



CITY OF VINCENT

# SPECIAL COUNCIL MEETING

31 MARCH 2015

## Notice of Meeting and Agenda

Notice is hereby given that a Special Meeting of the Council of the City of Vincent will be held at the Administration and Civic Centre, at 244 Vincent Street (corner Loftus Street), Leederville, on **Tuesday, 31 March 2015** at 6.00pm, to discuss the disposal of property at No. 81 (Lot 500) Angove Street, North Perth.

Len Kosova  
CHIEF EXECUTIVE OFFICER

**ENHANCING AND CELEBRATING OUR DIVERSE COMMUNITY**

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## **PROCEDURE FOR PUBLIC SPEAKING TIME**

The City of Vincent Local Law Relating to Standing Orders prescribes the procedure for persons to ask questions or make public statements relating to a matter affecting the City, either verbally or in writing, at a Council meeting.

Questions or statements made at a Special Meeting of the Council must only relate to the purpose for which the meeting has been called.

1. Shortly after the commencement of the meeting, the Presiding Member will ask members of the public to come forward to address the Council and to give their name, address and Agenda Item number (if known).
2. Public speaking time will be strictly limited to three (3) minutes per member of the public.
3. Members of the public are encouraged to keep their questions/statements brief to enable everyone who desires to ask a question or make a statement to have the opportunity to do so.
4. Public speaking time is declared closed when there are no further members of the public who wish to speak.
5. Questions/statements are to be directed to the Presiding Member and are to be made politely in good faith and are not to be framed in such a way as to reflect adversely or be defamatory on a Council Member or City Employee.
6. Where the Presiding Member is of the opinion that a member of the public is making a statement at a Council meeting, that does not affect the City, he may ask the person speaking to promptly cease.
7. Questions/statements and any responses will be summarised and included in the Minutes of the Council meeting.
8. Where practicable, responses to questions will be provided at the meeting. Where the information is not available or the question cannot be answered, it will be *"taken on notice"* and a written response will be sent by the Chief Executive Officer to the person asking the question. A copy of the reply will be included in the Agenda of the next Ordinary meeting of the Council.
9. It is not intended that public speaking time should be used as a means to obtain information that would not be made available if it was sought from the City's records under Section 5.94 of the Local Government Act 1995 or the Freedom of Information (FOI) Act 1992. The CEO will advise the member of the public that the information may be sought in accordance with the FOI Act 1992.

## **RECORDING OF COUNCIL MEETINGS**

- ◆ All Ordinary and Special Council Meetings are electronically recorded (both visual and audio), except when the Council resolves to go behind closed doors;
- ◆ All recordings are retained as part of the City's records in accordance with the General Disposal Authority for Local Government Records produced by the Public Records Office;
- ◆ A copy of the recorded proceedings and/or a transcript of a particular section or all of a Council meeting is available in accordance with Policy No. 4.2.4 - Council Meetings – Recording and Access to Recorded Information.

## **SPECIAL COUNCIL MEETING**

### **ORDER OF BUSINESS**

**1. (a) Declaration of Opening**

**(b) Acknowledgement of Country Statement**

“Today we meet on the lands of the Nyoongar people and we honour them as the traditional custodians of this land”.

**2. Apologies/Members on Approved Leave of Absence**

Nil.

**3. Public Question Time and Receiving of Public Statements**

*Under Section 7(4) (b) of the Local Government (Administration) Regulations 1996, Council at a Special Meeting is not required to answer a question that does not relate to the purpose of the meeting.*

**4. Applications for Leave of Absence**

Nil.

**5. Announcements by the Presiding Member (Without Discussion)**

**6. Declaration of Interests**

- 6.1 Financial - Local Government Act 1995, s5.60A
- 6.2 Proximity - Local Government Act 1995, s5.60B
- 6.3 Impartiality - Local Government (Administration) Regulations 34

**7. Reports**

- 7.1 Disposal of Property at No. 81 (Lot 500) Angove Street, North Perth.

**8. Closure**

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**7.1 Disposal of Property at No. 81 (Lot 500) Angove Street, North Perth**

<b>Ward:</b>	North	<b>Date:</b>	26 March 2015
<b>Precinct:</b>	Smith's Lake	<b>File Ref:</b>	SC2071
<b>Attachments:</b>	<a href="#">001</a> – Business Plan		
<b>Tabled Items:</b>	Nil.		
<b>Reporting Officer:</b>	J Paton, Director Corporate Services		
<b>Responsible Officer:</b>	J Paton, Director Corporate Services		

**OFFICER RECOMMENDATION:**

**That Council:**

- NOTES** that no public submissions were received in response to the invitation published in the Business Plan advertised in the Western Australian Newspaper on Saturday 15 January 2015;
- APPROVES BY ABSOLUTE MAJORITY** the disposal of No. 81 (Lot 500) Angove Street, North Perth;
- NOTES** the appointment of Knight Frank as the selling agent for the disposal in 2 above, which will be undertaken by public tender; and
- DELEGATES BY ABSOLUTE MAJORITY** to the Chief Executive Officer, the power to accept the tender listed in 3 above, in accordance with Section 5.42 (1) of the Local Government Act 1995 to a maximum value of \$3,500,000, subject to the settlement date for the Sale of No. 81 (Lot 500) Angove Street, North Perth being no later than Tuesday 30 June 2015.

**PURPOSE OF REPORT:**

To seek approval from Council for the sale of No. 81 (Lot 500) Angove Street, North Perth, being the old North Perth Police Station.

**BACKGROUND:**

**History**

<b>Date</b>	<b>Comment</b>
29 October 2009	Council purchased No. 81 Angove Street, North Perth at public auction for \$1.725 million
3 November 2009	Council resolved to endorse the Business Plan for the Major Land Transaction and to borrow \$1,600,000 for the purchase of No. 81 Angove Street, North Perth.
8 February 2011	Council resolved to approve the lease of the property to GROW WA for 3 years, at \$27,000 per annum (expires May 2014).
6 December 2011	Council requested the Chief Executive Officer to investigate alternative community uses for the property to be introduced at the end of the current lease to GROW WA
27 March 2012	Council requested the Chief Executive Officer to investigate further options for alternative uses and redevelopment options for the property and that \$50,000 be listed in the 2012/2013 draft Budget for the preparation of a Feasibility Study for various development and land use scenarios.
December 2012	Internal North Perth Police Station Working Group prepared draft Business Plan for options for alternative uses for the property
May 2013	Council resolved to approve the engagement of 'Integral Project Creation' to conduct a Feasibility Study on Usage Options for 81 Angove Street.

Date	Comment
17 December 2013	Council authorised the Chief Executive Officer to further investigate the development of apartments (Option 1.2) and the survey strata (option 4.1) of the rear of the property and approved the extension of the current lease with GROW WA for a further twelve (12) months.
13 May 2014	Council approved, in principle, the subdivision and sale of the rear portion of 81 Angove Street.
24 June 2014	Council received a progress report relating to further investigation into the subdivision and approved a two Lot subdivision and subsequent sale of the rear lot.
26 August 2014	Council endorsed a strategy to address the Budget Deficit, which included under resolution 1(d) <i>“Increasing the proceeds from disposal of assets by \$1,150,000, as identified in Attachment 002; and...”</i>
3 September 2014	<p>At the Special Council Meeting budget adjustments were formally approved, which included an increase in the value from Sale of Assets. The report included the following detail:</p> <p><i>It is now proposed to sell the entirety of 81 Angove Street for approximately \$1.7 million. The sale of the rear of the property was budgeted for approximately \$930,000. The sale of the whole property would yield an additional \$770,000 of income of the City.</i></p>

#### Previous Report to Council:

At the Ordinary Meeting of Council held 4 November 2014, Council resolved as follows:

*“That Council;*

1. *APPROVES BY ABSOLUTE MAJORITY the disposal of 81 (Lot 500) Angove Street, North Perth; and*
2. *ADVERTISES the Major Land Transaction Business Plan as shown in Appendix 14.2 for six (6) weeks as required by Section 3.59 of the Local Government Act 1995; and*
3. *AUTHORISES the Chief Executive Officer to engage a suitably qualified real estate professional to market and conduct the sale of the property.”*

#### DETAILS:

##### Location Particulars

The legal description for No. 81 Angove Street as per the title is, Lot 500 on Deposited Plan 66832 Volume 2734 Folio 345.

##### Encumbrances

The following notations are registered on the Certificate of Title:

1. H110392 Memorial. Heritage of Western Australia Act 1990. Lodged 17.5.1999
2. L195613 Memorial. Heritage of Western Australia Act 1990. Lodged 8.1.2010

The memorials relate to the subject property being listed with the Heritage Council of Western Australia and an associated conservation plan that has been established to maintain the premises.

### Property Details

The subject site is improved with a heritage listed police station that has been converted to accommodate offices and consulting rooms, which are leased to the community mental health organisation "Grow". Constructed in the early 1900's and incorporating a gross building area of approximately 180 square metres, the premises are orientated on the northern portion of the site fronting Angove Street with the balance of the site largely cleared and suitable for residential development. The façade of the building incorporates two adjoining arches, which combined with an original "Police Station" sign and other heritage features provide the premises with a distinguishable frontage to Angove Street.

### Business Plan

A notice was placed in the Western Australian Newspaper on Saturday 15 January 2015, stating:

*In accordance with Section 3.59(4) of the Local Government Act 1995, the City of Vincent gives notice of its intention to undertake a Major Land Transaction (Disposal of Lot 500, No. 81 Angove Street, North Perth).*

*A Business Plan providing details of this proposed Major Land Transaction is available for public inspection at the City's Administration and Civic Centre, and on the City's website: [www.vincent.wa.gov.au](http://www.vincent.wa.gov.au)*

*Written submissions on the Business Plan may be lodged with the City up until **5.00pm Monday 16 March 2015**. Submissions should be marked "Submission – Major Land Transaction, Disposal of 81 Angove Street, North Perth" and addressed to the Chief Executive Officer, PO Box 82, Leederville 6902 or emailed to: [mail@vincent.wa.gov.au](mailto:mail@vincent.wa.gov.au).*

### Selling Agent

On Tuesday 6 January 2015, the Invitation to Quote (ITQ) documentation for the appointment of a real estate agent for the sale of the property located at No. 81 Angove Street, North Perth was issued to the following four selected commercial real estate agents Knight Frank, CBRE, Time Conti and Colliers International. The ITQ called for the real estate agent to prepare and market the property for sale by Tender.

A property inspection was held on Friday 9 January 2015 at 10am by the Acting Director Corporate Services to give the real estate agents an opportunity to view the property and raise any questions they may have in regards to the ITQ. Representatives from Knight Frank, CBRE and Colliers International attended the inspection.

At the closing period for the Invitation to Quote on Friday, 16 January 2015, three submissions were received. These were from Knight Frank, CBRE and Colliers International. The three submissions were evaluated by the Acting Director Corporate Services against the criteria defined in the ITQ, with Knight Frank achieving the highest aggregate score.

As a result, the quotation submitted by Knight Frank was accepted by the Acting Chief Executive Officer and the appointment letter issued on 17 February 2014.

### CONSULTATION/ADVERTISING:

The advertised Business Plan invites public submissions to be lodged by 5pm Monday 16 March 2015. At the close of the submission period, no submissions had been received.

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**LEGAL/POLICY:**

The following legislative provisions are relevant to transactions for the disposal of property:

**Local Government Act 1995** (the Act)

**3.58 Disposing of property**

- (2) *Except as stated in this section, a local government can only dispose of property to*
- (a) *the highest bidder at public auction; or*
  - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property -*
- (a) *it gives local public notice of the proposed disposition –*
    - (i) *describing the property concerned; and*
    - (ii) *giving details of the proposed disposition; and*
    - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and*
  - (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

**3.59 Commercial enterprises by local governments**

- (2) *Before it -*
- (b) *enters into a major land transaction; or*
  - (c) *enters into a land transaction that is preparatory to entry into a major land transaction,*  
*a local government is to prepare a business plan.*
- (3) *The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of -*
- (a) *its expected effect on the provision of facilities and services by the local government; and*
  - (b) *its expected effect on other persons providing facilities and services in the district; and*
  - (c) *its expected financial effect on the local government; and*
  - (d) *its expected effect on matters referred to in the local government's current plan prepared under section 5.56; and*
  - (e) *the ability of the local government to manage the undertaking or the performance of the transaction; and*
  - (f) *any other matter prescribed for the purposes of this subsection.*
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- (4) *The local government is to -*
- (a) *give Statewide public notice stating that -*
    - (i) *the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction; and*
    - (ii) *a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
    - (iii) *submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given; and*
  - (b) *make a copy of the business plan available for public inspection in accordance with the notice.*
- (5) *After the last day for submissions, the local government is to consider any submissions made and may decide\* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*

**5.42 Delegation of some powers and duties to CEO**

- (1) *A local government may delegate\* to the CEO the exercise of any of its powers or the discharge of any of its duties under –*
- (a) *this Act other than those referred to in section 5.43; or*
  - (b) *the Planning and Development Act 2005 section 214(2), (3) or (5).*

*\* Absolute majority required.*

**5.43 Limits on delegations to CEO**

*A local government cannot delegate to a CEO any of the following powers or duties -*

- (d) *acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government for the purpose of this paragraph.*

**Local Government (Functions and General) Regulations 1996**

**8A Amount prescribed for major land transactions; exempt land transactions prescribed (Act s. 3.59)**

- (1) *The amount prescribed for the purposes of the definition of **major land transaction** in section 3.59(1) of the Act is –*
- (a) *if the land transaction is entered into by a local government the district of which is in the metropolitan area or a major regional centre, the amount that is the lesser of -*
    - (i) *\$10 000 000; or*
    - (ii) *10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year.*

The operating expenditure for the City of Vincent in 2013/14 was \$53,949,651 therefore in accordance with sub regulation (1)(a)(ii) above, a land transaction in excess of \$5.39 million would be classified as a major land transaction.

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**RISK MANAGEMENT IMPLICATIONS:**

**Medium:** The property sales can be affected by the property market and economic conditions at the time of the sale of the lots, which may impact the estimated returns. The sale of this property was included as part of the funding strategy to address the potential deficit end of year position in 2014/15.

**STRATEGIC IMPLICATIONS:**

The City's *Strategic Plan 2013 - 2023* states:

4.1 *Provide good strategic decision-making, governance, leadership and professional mananagement*

4.1.2 *Manage the organisation in a responsible, efficient and accountable manner.*

(d) *Continue to Implement the City's Asset Management Plans."*

**SUSTAINABILITY IMPLICATIONS:**

Not Applicable.

**FINANCIAL/BUDGET IMPLICATIONS:**

The proceeds for the proposed sale of No. 81 Angove Street, North Perth will repay the balance of the loan for the property and any residual will be used to reduce the budget deficit.

**COMMENTS:**

As the likely sales value of this property is below the value for a Major Land Transaction as prescribed in *Regulation 8A(1)(a)(ii) of the Local Government (Functions and General) Regulations 1996*, the publication of a Business Plan and invitation for public submissions exceeds the legislated consultation requirements for a lower value land transaction.

Given the City did not receive any submissions in response to the invitation published in the Business Plan, Council is now in a position to approve undertaking the disposal of No. 81 Angove Street, North Perth. The sale must be undertaken in accordance with the requirements of Section 3.58 of the Act, with public tender being the proposed method to be adopted by the approved real estate agent, Knight Frank.

In order to ensure a timely disposal process, it is proposed that the Chief Executive Officer be granted delegated authority to accept the tender for the disposal of these properties. The Act (5.43 (d)) requires a Council to set a maximum value when delegating authority to the Chief Executive Officer to acquire and dispose of property. In this instance, it is proposed the maximum be in excess of the market value.

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