting equipment has been included in the above estimates.

\* It should be noted that;

- (a) the final cost for this project will depend on the final plans, approved by the Council; and
- (b) building costs are escalating at approximately 1.01% per month (\$110,000).

The following is the indicative funding arrangement for the Loftus Redevelopment project:

	\$
Department of Sport and Recreation	3,600,000
Private Partnership/Other	3,000,000
Town of Vincent*	2,600,000
Car park upgrade/landscape (Town)#	200,000
Town of Vincent underground car park and cost escalation	2,600,000
<b>Total</b>	<u>12,000,000</u>

*# To be listed in the 07/08 Budget*

<b>*Funding Sources - Town Reserve Funds</b>	<b>\$</b>
<i>(Funds estimated and projected to June 2007)</i>	
State Indoor Sports Centre Reserve Fund	2,000,000
Loftus Recreation Centre Reserve Fund	195,000
Loftus Community Centre Reserve Fund	55,000
Len Fletcher Pavilion Reserve Fund	350,000
<b>Total</b>	<u>2,600,000</u>

<b>Project Item</b>	<b>\$</b>
Cost escalation and underground car park (20 year loan)	2,600,000
<b>To be included in Budget 07/08:</b>	
Car park upgrade/landscaping	200,000
Library - new furniture and relocation costs <i>(estimate)</i>	100,000
Len Fletcher Pavilion demolition <i>(costs estimated to March 2008)</i>	90,000
Smith's Lake Reserve Upgrade <i>(costs estimated to March 2008)</i>	165,000

The indicative repayments for a loan of \$2.6 million would be approximated \$229,440 per annum over a twenty (20) year period (based on an interest rate of 6.24%).

#### **STRATEGIC IMPLICATIONS:**

This project is in keeping with the Town's Strategic Plan 2005-2010, Key Result Area 3.2 – "Develop business strategies that provide a positive triple bottom line return for the Town" including 3.2(a) – "Review leases and commercial contracts to ensure the best return for the Town".

#### **COMMENT:**

The final plans have been derived after extensive consultation and input. It is now at a stage to call the building tender. It is pleasing to note that several reputable builders have expressed an interest in tendering for this project.

**7.2 Approval of the Financial Assistance Agreement with the State Government of Western Australia for the Loftus Centre Redevelopment, 99 Loftus Street, Leederville**

Ward:	South	Date:	12 October 2006
Precinct:	Oxford Centre, P4	File Ref:	RES0061
Attachments:	-		
Reporting Officer(s):	John Giorgi		
Checked/Endorsed by:	-	Amended by:	-

**OFFICER RECOMMENDATION:**

*That the Council;*

- (i) *APPROVES of the Financial Assistance Agreement (FAA) between the State of Western Australia (represented by the Minister for Sport and Recreation) and the Town of Vincent for the proposed Loftus Centre Redevelopment, 99 Loftus Street, Leederville, as "Laid on the Table";*
- (ii) *AUTHORISES the Chief Executive Officer to make minor variations to the Financial Assistance Agreement, which may arise during the finalisation of the document; and*
- (iii) *AUTHORISES the Mayor and the Chief Executive Officer to sign the Financial Assistance Agreement and affix the Common Seal.*

---

Cr Messina departed the Chamber at 6.50pm.

**COUNCIL DECISION ITEM 7.2**

**Moved Cr Farrell, Seconded Cr Ker**

*That the following amended recommendation be adopted:*

*"That the Council;*

- (i) *APPROVES of the Financial Assistance Agreement (FAA) between the State of Western Australia (represented by the Minister for Sport and Recreation) and the Town of Vincent for the proposed Loftus Centre Redevelopment, 99 Loftus Street, Leederville, as "Laid on the Table", subject to clarification and agreement of the following:*

**"Financial Assistance Agreement:**

- **Clause 1.1 - Completion Date - change from 30 June 2007 to 30 June 2008;**
- **Clause 3.1 - Add the words "Facility" after "Approved Purpose";**
- **Clause 7.4 - Management Committee - Gymnastics WA - add the words at the end of the clause, "for the Common Areas";**
- **Clause 7.5 (b)- delete the words " "and require any form of membership," from this clause;**

- Clause 10.1(e) - insert the word "significantly" before the word "damaged";
  - Schedule Item 1 3 -"Provision of an acoustic treatment between the Rhythmic Gymnastics and Artistic Gymnastics, as agreed between the Town and the Department of Sport and Recreation (DSR)/Gymnastics WA";
  - Schedule Item 1 3B - add the words -"Creation of a new library of approximately 1,600m<sup>2</sup>";
  - Item 1 - insert the table for payments - "as agreed by the Project Quantity Surveyor/Cost Controller for draw down of the required amounts - to be agreed once the tender is awarded";
- (ii) *AUTHORISES the Chief Executive Officer to make minor variations to the Financial Assistance Agreement, which may arise during the finalisation of the document; and*
- (iii) *AUTHORISES the Mayor and the Chief Executive Officer to sign the Financial Assistance Agreement and affix the Common Seal."*

**CARRIED (7-0)**

**(Cr Torre was an apology. Cr Messina was absent from the Chamber and did not vote.)**

---

#### **PURPOSE OF THE REPORT:**

The purpose of the report is for the Council to approve of the Financial Assistance Agreement between the Town and the State Government to receive a financial grant of \$3.6 million for the Loftus Centre redevelopment (State Gymnastics Centre).

#### **BACKGROUND:**

As previously reported to Council, the State Government will be contributing \$3.6 million towards this project, as part of their contribution to the new State Gymnastics Centre.

In order to obtain the financial assistance from the State Government of Western Australia, it will be necessary for the Town to enter into a Financial Assistance Agreement. This Agreement formalises the provision of the State Government finance to the Town and prescribes the Terms and Conditions relating to this assistance.

#### **Progress Reports**

This matter has been previously reported to Council on a number of occasions.

#### **FINANCIAL/BUDGET IMPLICATIONS:**

The Financial Assistance Agreement will enable the Town to receive the State Government funding of \$3.6 million.

#### **LEGAL/POLICY IMPLICATIONS:**

The Financial Assistance Agreement has been checked by the Chief Executive Officer and the Town's Solicitors. The Terms and Conditions are in keeping with the previous comments which have been previously reported to the Council. The clauses include;

**"1. Definitions and Interpretation**

*These are standard definitions which are referred to in the document.*

**2. Financial Assistance**

*The State Government will provide a Grant of \$3.6 million.*

**3. Use of the Grant**

*This relates to the construction of the facility and the need to comply with the necessary statutory requirements and approved plans.*

**4. General Undertakings**

*This requires the Town to comply with statutory requirements.*

**5. Reports and Financial Records**

*This requires the Town maintain accurate records, particularly financial records.*

**6. Inspection and Audit**

*This specifies the terms for any State Government inspection and/or Audit, should this be necessary.*

**7. Other Obligations to the Town**

**7.1 Variety of Sports**

*This requires the Town to ensure that the State Gymnastics Centre is available to as wide a cross section of sports as possible, having regard to its design characteristics.*

**7.2 Significant Events**

*The State Government may specify terms for significant events which are National or in the Asia-Pacific region and the Centre is to be available for such events for a period of up to ten (10) years. The State Government may specify two significant events per year. The use of the Centre is at agreed costs.*

**7.3 Netball Events**

*The Centre is to be available to Netball WA for a minimum of fifty (50) hours of court time per annum. Netball WA is to give not less than six (6) months' notice and costs are as specified for community events.*

**7.4 Management Committee**

*Gymnastics WA are to be represented on the proposed Centre Management Committee, which will consider use of the common areas of the Facility.*

**7.5 Community Access**

*The FAA requires the Town to ensure that the Loftus Centre remains a community accessible facility for a minimum of twenty (20) years.*

**8. Representation and Warranties**

*This is a standard clause relating to statutory approvals, licences, etc.*

**9. Disclosure of Information**

*This clause states that the FAA is subject to the Freedom of Information Act requirements.*

**10. Default**

*This clause specifies the Default provisions to be as follows;*

- (a) non-completion of the project by the agreed date;*
- (b) material breaches of the FAA which are not remedied by the Town, after which due notice is given;*
- (c) any incorrect or misleading representation made by the Town;*
- (d) the Town becoming insolvent; and*
- (e) the reputation of the State Government being significantly damaged by wilful conduct caused by the Town.*

**11. Administration**

*The FAA is administered by the Department of Sport and Recreation.*

**12. No Assignment**

*The FAA cannot be assigned without the prior consent of the State Government.*

**13. Relationship**

*This Clause clarifies the relationship between the Town and State Government.*

**14. Further Assurance**

*This Clause requires both the Town and State Government to do everything reasonably necessary to give full effect to this Agreement.*

**15. Waiver**

*The FAA may not be waived without the prior consent of both parties.*

**16. Entire Agreement**

*This is a standard clause relating to negotiations between the parties.*

**17. Variation**

*The FAA may not be varied without the prior consent of both parties.*

**18. Governing Law and Jurisdiction**

*The FAA is governed by Western Australian laws.*

**ADVERTISING/COMMUNITY CONSULTATION:**

Not applicable.

**STRATEGIC IMPLICATIONS:**

This project is in keeping with the Town's Strategic Plan 2005-2010, Key Result Area 3.2 – *“Develop business strategies that provide a positive triple bottom line return for the Town”* including 3.2(a) – *“Review leases and commercial contracts to ensure the best return for the Town”*.

**COMMENT:**

The Town's partnership with the State Government of Western Australia to provide a new State Gymnastics Centre within the Town of Vincent, as part of the State Sporting Facilities Plan will be a major benefit to the Town, its residents, ratepayers and also taxpayers.

**7.3 Approval of Contract, Lease and Deed of Mortgage with Belgravia Leisure Pty Ltd for Loftus Recreation Centre, 99 Loftus Street, Leederville**

<b>Ward:</b>	South	<b>Date:</b>	12 October 2006
<b>Precinct:</b>	Oxford Centre, P4	<b>File Ref:</b>	PRO3548/PRO3549
<b>Attachments:</b>	-		
<b>Reporting Officer(s):</b>	John Giorgi		
<b>Checked/Endorsed by:</b>	-	<b>Amended by:</b>	-

**OFFICER RECOMMENDATION:**

*That the Council;*

- (i) *APPROVES of the Contract, Lease and Deed of Mortgage between the Town of Vincent and Belgravia Leisure Pty Ltd for the proposed Loftus Recreation Centre, 99 Loftus Street, Leederville, as "Laid on the Table";*
- (ii) *AUTHORISES the Chief Executive Officer to make minor variations to the documents, which may arise during the negotiations and finalisation of the documents; and*
- (iii) *AUTHORISES the Mayor and the Chief Executive Officer to sign the Contract, Lease and Deed of Mortgage and affix the Common Seal.*

---

Cr Messina returned to the Chamber at 6.52pm.

**COUNCIL DECISION ITEM 7.3**

**Moved Cr Farrell, Seconded Cr Ker**

*That the recommendation be adopted.*

**CARRIED (8-0)**

(Cr Torre was an apology.)

**ADDITIONAL INFORMATION:**

Rent, Capital Contributions - (*Details requested by Councillor Maier*)

The financial details for the Contract, Lease and Deed of Mortgage were approved at the Ordinary Meeting of Council held on 23 May 2006. These are unchanged and are as follows;

Rent:

Year 1	\$110,000, plus GST
Year 2	\$113,300
Year 3	\$116,699
Year 4	\$120,200
Year 5	\$128,806

Contribution to Capital Reserve Fund:*Sinking Fund Contribution*

Year 1	\$45,000, plus GST
Year 2	\$46,300
Year 3	\$47,741
Year 4	\$49,173
Year 5	\$50,645

For years thereafter, it will increase by CPI.

Security Deposit:

\$5,000.

**Reserve Funds:**

The following is an update on the Town's Reserve Funds, which will be used as a funding source.

<b>Reserve Fund</b>	<b>As at 30 September 2006</b>	<b>Projected to 30 June 2007</b>
State Indoor Sports Centre	\$1,916,161	\$2,003,362
Len Fletcher Pavilion	\$358,211	\$374,510
Loftus Recreation Centre	\$241,305	\$284,784
Loftus Community Centre	\$53,943	\$56,420
<b>Total</b>	<b>\$2,568,620</b>	<b>\$2,719,076</b>

**PURPOSE OF THE REPORT:**

The purpose of the report is for the Council to approve of the Contract, Lease and Deed of Mortgage for the Loftus Recreation Centre for Belgravia Leisure Pty Ltd.

**BACKGROUND:**

At the Ordinary Meeting of Council held on 23 May 2006, the Council considered this matter and resolved inter-alia as follows;

*"That the Council;*

- (i) *ACCEPTS the tender from Belgravia Leisure Pty Ltd as being the most acceptable and advantageous to the Town for the provision of Operational Management Services for the Loftus Recreation Centre, 99 Loftus Street, Leederville as detailed in this report and the Commercial-in-Confidence Confidential Appendix 14.1(A), subject to;*
  - (a) *the Council approving to proceed with the Major Land Transaction; and*
  - (b) *entering into a Deed of Contract and a Lease, to the satisfaction and approval of the Council; ...*

- (iii) *NOTES that the successful tenderer will be required to enter into a Deed of Contract and a Lease after considering any comments received about the Major Land Transaction; ... "*

At the Ordinary Meeting of Council held on 12 September 2006, the Council considered submissions concerning the Major Land Transaction and approved by an absolute majority to proceed with the redevelopment of the Loftus Recreation Centre.

As previously reported to Council, Belgravia Leisure Pty Ltd will be contributing \$3 million towards this project, as part of their contribution to the Centre, as part of their long term lease.

The Town's Chief Executive Officer has prepared draft Contract and Lease documents to reflect the Terms and Conditions in the Town's Tender No. 335/06 for the Operational Management Services of the Loftus Recreation Centre and these have been checked by the Town's Solicitors. In addition, the Town's Solicitors have prepared a draft Mortgage document for security over the \$3 million contribution by Belgravia Leisure Pty Ltd.

#### **DRAFT CONTRACT**

The Contract covers the following items;

**1. Defined Terms and Interpretation**

Defines the standard terms used in the Contract.

**2. Conditions Precedent**

Sets out the background conditions.

**3. No Tenancy Rights**

Clarifies that the Contract does not give lease entitlements.

**4. Contract Term**

Prescribes the term of 10 year lease, plus 10 year option.

**5. Contract Payments**

Prescribes the payments to be made.

**6. Contractor's Obligations**

Prescribes the services and obligations to be met.

**7. Contractor's Representative**

Defines who is responsible from Belgravia.

**8. The Town's Chief Executive Officer**

Prescribes the Town's Chief Executive Officer as the authorised person to administer the Contract.

**9. Contractor to Pay Fees, Charges and Costs**

Prescribes the contractual obligation to pay.

**10. Statutory Obligations**

Prescribes the contractual obligations.

**11. Conflicts of Interest**

Requires Belgravia to advise the Town of any conflict of interest which may arise.

**12. The Media**

Prohibits Belgravia from making media statements on behalf of the Town.

**13. Confidentiality**

Requires Belgravia to maintain confidentiality.

**14. Intellectual Property**

Defines the intellectual property rights of the Town concerning the logos, names, plans, etc.

**15. Appointment of Contractor**

Defines the appointment of Belgravia as the "Contractor".

**16. Insurance Obligations**

Defines the insurance obligations.

**17. Repairs, Maintenance, Plant and Cleaning**

Prescribes and clarifies the repairs and maintenance requirements of both parties.

**18. Alterations and Additions to Premises**

Prohibits Belgravia to make alterations without prior approval.

**19. Capital Works and Redevelopment**

Prescribes the terms and conditions in the event of any future redevelopment of the site.

**20. Access and Use of Premises**

Prescribes the Town's right to inspect.

**21. Fees and Charges for the Premises**

Prescribes that fees and charges must be approved by the Town.

**22. Financial Management**

Prescribes the financial management requirements.

**23. Security Deposit**

Requires Belgravia to pay a security bond of \$5,000.

**24. Licences, Permits and Certificates**

Requires Belgravia to obtain statutory licences, as required.

**25. Subcontracting, Assignment and Employees**

Defines the terms of any subcontracting.

**26. Committee**

Prescribes the role of the management committee.

**27. Human Resources**

Prescribes the Human Resources requirements.

**28. Operation of Computer Programmes**

Prescribes the need to maintain computer systems.

**29. CPI Adjustments to Payments**

Defines CPI and how it is applied.

**30. Occupational Safety and Health Obligations**

Prescribes the Occupational Safety and Health obligations.

**31. Risk Management Plan**

Defines the need for a plan.

**32. Corporate Identity, Advertising and Promotion**

Prescribes the rights in relation to advertising and promotions.

**33. Variations**

Defines the rights for any variation to the Contract.

**34. Exit Transition**

Prescribes the process for any departure of the Contractor.

**35. Catering Services**

Defines the services required.

**36. Ongoing Reporting**

Prescribes the necessary reports required by the Town.

**37. Performance Measurement and Monitoring**

Prescribes the way the Centre performance is evaluated.

**38. Planning and Business Management**

Prescribes the need for a Business Plan.

**39. Dispute Resolution**

Defines the dispute resolution procedures.

**40. Default and Termination**

Prescribes the default provisions.

**41. Indemnity**

Prescribes the indemnity provisions for the Town.

**42. Guarantee**

Prescribes the guarantee provisions to cover the Town's \$3 million loan.

**43. Security for Guarantee and Indemnity**

Prescribes the security provisions.

**44. Tax Invoice**

Requires the Town to give tax invoices.

**45. Notices and Communication**

Prescribes the conditions for the issue of any notices or letters.

**46. Miscellaneous**

Defines general provisions applicable to a Contract.

**DRAFT LEASE**

The Lease covers the following items;

**1. Defined Terms and Interpretation**

Defines the terms used in the Lease.

**2. Lease and Licence**

Prescribes the Lease term.

**3. Payments**

Prescribes the payments to be made.

**4. Insurance and Indemnity**

Defines the insurance obligations of the tenant and indemnity provisions for the Town.

**5. Maintenance and Repair**

Prescribes and clarifies the repairs and maintenance requirements of both parties.

**6. Use of Premises**

Prescribes the use of the premises for recreational and leisure purposes only.

**7. Alterations and Installations**

Prohibits Belgravia to make alterations and installations without prior approval.

**8. Entry by Town**

Prescribes the Town's right to inspect/enter the property.

**19. Assignment and Subletting**

Prescribes that the Town's prior approval is required before any assignment or subletting is carried out.

**10. Expiration of the Term**

Prescribes the requirements to be undertaken by Belgravia at the expiration of the term of the lease.

**11. Reports to the Town and Miscellaneous**

Requires Belgravia to submit reports to the Town, as requested.

**12. Town's Covenants**

This prescribes the requirements for Belgravia to have rights to the premises to enable them to fulfil lease requirements (without undue interference from the Town).

**13. Default and Termination**

Prescribes the default provisions.

**14. Notices and Other Communications**

Prescribes the conditions for the issue of any notices or letters.

**15. Security Deposit**

Requires Belgravia to pay a security bond of \$5,000.

**16. Guarantee**

Prescribes the guarantee provisions to cover the Town's \$3 million loan.

**17. Dispute Resolution**

Defines the dispute resolution procedures.

**18. Trustee Provisions**

Prescribes the conditions for any Trustee (if applicable) in the future.

**19. Town's Option to Extend**

Defines the conditions relating to the Option period.

**20. Capital Works and Redevelopment**

Defines the rights of each party in the event of redevelopment of the Centre.

**21. Legal and Registration Costs**

Requires each party to pay their own legal costs.

**22. No Encumbrances**

Prohibits Belgravia from placing any encumbrances on the lease or premises.

**23. No Absolute Caveat**

Prohibits Belgravia from placing any caveat on the premises.

**DEED OF MORTGAGE**

Belgravia's guarantors are required to provide security to the Town to cover the Town's \$3 million loan. This will be protected by a Deed of Mortgage document, giving the Town security over "real assets" such as property or Bank Guarantee.

The Deed of Mortgage is a standard legal document to protect the Town's interest (it was used to protect the Town's loan for Members Equity Stadium) and was prepared by the Town's Solicitors. The asset will be located in Victoria.

At the time of writing this report, the Town has been advised that the mortgage will be secured over property. This matter will be handled by the Town's solicitors and will be in place, prior to signing of the Contract and Lease documents.

**FINANCIAL/BUDGET IMPLICATIONS:**

The Contract and Lease will ensure that the legal obligations between the parties are protected. As the bulk of the preparation of the documents has been carried out in-house by the Town's Chief Executive Officer, the legal cost for the checking of the Contract and Lease and preparation of the Deed of Mortgage is approximately \$5,500.

**LEGAL/POLICY IMPLICATIONS:**

The Contract and Lease reflect the Terms and Conditions of the Town's Tender No. 335/06.

**ADVERTISING/COMMUNITY CONSULTATION:**

Not applicable.

**STRATEGIC IMPLICATIONS:**

This project is in keeping with the Town's Strategic Plan 2005-2010, Key Result Area 3.2 – *“Develop business strategies that provide a positive triple bottom line return for the Town”* including 3.2(a) – *“Review leases and commercial contracts to ensure the best return for the Town”*.

**COMMENT:**

The Town's long term partnership with Belgravia Leisure Pty Ltd for the Operational Management of the Loftus Recreation Centre will be protected by the Contract and Lease documents.

It is considered that this long term partnership will be a major benefit to the Town and its residents and ratepayers.

**7.4 Local Government Economic Development Conference - Melbourne, Victoria - 16-17 November 2006**

<b>Ward:</b>	-	<b>Date:</b>	13 October 2006
<b>Precinct:</b>	-	<b>File Ref:</b>	ADM0031
<b>Attachments:</b>	<a href="#">001</a>		
<b>Reporting Officer(s):</b>	John Giorgi		
<b>Checked/Endorsed by:</b>	-	<b>Amended by:</b>	-

**OFFICER RECOMMENDATION:**

*That the Council AUTHORISES the Chief Executive Officer and Executive Manager Technical Services and up to one (1) Elected Member ....., to attend the Local Government Economic Development Conference to be held in Melbourne, Victoria on 16 and 17 November 2006, at an estimated cost of \$2,026 each.*

Moved Cr Ker, Seconded Cr Messina

*That the recommendation be adopted.*

The Presiding Member called for nominations from interested Elected Members.

Cr Messina nominated.

**CARRIED (8-0)**

(Cr Torre was an apology.)

**COUNCIL DECISION ITEM 7.4**

*That the Council AUTHORISES the Chief Executive Officer and Executive Manager Technical Services and up to one (1) Elected Member (Cr Messina), to attend the Local Government Economic Development Conference to be held in Melbourne, Victoria on 16 and 17 November 2006, at an estimated cost of \$2,026 each.*

**PURPOSE OF REPORT:**

The purpose of the report is to obtain the Council's approval to attend the Local Government Economic Development Conference to be held in Melbourne, Victoria on 16 and 17 November 2006.

**BACKGROUND:**

This National Conference will provide insights into economic development management strategies being adopted by local governments in Australia. It will focus on leading examples of how Councils have been able to deliver positive outcomes in their communities in terms of attracting investment and creating jobs.

The Conference is being supported by Economic Development Australia (EDA) which is the newly formed national professional body for economic development managers and practitioners in local government. The new Association has grown out of the Economic Development Association of Victoria (EDAV).

Presentations at the Local Government Economic Development Conference will include insights into the following topics:

- Creating the framework to attract investment to your municipality
- Investing seed capital in facilities to attract business
- Key elements of a pro-active Economic Development approach and the identifiable outcomes
- Creating business-friendly websites to drive local business activity and boost local demand for goods and services
- Establishing powerful links with your local business groups and chambers
- Leveraging new technology to attract business
- Employment generating initiatives within Local Government Associations
- Working with industry to build "multiplier effects" in sector-specific fields
- Anticipating future changes and the impact to your local business community.

The Conference will draw from a number of the inspirational and successful initiatives, which have been adopted in different parts of Australia. It has been specifically tailored to enable delegates to immediately use the information in their daily work.

It will be heavily focused on case studies so as to enable delegates to draw important lessons from leading Councils. The conference will provide a unique opportunity to network with Economic Development Managers in local government from all parts of the country.

Some topics which are particularly relevant to the Town include;

- Numerous case studies to generate investment, economic development/activity
- The role and needs of Economic Development Managers
- Shifts in the management of Economic Development.

At the Ordinary Meeting of Council held on 27 June 2006, the Council considered the matter of a Consultant's brief and resolved as follows:

*“That the Council;*

- (i) *AUTHORISES the Chief Executive Officer to prepare project brief and the terms of reference for Council's approval for a consultant to be engaged to provide a further report on Part 4 - Governance of the Town's 2005 Economic Development Strategy. The "Economic Development Strategy Governance and Implementation Report" terms of reference should consider;*
  - (a) *provision of further details of the definition, scope and role of the Town, business and stakeholders in the Place Management Process including examples of similar;*
  - (b) *how the proposed Place Management Committee would fit into the Town's existing governance structure including defining its authority, accountabilities, responsibilities and resource requirements;*
  - (c) *identification and assessment of the alternative funding models available to fund the activities of the Place Management Committee;*

- (d) *the accountabilities; responsibilities and resource requirements of the proposed Manager Place Activation and whether they be engaged as an internal or external agent to the Town's administration;*
- (e) *an implementation plan for the Economic Development Strategy particularly the aspects of governance and administration; and*
- (f) *development of an alternative simplified governance model as interim measure to implement the strategies identified in the Town's 2005 Economic Development Strategy; ..."*

The Town has commenced the implementation of its Economic Development Plan and the Leederville Masterplan. At the Ordinary Meeting of Council held on 12 September 2006, the Council approved the calling of quotations for consultants to investigate the Governance model for implementation of the Economic Development Strategy as follows;

Project Scope and Terms of Reference

The preliminary draft scope and Terms of Reference of the project will be to:

1. Seek further details in regard to the definition, scope and role of the Town, business, residents and stakeholders in the Place Management Process, including investigating like sized Metropolitan Councils, both locally and nationally.
2. Determine how a proposed Place Management Committee would fit into the Town's existing governance structure.
3. Define the proposed Place Management Committee's authority, accountabilities and responsibilities in relation to the existing governance structure and make recommendations on the necessary resource requirements, including the appointment of a Manager Place Management and the Manager's key duties and responsibilities.
4. Recommend, through research and discussion with other local governments with Place Management Committees and employees already in place, whether the Place Management Committee and Manager Place Management be engaged as internal or external agents of the Town's administration.
5. Identify and assess alternative funding models available to finance the activities and functions of the Place Management Committee.
6. Develop an implementation plan for the Economic Development Strategy specifically in relation to the creation of the Place Management Committee and Manager Place Management, with particular focus on the aspect of governance and administration.
7. Develop an alternative simplified governance model as an interim measure to implement the strategies identified within the Town's 2005 – 2010 Economic Development Strategy.

**CONSULTATION/ADVERTISING:**

Nil.

**LEGAL/POLICY:**

Council's Policy 4.1.15 - *"Conferences & Training - Attendance, Representation, Travel & Accommodation Expenses and Related Matters"* - Clause 1.1 (i) states;

- "(i) When it is considered desirable that the Council be represented at an interstate conference, up to a maximum of one Elected Member and one Officer may attend;*
- "(ii) In certain circumstances (for example where the Conference is of a technical nature) and where an Elected Member is not attending the CEO may recommend that two (2) officers attend, in lieu of the Elected Member. In this instance, the CEO will specify reasons in the report to the Council."*

The Chief Executive Officer's Contract of Employment entitles the Chief Executive Officer to attend one inter-state conference per annum. The same applies to Executive Managers.

**STRATEGIC IMPLICATIONS:**

In accordance with Key Result Area Four of Strategic Plan 2005-2010 - 1.4(c) *"Actively participate in community, Local, State and Federal Government forums and professional seminars"*.

**FINANCIAL/BUDGET IMPLICATIONS:**

Conference Registration*	\$795
Accommodation (2 nights) (\$180 per night)#	\$360
Airfare (economy class)**	\$580
Expenses allowance (3 days @ \$97/day)	\$291
<b>Total</b>	<b><u>\$2,026</u></b>

\* \$795 for first Delegate, \$695 for second and subsequent Delegates

\*\* Economy Fare (subject to availability)  
Business Class Fare = \$2,416.

# Maximum permitted under the Policy is \$245/night for 2006/07

(Note: The Policy allows for the CEO to travel Business Class. The CEO has chosen to travel economy class.)

**Attendance at Previous Conferences**

The Town has not previously attended this conference.

**COMMENTS:**

This Conference is considered timely, in view of the Town's progression of the Economic Development Strategy and Leederville Masterplan. The Chief Executive Officer is directly responsible for Economic Development matters. He chairs the Town's Leederville Masterplan Executive Team and is responsible for the co-ordination of this project and the Economic Development Strategy. He would benefit from the knowledge obtained at this Conference. He also considers that the Executive Manager Technical Services will benefit from attending this Conference, as he (along with the Executives Managers Corporate Services and Environmental & Development Services) form the Project Team for the Leederville Masterplan. The Executive Manager Technical Services has a key and integral role with the project for infrastructure improvement and the potential upgrade. This component is valued at millions of dollars to the Town.

Accordingly, the Chief Executive Officer also supports the attendance of the Executive Manager Technical Services at this Conference.

It is recommended that approval be granted for the Chief Executive Officer, Executive Manager Technical Services and up to one (1) Elected Member (if a nomination is received) to attend the Local Government Economic Development Conference in Melbourne, Victoria on 16 and 17 November 2006.

At 6.55pm **Moved** Cr Farrell, **Seconded** Cr Ker

*That the meeting proceed "behind closed doors" to consider Confidential Item 8.1 as the matter contains commercially sensitive and financial information.*

**CARRIED (8-0)**

(Cr Torre was an apology.)

Co-ordinator Major Projects - Andrew Neilson, Journalist - Brendan Foster and 1 Member of the Public departed the Chamber.

The Presiding Member called a five (5) minute adjournment.

## 8. CONFIDENTIAL REPORTS (*Behind Closed Doors*)

### 8.1 Confidential Report: Leederville Masterplan Project - Approval in Principle and Progress Report No. 5

Ward:	South	Date:	12 October 2006
Precinct:	Oxford Centre P4/ Leederville P3	File Ref:	PLA0153
Attachments:	-		
Reporting Officer(s):	John Giorgi, R Lotznicker, M Rootsey, R Boardman		
Checked/Endorsed by:	-	Amended by:	-

#### **OFFICER RECOMMENDATION:**

*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 AUTHORIZES these Plans to be used as a basis for the Project;*
  - (b) *the Indicative Timeline, as detailed in this report;*
  - (c) *the Project Objectives, as shown in Appendix I;*
  - (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*
  - (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; and*
  - (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;*
- (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.

**Moved Cr Farrell, Seconded Cr Chester**

*That the recommendation be adopted.*

Debate ensued.

**Moved Cr Chester, Seconded Cr Lake**

*That Clause (ii)(a) be amended to read as follows;*

“(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 regarding the relocation of the all facilities currently provided by the HQ Youth facility and Skate park within the Town and may be subject to significant change;**”*

(Cr Torre was an apology.)

**AMENDMENT LOST (3-5)**

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

**Moved Cr Chester, Seconded Cr Maier**

*That Clause (ii)(d) be deleted and a new Clause (vii) be added as follows;*

“(vii) **DEFERS** its decision on the preferred Delivery Model and requests the Chief Executive Officer, in liaison with the Mayor, to enter into discussions with the Department of Planning and Infrastructure (DPI) and East Perth Redevelopment Authority (EPRA) concerning the proposed preferred Delivery Model.”

Debate ensued. Cr Chester spoke to his amendment for five (5) minutes. Mayor Catania advised Cr Chester that he had spoken for five (5) minutes and asked a Councillor to move that he be permitted to continue speaking.

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

That Cr Chester be permitted to continue speaking for a further five (5) minutes.

**CARRIED (8-0)**

**AMENDMENT LOST (3-5)**

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

**Moved Cr Chester, Seconded Cr Farrell**

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

**“(ii) APPROVES IN PRINCIPLE;**

- (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***

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

**Moved Cr Chester, Seconded Cr Farrell**

*That Clause (iv) be amended by adding new sub-clauses (d) and (e) as follows;*

- “(iv) (d) *"clarify the role and function of the proposed Town/DPI Working Committee and, in particular, its reporting relationship with the Town's Working Group (comprising Elected Members and Officers) and the Department of Planning and Infrastructure; 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."***

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

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

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

- “(ii) (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;***

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

**Moved Cr Chester, Seconded Cr Messina**

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

(ii) (c) *the Project Objectives, as shown in amended Appendix I;*

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

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

*A new clause (iv)(d) be added as follows:*

“(iv) (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;*

Debate ensued.

**AMENDMENT CARRIED (8-0)**

(Cr Torre was an apology.)

**Moved Cr Lake, Seconded Cr Maier**

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

“(ii) (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;"*

Debate ensued.

**AMENDMENT CARRIED (6-2)**

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

**MOTION AS AMENDED CARRIED (8-0)**

(Cr Torre was an apology.)

**COUNCIL DECISION ITEM 8.1**

*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.*

---

**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 an overview and progress report and to seek "approval in principle" for the concept plans, indicative finances and timeline and approval of a funding application to the DPI, including an MOU.

## **BACKGROUND:**

The Town has been progressing the Leederville Masterplan Project since 2004 and is now at a stage where the Council's "Approval in Principle" of the Project is required. 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 and 28 March 2006

### **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.

## **DETAILS:**

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

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.

### **Project Precincts** (*Refer to Appendix B*)

The Town's Project Team (comprising the Town's Chief Executive Officer, Executive Managers and external Consultants) has identified the following Precincts for the Leederville Masterplan area;

- Entertainment Precinct - centred around the Leederville Hotel, Hip-E Club;
- Food Precinct - centred around The Avenue Car Park site;
- Restaurant Precinct - centred around Oxford Street and part of Newcastle Street;

- Network City - Office Precinct - centred around the Water Corporation site;
- Town Centre - centred around a proposed park, near the current Oxford Street Reserve;
- Education Centre - centred around TAFE's Leederville campus and SIDE;
- Community Centre - centred around the Loftus Centre, Margaret Kindergarten, Leederville Child Care Centre; and
- Civic Centre - centred around the Town of Vincent Administration & Civic Centre and the Department of Sport and Recreation Building.

The Project Team has been advised that the aim of the Masterplan extension study is to develop a preferred scenario with the aim of preparing a blueprint for the future development of the area with a planned approach for the future land use planning for the Leederville Masterplan. They have also been advised the Town seeks to define the interaction of the area north of Vincent Street with area south of Vincent Street via a coordinated approach to the development of the area addressing the needs of all stakeholders.

The proposal prepared by Jones Coulter Young (JCY) includes:

- Stakeholder consultation - *Mostly completed*:
  - Dialog with the relevant stakeholders where required.
  - Explore various detailed options and synergies with all the stakeholders.
- Town Centre Mapping (*Colliers and Pracsys*) - *Completed*:  
Assemble a data map of the proposed Masterplan area including a comprehensive survey of existing residential density, commercial and retail floor areas. This data will be used as a base and will be used to project future densities and plot ratios to build up a future vision for Leederville.
- Opportunity and Constraints and vision mapping (*JCY*) - *Completed*
- Masterplan preparation including (*JCY*) - *Completed*:
  - Built form diagrams
  - Height diagram
  - Preferred uses
  - Precinct plan/s
- Town Centre Mapping (*Colliers/Pracsys*) - *In progress*
- Cost Planning (*Ralph Beatty Bosworth*) - *In progress*
- Economic Impact Study (*Pracsys*) - *In progress*
- Traffic Study (*Sinclair Knight Mertz*) - *In progress*
- Services / Infrastructure (*Sinclair Knight Mertz*) - *In progress*

#### **Leederville Masterplan - Town - Objectives and Principles** (*Refer to Appendix I*)

The Town's Administration, together with the Project Team, has developed objectives and principles covering the following key areas;

- Environmental
- Economic
- Social

A triple bottom line approach has also been taken.

**Network City and Town of Vincent - Comparison of Priority Objectives** (*Refer to Appendix J*)

It is important to note that the State Government has prepared planning documents for the Perth and Peel Region.

This matter was considered by the Council at the Ordinary Meeting held on 9 May 2006, whereby the Council resolved to generally support in principle the intent and content of Network City. The Town's Project Team, have been analysing the Town's Objectives and Principles and have carried out an examination and comparison with the Network City Objectives and Principles (*Appendix J*). This is a draft document. The following is a summary of Network City;

*"Network City establishes the fundamental directions for Perth and Peel.*

**Vision**

*The vision for Perth and Peel is that by 2030, Perth people will have created a world-class sustainable city, vibrant, more compact and accessible, with a unique sense of place.*

**Values**

*The values underlying Network City are sustainability, inclusiveness, innovation and creativity, sense of place and equity. There are three principles to guide decision-making:*

- 1. Enhance efficiency of urban land use and infrastructure.*
- 2. Protect and rehabilitate the environment and improve resource efficiency and energy use.*
- 3. Enhance community vitality and cohesiveness.*

**Objectives:**

*Network City has ten key objectives:*

- 1. Deliver urban growth management.*
- 2. Accommodate urban growth primarily within a Network City pattern, incorporating communities.*
- 3. Align transport systems and land use to optimise accessibility and amenity.*
- 4. Deliver a safe, reliable and energy-efficient transport system that provides travel choice.*
- 5. Protect and enhance the natural environment, open spaces and heritage.*
- 6. Deliver for all a better quality of life, building on our existing strengths.*
- 7. Plan with the communities.*
- 8. Ensure employment is created in centres.*
- 9. Deliver a city with 'urban' energy, creativity and cultural vitality.*
- 10. Provide a city plan that will be implemented, provide certainty and deliver results.*

**Headline Statements:**

*The principles, objectives and strategies are captured in eight headline statements. The headlines are included on the spatial plan endorsed by the Government.*

- Manage growth by sharing responsibility between industry, communities and government.*
- Plan with communities.*
- Nurture the environment.*
- Make fuller use of urban land.*

- *Encourage public transport over private transport.*
- *Strengthen local sense of place.*
- *Develop strategies, which deliver local jobs.*
- *Provide affordable housing.*

*The Network City Framework... and the Network City Action Plan ... have both been endorsed by the Government. The framework is in diagrammatic form and graphically indicates how the essential principles of Network City might be applied. The action plan contains a set of 28 strategic priorities and 59 priority actions, which are needed to begin the journey of 'making Perth the city we want'.*

*The document, Network City: Community Planning Strategy for Perth and Peel, contains chapters addressing the following matters: the spatial plan, governance, a liveable city, economy, environment, transport and infrastructure. Network City supersedes Metroplan. It is the metropolitan strategy for Perth and Peel. It embodies the metropolitan land use strategy, the metropolitan transport strategy, a whole-of-government approach, a commitment to partnerships with local government and a commitment to plan with communities.*

*Implementation will also occur through the day-to-day processes of decision-making on statutory plans, structure plans, subdivisions and development applications and the actions of other State agencies and Local Governments in carrying out their responsibilities.*

*Guided by the responses to Network City, the WAPC has identified nine priority tasks for policy making.*

- *Detailing the metropolitan structure involves expanding and explaining the overall metropolitan structure of activity centres, activity corridors and transport corridors (including the principles that will govern their local planning and management) and the long-term structure of the metropolitan regional parks system.*
- *Determining local population, housing and job targets involves determining and applying methodologies for setting these (and other) targets collaboratively.*
- *Managing growth involves locating, staging and managing greenfield and infill development.*
- *Developing the activity centre concept involves determining the character, location and management of activity centres.*
- *Developing the activity corridor concept involves determining accessibility principles as well as the character, location and management of activity corridors.*
- *Developing the transport corridor concept involves determining the character, location and management of transport corridors.*
- *Enhancing institutional structures and decision-making involves enhancing and improving the way all levels of government and civil society work together.*
- *Relating sustainability to decision-making involves planning and managing growth according to sustainability principles.*
- *Accessing time, money and skills involves ensuring that all stakeholders have access to the skills and funds needed to deliver planning through participatory mechanisms.*

*Peak WAPC committees will drive the priority tasks. The committees will be a combination of existing and new committees and consultative groups, with working groups formed for specific projects. This will ensure that full advantage is taken of the existing expert and representative groups, while involving others who wish to contribute or who can represent diverse interests.*

*Each of the peak committees, and any associated working groups, will be asked by the WAPC to consider all relevant submissions made on Network City and to take them into account in developing new policies.*

*Each of the peak committees, and any associated working groups, will be asked by the WAPC to consider and implement ways to inform the community, to foster debate and to give interested people and organisations access to the policy making process.*

***Each of the peak committees, and any associated working groups, will be asked by the WAPC to make the development of partnerships central to their operations. In all priority tasks the WAPC will seek to build new and stronger partnerships."***

### **Department of Planning and Infrastructure (DPI) Funding**

As outlined in the background above, a meeting was held on 29 June 2006 at the Town with Michael Chappell from Pracsys, Cr Chester, Chief Executive Officer and the Executive Manager Technical Services (EMTS) to discuss State Funding opportunities for the Leederville Masterplan. On 29 June 2006, the Chief Executive Officer met with Michael Chappell and Dr Mike Mouritz, Executive Director, Urban Policy (DPI) to discuss the Leederville Masterplan and explore the formation of a partnership.

On 4 July 2006, a further meeting was held at the Town with Dr Andrew Montgomery, Director, Urban Growth Management Program (DPI), Michael Chappell from Pracsys, the Chief Executive Officer and Executive Manager Technical Services, where the DPI agreed to engage Pracsys to prepare a Business Case in liaison with the Town. The DPI have a new Division which considers funding for innovative projects, such as Transit Oriented Developments (TOD) and Network City Projects. Initial funding of up to \$80,000 (possibly on the proviso of the Town contributing \$20,000) is available to pursue the Government's objectives for Network City and TOD. The Town has been advised that this funding could be received by December 2006.

The purpose and scope of the Business Case is to demonstrate the opportunity for a collaborative partnership between State and Local Government and the local business communities, in accordance with *Network City* principles, objectives and strategies, and to request the West Australian Planning Commission (WAPC) and the Department for Planning and Infrastructure (DPI) for assistance in planning and implementing this proposal.

This proposal includes the planning and development of the Leederville Town Centre in conjunction with Transit Oriented Development (TOD) opportunities surrounding Leederville station, that link with adjacent activities across the railway line and within the Town of Cambridge.

Development of agreements and masterplans that will ensure the achievement of the objectives of all parties entails a scope of work that includes:

- Development of a collaborative agreement (partnership) that will join the efforts of the State Government of Western Australia and the local government of the Town of Vincent.
- Development of a strategy to recognise the interests of major stakeholders in the Water Corporation, SIDE and TAFE.
- Integration of the objectives of the *Network City/State Sustainability Strategies* with the Leederville Masterplanning strategy.
- Integration of the redevelopment masterplans of the three major stakeholders (Water Corporation, SIDE and TAFE) with the Town of Vincent Leederville Masterplan and *Network City Strategy*.

Capital Contribution by the State Government

The Town has also been advised that funding of possibly up to \$4 million is available from the State Government for capital infrastructure improvements to progress projects such as TOD and Network City. The State Government funding would be provided to a local government partner to assist with a project that helps deliver the objectives of Network City. The Town has been advised that the Leederville Masterplan is a highly regarded project. This would necessitate the Town entering into an MOU with the DPI - *refer to Appendix K*. It will also necessitate the preparation of an Economic Impact Assessment, which estimates the economic impact associated with the project. The Town is still awaiting this information from the Project Team, which would include:

- the number of residential units;
- the number of commercial units;
- the number of retail units;
- infrastructure improvement; and
- number of employment opportunities (short and long term).

Estimated Economic Impact

The preliminary estimated economic impact (estimated by the Chief Executive Officer) associated with the Leederville Masterplan (Town owned land and associated road infrastructure only) is in the order of \$202 million. The value in "multiplier terms" has not been estimated and will be prepared by the Project Team.

The following is a broad estimate of the economic impact of the Town's land:

	No. Apts	Average Value (today's dollars)	Total Value (today's dollars)	Estimated Completion Date	Av Value on Completion	Total Value upon Completion
Lot 2	110	\$517,045	\$56,874,950	1-Oct-09	\$672,553	\$73,980,830
Lot 3	142	\$555,070	\$78,819,940	1-Jun-11	\$722,014	\$102,525,988
Lot 4	85	\$521,912	\$44,364,520	1-Mar-12	\$678,883	\$57,705,055

The Avenue Multi-Level Car Park (320 bays)	7,680,000	10,680,000
Frame Court Multi-Level Car Park (375 bays)	10,923,844	13,500,000
Civic Square / Public Open Space Improvements	1,000,000	1,500,000
Road/Infrastructure Improvements	2,500,000	5,000,000
<b>Total</b>	<b>\$202,161,254</b>	<b>\$261,891,873</b>

The new facilities, apartments and associated infrastructure will bring further increases in economic activity, e.g. increased retail/commercial space, greater employment, greater patronage, etc.

The impact of the Water Corporation, SIDE and TAFE Masterplans will also significantly add to the value of the project.

Pracsys Consultants have prepared a draft Masterplan Business Case - Support and Funding Application (*refer Appendix Z*). The conclusion of this document states;

*"The Leederville precinct Masterplan is an ideal demonstration project for implementation of the Activity Centre component of the Network City strategy. Oxford Centre is highlighted in the Network City strategy as a prime example of the activity centre concept, and Oxford Street as a prime example of the local activity corridor concept, with Leederville (Oxford Centre) the logical western anchor point for the proposed light rail network.*

*The potential advantages in synchronising the Network City strategy and the Leederville Masterplan can be demonstrated by examining the Network City Transit Oriented Development (TOD) strategy. This initiative is aimed at achieving sixty percent of all new dwellings in existing urban areas and requires therefore, that inner and middle suburbs need to accommodate:*

- *10,400 new dwellings by 2010*
- *27,000 new dwellings by 2020*
- *65,000 new dwellings by 2030*

*The Town of Vincent is a major inner urban precinct with Leederville a key railway station in the rail access corridor. As such the Leederville precinct would be a key target for the TOD project. In broad terms, a simple calculation shows that if the TOD target for all inner and middle planning sectors is around 65,000 and say fifty percent of these new dwellings are to be targeted for easy access to the rail network and there are say 10 stations in this inner sector, then the TOD aim for Leederville could be as high as 3,250 new dwellings. In that the current target for the Leederville precinct, as stated in the original Leederville Masterplan, is for just 250 new dwellings, it is apparent that a collaborative agreement can have very positive consequences for both the DPI/WAPC Network City strategy and the redevelopment of the Leederville precinct of the Town of Vincent.*

*The Leederville precinct already has a better than average employment self sufficiency (population to employment ratio), with employment trending towards retail, office and service sectors and away from manufacturing, utilities and distribution industries. The inclusion of education and recreation will add further strength in employment diversity.*

*Support and funding for the employment of a masterplanning team to co-ordinate the efforts of the two parties to the agreement and the major stakeholders will facilitate the essential planning necessary to achieve other objectives such as:*

- *Development of a specific employment strategy that will to underpin attraction of desired industries in line with land use targets set in masterplan*
- *Assessment of commercial land development density and identification of available lots for redevelopment*
- *The construction of infrastructure, such as new and upgrading of, roads, pathways and public spaces that will have neutral cost implications for the Town of Vincent*
- *Identification of under-utilised development land and encouragement of owners to focus on employment generation activities*
- *Facilitation of development and activities that complement and support development and activities in the Leederville café strip*
- *Delivery or facilitation of upgrading of infrastructure that will meet the existing and future needs of the Town Centre.*
- *Facilitation of a sustained healthy local economy that is underpinned by strong business investment and customer expenditure within the area*
- *Identification and establishment of partnerships, alliances and synergies with key stakeholders.*
- *Identification and capturing of revenue, investment and cost sharing opportunities to fund infrastructure improvements*
- *Creation of a social, physical and economic environment where people universally feel invited to live, work and play in the town centre, incorporating:*
  - *Adequate car parking provision to support the town centre, taking into account its like to the regional multi-public transport network;*
  - *Diverse housing choice, including an appropriate proportion of affordable housing;*

- *Active activities, such as retail, shopfronts, and some restaurants and cafes at the street level*
- *Offices, including the promotion of corporate offices in the eastern portion of this area*
- *A mix/diversity of activities that will facilitate a sustainable and vibrant precinct*
- *Delivery or facilitation of an invigorated and robust community square in close proximity to the Leederville café strip, that will act as a magnet for a diverse range of focal activities that complement the Leederville image*
- *Realisation of maximum financial return, with managed financial risk to the Town by way of capital improvements and/or annual income, without compromising the function and operation of the existing town centre and facilities and activities."*

**Memorandum of Understanding (MOU) (See Appendix K)**

The DPI have provided a draft MOU which in summary states as follows;

*"Statement of Purpose*

*The purpose of this Memorandum of Understanding (MOU) between the Department for Planning and Infrastructure acting for the State Government of Western Australia and the Town of Vincent is to confirm an intention to work co-operatively to achieve sustainable environmental, social and economic development for the residents and all other people involved with the Town of Vincent, with specific reference to the Leederville/West Perth precinct.*

*Scope of Memorandum of Understanding*

*This MOU recognises the commitment of the State Government of Western Australia and the Town of Vincent to sustainability and their intention to pursue the development and implementation of their respective growth initiatives.*

*In particular, this MOU:*

- *Confirms the commitment of the Government of Western Australia and the Town of Vincent to a Sustainability Framework that embraces the State Sustainability Strategy, Network City Community Planning Strategy, the Town of Vincent Strategic Plan and Economic Development Policy*
- *Establishes a commitment to initiate a study to assess the degree of integration of the objectives of the State Sustainability Strategy and Network City Community Planning Strategy with the vision and objectives of the Town of Vincent's extension to the current Leederville Masterplan*
- *Confirms the requirement for the extended Masterplan to incorporate all of the Oxford Street area, Water Corporation, TAFE, SIDE and Town of Vincent land as a condition of State Government participation and support in the redevelopment*
- *Seeks to align the development objectives of the Town of Vincent with those of the State Government and its trading entities (Central TAFE and Water Corporation)*

*Governance and Decision-making*

*Management of the Agreement*

*The parties agree that the Agreement will be implemented in a co-operative manner based on shared objectives.*

*Management of the agreement will be undertaken by a Management Committee that shall comprise four persons nominated by the Government of Western Australia and four persons nominated by the Town of Vincent.*

*These persons will include the CEO of the Town of Vincent; the Director of Planning, Town of Vincent, the Manager, Network City, DPI; the Officer in charge of partnerships DPI .....,*

*The Management Committee will be chaired by the CEO of the Town of Vincent.*

#### *Roles and Responsibilities*

*The role of the Management Committee will include the following tasks:*

- *Initiate the process of this Agreement within one month of signing the Agreement*
- *Identify the priorities and initiatives to be pursued under the terms of the scope of the agreement*
- *Identify a timeframe within which the delegated activity under this Agreement will be completed*
- *Appoint a consultant to execute the study stated in the scope of the agreement*
- *Oversee the Agreement on an ongoing basis*
- *Receive reports from the commissioned consultant*
- *Review progress of the delegated activity*
- *Report to the Sponsors to the Agreement at completion of the delegated activity*

#### *Funding of the Agreement*

*The Department of Planning and Infrastructure will advance an amount of \$80,000 to the Management Committee to fund the delegated activity stated in the Scope of the Agreement.*

#### *Financial Control*

*Financial control will be vested in the Management Committee and as required by the Council.*

#### *Dispute Resolution*

*The parties to the Agreement agree that any issues raised as to the operation of this Agreement will be resolved by the Management Committee.*

*There is no dispute until a matter is formally identified as such by either Party to the Agreement.*

#### *Terms of the Agreement*

*The Agreement commences on the Commencement Date*

*The Agreement ceases on the .....*

*The Parties to the Agreement may agree to extend this Agreement for further periods as agreed between the Parties."*

The Project Management Committee would formalise the current management of the Town's Executive Management Team (EMT) (CEO, Executive Managers Technical Services, Environmental & Development Services, Corporate Services) handling the day-to-day issues of the project and its relationship with the DPI. It will also have responsibility for the day-to-day issues for;

- Clarification of the goals and objectives of relevant strategies and all interested parties – it is vital that masterplans for the Water Corporation site, TAFE site and SIDE sites are all incorporated into the single Leederville precinct masterplan.

- Development of performance indicators - in reviewing likely performance indicators it is important to ensure that the spread of indicators selected is suitable to achieve a meaningful assessment of the progress towards the achievement of stated goals and strategies. It is critical to ensure that not only are the indicators able to be measured against each strategy but that the range of indicators is sufficient to give a relevant analysis of the strategy.
- Identification and analysis of gaps between the objectives of each party.
- Development of strategies and actions to address gaps and ensure achievement of objectives of *Network City*, *State Sustainability* and the Town of Vincent Leederville Masterplanning Strategies.
- Undertaking of necessary consultation and design work to combine the masterplan elements into a single coherent planning design.
- Development of a planning strategy that will increase the initially proposed 250 new dwellings (Leederville Masterplan) towards the objective of 1,500 – 2,000 new dwellings, which will be more consistent with the *Network City* objective and will contribute towards the accommodation of the targeted 65,000 new dwellings in the inner and middle planning sectors by the year 2030.

The Town's Leederville Masterplan Working Group, comprising Elected Members and Town's Officers would still meet to perform its current role of overseeing and providing advice, etc.

### **Leederville Masterplan Options**

The Project Team has prepared two options covering the Town's land.

#### Area Bounded by Loftus, Vincent Streets and Leederville Parade - Jones Coulter Young Team

A concept was prepared as follows;

##### *The Avenue Car Park:*

- 16 Storey height limit assumed for residential sites.
- Land sales all at \$1,100 per m<sup>2</sup>.
- The Avenue Car Park sub-division costs - \$2.36 million.
- Site 1 (3,900m<sup>2</sup>) is sold to a developer; profit made from retail development reduces the price that the Town pays for car parking bays (assumed to be 320 bays).
- Site 2 (3,200m<sup>2</sup>) sold to a developer.

##### *Frame Court Car Park:*

- Site 3 (3,850m<sup>2</sup>) and Site 4 (2,500m<sup>2</sup>) sold to developer.
- Car park on site 5 (2,250m<sup>2</sup>) developed by the Town – 375 bays.

### **Masterplan – Extension of Area**

#### North of Vincent Street - Area Bounded by Loftus and Richmond Streets, Oxford Street/Leederville Parade

As outlined in the background of the report, JCY were formally requested on 9 June 2006 to provide a detailed price for the extension of the Masterplan Area. Following receipt of the JCY proposal, the Chief Executive Officer, Executive Manager Technical Services and Peter Hobbs from JCY, met at the Town on 6 July 2006 to discuss the JCY Masterplan extension proposal. At the meeting, JCY advised that the project is progressing slower than expected, due to the high work volume caused by the economic resources boom.

The expanded Leederville Masterplan area *north of Vincent Street* incorporates the following:

- TAFE Leederville Campus
- Leederville Infant Child Care
- Margaret Kindergarten
- Town of Vincent Administration and Civic Centre
- Possible Vincent Police Station
- Leederville Oval (Medibank Stadium)
- Loftus Recreation Centre
- Department of Sport and Recreation building
- Schools of Isolated and Distance Education

At the meeting, JCY suggested that Peter Hunt Architect's brief should be expanded to provide advice as to the means of achieving urban design, town planning and architectural best practice over the project area north of Vincent Street for the following reasons:

- Peter Hunt Architect is currently engaged by Central TAFE to prepare their Masterplan;
- Peter Hunt Architect is currently engaged by the Town to prepare a proposal for the possible relocation of the Leederville Infant Child Care and Margaret Kindergarten to locate Possible Vincent Police Station;
- Peter Hunt Architect is currently engaged to design the Loftus Recreation Centre redevelopment;
- Peter Hunt Architect was previously engaged to design the DSR building;
- Peter Hunt Architect was previously engaged to design the Town of Vincent Administration and Civic Centre; and
- Extensive liaison with stakeholders in this area already undertaken and opportunities and constraints explored during the liaison/consultation.

Following the advice/suggestion from JCY, Peter Hunt Architect was subsequently requested to provide a price to develop a preferred scenario with the aim of preparing a blueprint for the future development of the area with a planned approach for the future land use planning for the Leederville Masterplan area north of Vincent Street. An overview of this concept was presented at the Elected Member Forum held on 23 August 2006.

Peter Hunt is required to provide information to the JCY team to ensure the project objectives are clearly defined, understood and successfully achieved to enable the JCY team to finalise the overall Masterplan. This is due in late October 2006.

### **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

This proposal is strongly supported by both TAFE and the Town. As a result of a meeting held on 14 August 2006, TAFE wrote to the Town on 15 August 2006, advising it is TAFE's intention to transfer the Sport and Recreation programs from the Mount Lawley Campus to the Leederville Campus, effective from the beginning of 2007. This transfer is subject to a number of conditions, which include the following;

1. Signing of a Memorandum of Understanding (MOU) - this to be progressed over the forthcoming months.

2. Use of Leederville Oval reported to the Ordinary Meeting of Council held on 12 September 2006.

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 verbally agreed to the proposal.

#### Establishment of Programmes 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 has advised the Town that they 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 at an early stage and preliminary information is as follows;

- TAFE masterplan timeline is much slower than the Town;
- 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. Unfortunately, contact has only just been made with them. Further information will be provided as it becomes available.

#### **Leederville Police Station Feasibility** (*Concept Plans shown at Appendix Y*)

The Town has engaged Peter Hunt Architect to prepare a concept plan for the proposed Leederville Police Station to be located on the current Leederville Early Childhood Centre site. This feasibility proposes the following;

1. Concept Plans

Concept plans have been prepared in accordance with the strict criteria of the WA Police and have been agreed in principle by WA Police.

2. Indicative Costing

An indicative cost (which includes cost escalations over the project construction period) is indicatively \$7 million.

3. Lease Options

The Town has written to WA Police advising that the proposed site can be made available with the following options;

- (a) Town to construct - this would involve the Town borrowing the full amount of the project and WA Police entering into a long term lease and payback arrangement.
- (b) WA Police to construct - this would involve only a long term land lease with the Town.

WA Police are currently carrying out financial analysis of their options (which also includes rebuilding on their current Oxford Street site). At the time of writing this report, the Town was awaiting a formal response. It should be noted that WA Police and the Minister for Police have indicated strong interest in this feasibility project, however a review of the Police District facilities is being carried out. A decision is expected in November 2006.

**Discussions with Leederville Early Childhood Centre Inc (LECC)** (*Current site is approximately 3,005m<sup>2</sup>*)

As part of the Vincent Police Station Feasibility, if this is to proceed it would require the relocation of the LECC. A number of discussions have been held with the LECC 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 can be found on the north-eastern side of Leederville Oval (just south of the existing Margaret Kindergarten site).

Concept Option (*See Appendix Y*)

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 850m<sup>2</sup> (based on \$2,000 per m<sup>2</sup>) would be approximately \$1.7 million (escalation costs to mid-2007 would be approximately \$102,000 extra).

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 430m<sup>2</sup> to 850m<sup>2</sup>. This would accommodate approximately 90 children. (Currently there are 60 children at LECC.) The overall site area would be 2,700m<sup>2</sup>.

**Margaret Kindergarten** (Current site is 2,407m<sup>2</sup>, main building 285m<sup>2</sup>, demountable building 130m<sup>2</sup>)

Discussions have been held with Margaret Kindergarten. 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.

Concept Option (See Appendix Y)

The concept plan reveals that the proposed site would be 1,530 m<sup>2</sup> together with a building of 330 m<sup>2</sup> and a verandah of 100 m<sup>2</sup>. An indicative costing, based on \$2,000 per m<sup>2</sup> indicates that the proposed new building would be approximately \$750,000.

Lease

Margaret Kindergarten have a lease for another four (4) years on their site (expires on 30 June 2010). A new lease would be re-negotiated.

**Water Corporation Masterplan - Update**

At the Leederville Masterplan Working Group meeting held on 6 June 2006 it was agreed that the involvement of the Water Corporation in the project was essential and it was suggested that the Chief Executive Officer should seek a meeting with the Water Corporation Chief Executive Officer as soon as practicable to obtain information about the Masterplanning.

Meeting with Water Corporation

As outlined in the background, a meeting was held on 26 June 2006 at the Town between Mayor, Chief Executive Officer, Executive Manager Technical Services and Water Corporation representatives where the Mayor expressed his concern with the lack of progress and requested that the Water Corporation, in partnership with the Town, commence the review of their Masterplan as soon as possible.

Progress to Date

On 11 July 2006, Peter Hobbs from JCY advised the Town that, following on from the Town's discussion with Water Corporation representatives on 26 June 2006, the Corporation's Manager Portfolio Performance - Corporate Real Estate Branch advised that their procurement branch would be calling 'restricted tenders' at the end of July 2006 for Masterplanning services to review the Masterplan. In August 2006, the Water Corporation awarded their tender to Cox (Howlett & Bailey Woodhead) - Architectural Planning Design Group. (It is understood that this was on the basis that the Cox Planning Group prepared the initial Masterplan.)

A draft scope of works for the project was provided to the Town (by JCY) and it states (in part):

*"The Water Corporation (WC) seeks to undertake a Master Planning Study of our corporate headquarters John Tonkin Water Centre (JTWC) site located in Leederville. The Water Corporation last reviewed the master planing for the John Tonkin Water Centre in May 2001, since that date the environment has altered creating a need for the master planning to be revisited.*

*Some drivers include:*

- *Increased infrastructure capital program requiring additional office accommodation.*
- *Further development of a centralised administrative workforce to JTWC.*
- *Proactive planning by the Town of Vincent encompassing the JTWC site.*

*The aim of this study is to broadly identify the Corporations view of its long term asset needs, determine a preferred scenario and develop a strategy to facilitate the implementation of the preferred scenario with the aims of reducing operational costs, providing better synergy and improving the capital program delivery efficiency.*

*Objectives:*

- *The business need identified is to develop a planned approach to the centralisation of metropolitan office accommodation requirements onto the John Tonkin Water Centre site Leederville, up to a 21 year horizon.*
- *As a secondary strategy the WC seeks to redefine its occupation and interaction with the Leederville CBD. The Town of Vincent are concurrently developing Master Planning for the area.....*

*Primary Outcomes:*

- *Development of a concept master plan for the JTWC site that defines and addresses the immediate and future accommodation needs of the corporation.*
- *Interact with the Town of Vincent and other stakeholders in relation to the overall master planning for the area.....*

*Key Stakeholders and their Role:*

*The following stakeholders have a direct interest in the project and are pivotal to its success:*

- *Town Of Vincent*

The Water Corporation and their consultants met with the Town on 13 October 2006. They advised;

- Water Corporation is very keen to work with the Town.
- Their project will take approximately 18 weeks (until end March 2007).

**Potential to Extend the Masterplan Area**

Should the Town's Boundary Proposal with the City of Perth be successful, there would be an opportunity to extend the Leederville Masterplan boundaries to include the area bounded by Loftus, Newcastle and Charles Streets and the Graham Farmer Freeway. This would add a further 12 hectares to the Masterplan area. This area is mainly used for commercial/light industrial purposes and is rundown. The existing uses are well under their potential.

**REVISED INDICATIVE TIMELINE**

STAGES	INDICATIVE DATES
<p>Stage 1 - Concept Design</p> <ul style="list-style-type: none"> <li>● Site investigation</li> <li>● Development of Precinct Concept Plans</li> <li>● Preparation of Sewer and Drainage plans</li> <li>● Establish Council Working Group (Council and Officers)</li> <li>● Presentation of Project Concept Plans</li> <li>● Consideration of Oxford Centre Study, Leederville Masterplan Report, Vincent Visioning, Economic Development Strategy and Strategic Plan</li> </ul>	<p>June – October 2005</p> <p>Completed.</p>
<p>Stage 2 - Due Diligence of Concept Designs</p> <ul style="list-style-type: none"> <li>● Confirmation of Site Cadastral Information and land titles</li> <li>● Confirmation of Design Options</li> <li>● Preparation of Alternative Lot Design</li> <li>● Preparation of Yield Tables</li> <li>● Preliminary Reports</li> <li>● Traffic</li> <li>● Commercial Report</li> </ul>	<p>October – December 2005</p> <p>Completed.</p>

STAGES	INDICATIVE DATES
<ul style="list-style-type: none"> <li>● <del>Property Advice</del></li> <li>● <del>Quantity Surveyor/Civil Engineer</del></li> <li>● <del>Preparation of Procurement / Delivery Model Options</del></li> <li>● <del>Presentation to Council</del></li> <li>● <del>Preferred Options</del></li> <li>● <del>Feasibility</del></li> <li>● Project Plan/Program</li> <li>● Procurement/Delivery Model Options - <i>yet to be determined</i></li> <li>● <del>Consultants' Brief</del></li> <li>● Public Consultation - <i>yet to be carried out</i></li> <li>● Council Sign-off - <i>report to Special Meeting of Council - 17 October 2006</i></li> </ul>	
<p><b>Stage 3a - Appointment of Principal Consultants Tenders</b></p> <ul style="list-style-type: none"> <li>● <del>Consultant Tender</del></li> <li>● <del>Appoint Principal Consultant(s)</del></li> <li>● <del>Secondary Consultants Tender</del></li> <li>● Traffic</li> <li>● Landscape Architect - <i>yet to be engaged</i></li> <li>● Community Consultant - <i>yet to be engaged</i></li> <li>● <del>Civil Engineer</del></li> <li>● <del>Property Consultant</del></li> <li>● <del>Quantity Surveyor</del></li> <li>● <del>Surveyor</del></li> <li>● Award Tender(s)</li> </ul>	<p><del>January - March 2006</del> <b>Completed.</b></p>
<p><b>Stage 3b - Extension of Masterplan Area</b></p> <ul style="list-style-type: none"> <li>● North of Vincent Street - by Peter Hunt Architects</li> <li>● Masterplan Study for Leederville TAFE (TBA)</li> <li>● South of Vincent Street - by JCY - <i>generally to be completed end of September subject to completion of WAWA study</i></li> <li>● Amalgamation of above Masterplans into single overarching document - <i>(assume 1 month after completion of North and South Vincent Street Studies)</i></li> </ul>	<p><b>In progress</b> End October 2006  End October 2006</p>
<p><b>Stage 3c - Water Corporation Study</b></p> <ul style="list-style-type: none"> <li>● Space Planning and consultation with Water Corporation stakeholders to establish current, mid-term and long term Masterplan for Water Corporation site</li> <li>● Input into Leederville Masterplan</li> </ul>	<p>October - December 2006 <i>(To be carried out)</i></p>
<p><b>Stage 3d - Funding Application to WAPC</b></p> <ul style="list-style-type: none"> <li>● Submit application to WAPC for \$80,000 grant</li> <li>● Submit application to WAPC for up to \$4 million Capital contribution</li> </ul>	<p>November 2006 December 2006-March 2007 <i>(To be carried out)</i></p>
<p><b>Stage 4 - TOV and Community Consultation Strategy</b></p> <ul style="list-style-type: none"> <li>● Engagement of suitable consultation Consultant <i>(October 2006)</i></li> <li>● Creation of Communication Strategy <i>(Nov-Dec 2006)</i></li> <li>● Presentation of Draft Expanded Leederville Town Centre Masterplan to TOV <i>(November 2006)</i></li> <li>● Presentation of Draft <u>Final</u> Leederville Town Centre Masterplan to TOV <i>(December 2006)</i></li> </ul>	<p>February 2007 - March 2007 <i>(To be carried out)</i></p>

STAGES	INDICATIVE DATES
<ul style="list-style-type: none"> <li>• Preparation of Community Consultation Package (<i>Jan-Feb 2007</i>)</li> <li>• Community Consultation (<i>Feb-March 2007</i>)*</li> </ul> <p>(* <i>This may occur concurrently with the advertising of Expressions of Interest.</i>)</p>	
<p><b>Stage 5 - Preparation of Design Plans and Subdivision</b></p> <ul style="list-style-type: none"> <li>• Approval of Procurement/Delivery Model</li> <li>• Detailed Public Realm Design</li> <li>• Preparation of Design Guidelines</li> <li>• Preparation of detailed Civil Design</li> <li>• Preparation of Landscape Plan-Themes</li> <li>• Preparation of Subdivision Documentation</li> <li>• Tender Evaluation</li> <li>• Presentation to Council for approval</li> </ul>	December 2006 - June 2007
<p><b>Stage 6 - Disposal of Land (Expression of Interest (EOI) and Tender Process)</b></p> <ul style="list-style-type: none"> <li>• Preparation of EOI Documentation</li> <li>• Registration of Interest(s) – if applicable (<i>6 week evaluation</i>)</li> <li>• Expression of Interest (<i>12 week process</i>)</li> <li>• Evaluation of EOIs</li> <li>• Evaluation of Designs</li> <li>• Financial Evaluation</li> <li>• Evaluation of Designs</li> <li>• Invitation to Tender (12 weeks)</li> <li>• Evaluation of Tenders</li> <li>• Preparation of Business Plan for Major Land Transaction</li> <li>• Advertising of Major Land Transaction (6 weeks)</li> <li>• Consideration of Submissions</li> <li>• Council Approval of Tender</li> <li>• Council Approval of Major Land Transaction</li> </ul>	June 2007 - December 2007
<p><b>Stage 7 - Development/Implementation</b></p> <ul style="list-style-type: none"> <li>• Implementation/Construction</li> </ul>	January 2008 onwards

### DELIVERY MODELS - OPTIONS

The Consultancy team has investigated a number of delivery models for the implementation of the project, as follows;

#### Option 1 - Sell Land Unimproved

- Prepare over-arching vision document
- Prepare Built Forum Guidelines - defining public realm expectations
- Put project out for 2 Stage tender

#### Issues:

- Least risk - least return to Council
- Maximum developer input/creativity
- Compacted timeframe is achieved
- Minimal Council control over designs

#### CEO's Comment:

This Option is the least recommended Option, as it does not provide the maximum benefits with the delivery of outcomes to the Town in any of the objectives - economically, socially and environmentally.

**Option 2 - Sell Land Serviced (e.g. East Perth Redevelopment Authority (EPRA) Model)**

- Prepare over-arching vision document
- Prepare Built-Form Guidelines - defining public realm expectations
- Design, document and construct serviced sites
- Put Lots out to tender

Issues:

- Increased up front costs for Council
- Increased timeframes
- Greater development control

CEO's Comment:

This Option is the second recommended Option. It does provide a number of benefits with the delivery of outcomes to the Town in any of the objectives - economically, socially and environmentally. The financial impact will stretch the capacity of the Town.

**Option 3 - Town as Developer**

- Prepare over-arching vision document
- Prepare Built Form Guidelines - defining public realm expectations
- Design, document and construct serviced sites
- Put Lots out to tender

Issues:

- Hugely increased up front costs
- Increased timeframes
- Total development control
- Greatest risk - greatest return
- Not core Council business

CEO's Comment:

This Option is the third recommended Option. It does provide a number of benefits with the delivery of outcomes to the Town in any of the objectives - economically, socially and environmentally. However, as this project is not the "core business" for local government, it provides the greatest risk, up-front financing and considerable resources.

**Option 4 - Joint Venture (JV) (e.g. Landcorp Development Model)**

- Prepare over-arching vision document
- JV (Landcorp or Private) to develop serviced land
- Individual arrangements for parking (Build, own, lease, etc)
- Mixed use sites sold - as these are too difficult to JV

Issues:

- Land valued as equity (consider deferred payment)
- Town retains planning controls
- Total transparency
- Government processes aligned with local government practice

CEO's Comment:

This Option is the recommended Option. It provides the maximum number of benefits with the delivery of outcomes to the Town in most of the objectives - economically, socially and environmentally.

### **EPRA Style Option**

A further option was previously investigated, which involved the Town handing over the project to the East Perth Redevelopment Authority.

A discussion was held with the Chief Executive Officer and Senior Officer of EPRA. They advised that the Town's project was not of sufficient size or priority for an EPRA style delivery model. Legislative changes would also considerably delay the project.

Accordingly, this option has been discontinued.

### **CONSULTATION/ADVERTISING:**

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

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

Extensive and ongoing consultation with all landowners and stakeholders is considered essential. This may occur at a stage when concept plans have been approved (e.g. early 2007) or alternatively it may be deferred until EOIs have been called (to allow greater creativity by private developers).

### **LEGAL/POLICY:**

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

### **STRATEGIC IMPLICATIONS:**

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

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

### **FINANCIAL/BUDGET IMPLICATIONS:**

The Town's Budget 2006/07 contains an amount of \$191,000. As at 30 June 2006, \$58,297 was expended, with \$132,703 remaining. Costs to date are as follows;

- |                              |          |
|------------------------------|----------|
| (i) Project Architect (Team) | \$56,820 |
| (ii) Advertising of Tenders  | \$1,477  |

### **Financial Details A and B - Leederville Masterplan**

At the most recent Leederville Masterplan Working Group meeting held on 6 June 2006, a PowerPoint presentation outlining a Revised Discounted Cash flow Financial Analysis, where the financial options available to the Town to implement the proposal and maximise return, was presented by David Cresp from the JCY consultant Team:

The issues and options were analysed at the meeting and included:

- Sale of various sites to the private sector;
- Creation of two multi-level car parks for the Town;
- Staged implementation of the project.

The following was presented:

- A projected hypothetical cash flow;
- A Base Case Profit and Loss Table;
- Debt information;
- Assumptions to justify the Options;
- Hypothetical rates income;
- Hypothetical car park income;
- Escalation rates;
- Annual cash flow;
- Sensitivities for various options;
- Alternative Option - Frame Court Car Park to remain at grade;
- "Where to" scenarios.

The Revised Discounted Cashflow Financial Analysis has demonstrated that the project can be achieved, is viable and is achievable within the Town's financial capacity. **However, it should be noted that the financial details need to be regularly revised to reflect the current interest rate, land prices, etc.**

These two financial options did not include the capital contribution (of up to \$4 million) from the State Government, as this information was only received after the initial Options A and B financial analysis was carried out. The Town's Chief Executive Officer and Economic/Property Consultant (Pracsys) are extremely confident that the Town will be successful in obtaining significant capital contribution funds. Should this occur, the Financial Analysis will significantly change.

Accordingly (subject to Council endorsing the Officer Recommendation), it is recommended that further financial investigations be carried out relating to the options available to the Town.

Options A and B were prepared using the following assumptions;

#### **Option A:**

##### **Assumptions**

###### *The Avenue Car Park:*

This Financial Analysis was based on the following assumptions;

- This project is progressed as a Joint Venture partnership with a private developer.
- 16 Storey height limit assumed for residential sites.
- Land sales all at \$1,100 per m<sup>2</sup>.
- Interest rate 5.97%.

- The Avenue Car Park subdivision costs - \$2.36 million.
- Site 1 (3,900m<sup>2</sup>) is sold to a developer; profit made from retail development reduces the price that the Town pays for car parking bays (assumed to be \$16,000 per bay for 320 bays). Developer to construct multi-level car park.
- Site 2 (3,200m<sup>2</sup>) sold to developer.
- Interest is not charged until income from first car park commences.
- All income is paid towards debt until debt is paid off.
- 70% of rates income is paid towards loan.
- Completion value of apartments based on 8% per annum growth.
- Rates escalate at 3% per annum.

*Frame Court Car Park:*

- Site 3 (3,850m<sup>2</sup>) and Site 4 (2,500m<sup>2</sup>) sold to developer.
- Car park on site 5 (2,250m<sup>2</sup>) developed by the Town – 375 bays @ \$24,000 per bay.

**Option B:**

This is the same as Option A, except that the Frame Court Car Park remains at grade, for 80 car bays. This Option does not meet the car parking requirements for the area and therefore has not been pursued or examined in detail.

**Option A - Financial Analysis - Summary**

Cashflow (Refer to Appendix L)

This Option would see the Town assume a "moderate amount" of financial risk over the period 2007-2014. It would necessitate the Town borrowing some monies (depending upon the Joint Venture arrangement - yet to be determined) and under this scenario would assume a debt (which peaks at \$12,543,819 in May 2010) being paid off by January 2014. Obviously, the amount of debt would be dependent upon the details/arrangements of any proposed Joint Venture arrangement.

The Town's borrowing capacity will need to be assessed when any Joint Venture agreement is negotiated. The WA Treasury Corporation has introduced borrowing ratios for Local Governments. This may restrict the Town's capacity. Alternative funding options may be considered with the Joint Venture Partnership.

Profit and Loss (Refer to Appendix M)

The Profit and Loss statement is summarised in Appendix M.

Rates Income (Refer to Appendix O)

This information is summarised in Appendix O. The Town would receive \$807,000 rates income per annum, of which \$565,000 would be used to pay off the loan. This income is based on an assumption that the completion values of the apartments is based on an 8% per annum growth and that rates would escalate at 3% per annum.

Car Park Assumptions (Refer to Appendix P)

*The Avenue Car Park:*

The financial analysis assumes The Avenue Car Park payments commencing in December 2007, with a completion date of September 2008. It is also based on a 60% occupancy rate, open for 16 hours per day, with an hourly fee of \$1.50. Estimated annual income of \$1,181,000 is envisaged.

*Frame Court Car Park:*

The financial analysis assumes the Frame Court Car Park would have a completion date of March 2010. It is also based on a 60% occupancy rate, open for 16 hours per day, with an hourly fee of \$1.50. Estimated annual income of \$1,471,000 is envisaged.

Escalation Rates (Refer to Appendix Q)

This financial scenario assumes property growth/land sales and cost escalation rates which are shown in Appendix Q.

Annual Cashflow (Refer to Appendix R)

The annual cashflow for this option is shown in Appendix R, however these figures are subject to change.

Sensitivity (Refer to Appendices S, T, U)

This financial scenario has sensitivity for varying land values and car parking rates versus debt free date, varying discount rate of parking rates versus present value, costs per bay for The Avenue Car Park and the number of apartments which may be provided. The sensitivities provided for this financial option are obviously indicative only.

**Again, it should be noted that the financial information provided for the Town's option is indicative only and is provided to demonstrate that the project is viable and cost efficient for the Town.**

**COMMENTS:**

The Leederville Masterplan project has been developed over the previous two years and is now at a stage where approval in principle is necessary, prior to consultation with the community and other stakeholders.

Accordingly, the Council should approve the Officer Recommendation, in order to allow the project to be progressed.

**CLOSING COMMENTS BY PRESIDING MEMBER**

Mayor Catania again expressed his appreciation to the Councillors, CEO, Executives and Staff who have contributed to the Loftus Centre Redevelopment Project and the Leederville Masterplan and looked forward to working with them as the projects progressed.

**9. CLOSURE**

**The Presiding Member, Mayor Nick Catania JP, declared the meeting closed at 8.00pm with the following persons present:**

Cr Simon Chester	North Ward
Cr Helen Doran-Wu	North Ward
Cr Ian Ker	South Ward
Cr Sally Lake	South Ward
Cr Dudley Maier	North Ward
Cr Izzi Messina	South Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Executive Manager, Environmental and Development Services
Mike Rootsey	Executive Manager, Corporate Services

These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 17 October 2006.

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

Dated this ..... day of ..... 2006