

minutes

Major Projects and Finance Committee

MEETING HELD ON MONDAY 1 MAY 2023

Acknowledgement of Traditional Custodians

The City of Joondalup acknowledges the traditional custodians of the land, the Whadjuk people of the Noongar nation, and recognises the culture of the Noongar people and the unique contribution they make to the Joondalup region and Australia. The City of Joondalup pays its respects to their Elders past and present and extends that respect to all Aboriginal and Torres Strait Islander peoples.

This document is available in alternate formats upon request

TABLE OF CONTENTS

ITEM NO.	TITLE	PAGE NO.
	DECLARATION OF OPENING	4
	DECLARATIONS OF FINANCIAL INTEREST / PROXIMITY INTEREST / INTEREST THAT MAY AFFECT IMPARTIALITY	4
	APOLOGIES AND LEAVE OF ABSENCE	4
	CONFIRMATION OF MINUTES	4
	ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION	4
	IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	5
	PETITIONS AND DEPUTATIONS	5
	REPORTS	6
1	2022-23 CAPITAL WORKS PROGRAM UPDATE	6
2	BURNS BEACH CAFÉ/RESTAURANT FACILITY PROJECT STATUS REPORT	10
	URGENT BUSINESS	17
	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	17
	REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION	17
	CLOSURE	17

Note:

Clause 15.10 of the City's *Meeting Procedures Local Law 2013* states:

This local law applies generally to committee meetings except for clause 7.1 in respect of members seating and clause 7.8 in respect of limitation on members speaking.

CITY OF JOONDALUP

MINUTES OF THE MAJOR PROJECTS AND FINANCE COMMITTEE HELD IN
CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP
ON MONDAY 1 MAY 2023.

ATTENDANCE

Committee Members

Cr John Logan	<i>Presiding Member</i>	
Mayor Hon. Albert Jacob, JP		<i>from 6.22pm</i>
Cr Adrian Hill		
Cr Nige Jones		
Cr Russell Poliwka	<i>Deputising for Cr Christopher May</i>	
Cr Russ Fishwick, JP		

Observers

Cr Tom McLean, JP

Officers

Mr James Pearson	Chief Executive Officer
Mr Mat Humfrey	Director Corporate Services
Ms Sheree Edmondson	Acting Director Infrastructure Services
Mrs Kylie Bergmann	Manager Governance
Mr Blignault Olivier	Manager City Projects

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.00pm.

DECLARATIONS OF FINANCIAL INTEREST / PROXIMITY INTEREST / INTEREST THAT MAY AFFECT IMPARTIALITY

Nil.

APOLOGIES AND LEAVE OF ABSENCE

Apologies

Cr Christopher May.
Cr John Raftis.

Leave of Absence Previously Approved

Cr Christine Hamilton-Prime	1 April to 22 May 2023 inclusive.
Cr John Logan	13 to 21 May 2023 inclusive.
Cr Nige Jones	21 to 29 May 2023 inclusive.

CONFIRMATION OF MINUTES

MINUTES OF THE MAJOR PROJECTS AND FINANCE COMMITTEE HELD ON 20 MARCH 2023

MOVED Cr Jones, **SECONDED** Cr Hill that the minutes of the meeting of the Major Projects and Finance Committee Held on 20 March 2023 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Logan, Fishwick, Hill, Jones and Poliwka.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the City's *Meeting Procedures Local Law 2013*, this meeting is not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS

ITEM 1 **2022-23 CAPITAL WORKS PROGRAM UPDATE**

WARD	All
RESPONSIBLE DIRECTOR	Mr Nico Claassen Infrastructure Services
FILE NUMBER	107023, 101515
ATTACHMENTS	Attachment 1 Capital Works Project Report 2022-23 Attachment 2 Capital Project Status Reports 2022-23
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Major Projects and Finance Committee to note the update on the *2022-23 Capital Works Program* and the project status reports for identified capital works projects.

EXECUTIVE SUMMARY

The Capital Works Project Report for the 2022-23 program as at 31 March 2023 is attached (Attachment 1 refers).

At its meeting held on 26 July 2022 (Item 6 refers), the Major Projects and Finance Committee determined which capital works projects had been identified for additional milestone reporting, which are attached (Attachment 2 refers).

It is therefore recommended that the Major Projects and Finance Committee NOTES:

- 1 *the report on the Capital Works Projects for 2022-23 as at 31 March 2023 forming Attachment 1 to this Report;*
- 2 *the Capital Project Status Reports for 2022-23 forming Attachment 2 as at 31 March 2023 to this Report.*

BACKGROUND

At its meeting held on 4 November 2019 (JSC03-11/19 refers), Council resolved, in part as follows:

“That Council:

- “1 *BY AN ABSOLUTE MAJORITY ESTABLISHES a Major Projects and Finance Committee, with the role being to:*
 - 1.1 *oversee the progress of the City’s annual capital works program and review of the City’s Five-Year Capital Works Program;*

1.2 *make recommendations to Council on modifications of capital works projects and major strategic capital projects;”*

At its meeting held on 28 June 2022 (CJ104-06/22 refers), Council adopted the 2022-23 Capital Works Program as part of its 2022-23 Budget, along with the City’s 5-Year Corporate Business Plan (CJ093-06/22 refers).

At its meeting held on 26 July 2022 (Item 6 refers), the Major Projects and Finance Committee considered several projects that had been identified from the 2022-23 Capital Works Program for additional milestone reporting as listed in the table below:

Project Code	Project Description
RDC2027	Joondalup Drive/Hodges Drive Intersection Upgrade
FPN2299	Hillarys Cycle Network Expansion
BCW2595	Christchurch Park Changeroom Refurbishment
BCW2625	Ocean Reef Park Toilets and Changerooms
BCW2640	Percy Doyle Football/Teeball Clubrooms
BCW2650	Sorrento Football Club Changeroom Upgrade
BCW2669	Greenwood Scout Hall Refurbishment
MPP2050	Craigie Leisure Centre Refurbishment
MPP2058	Chichester Park Clubroom Redevelopment
MPP2074	Multi-Storey Car Park – 104 McLarty Avenue
MPP2076	Sorrento Surf Life Saving Club Redevelopment
MPP2077	Café/Kiosk/Restaurant Burns Beach
MPP2080	Burns Beach Coastal Node Redevelopment
PEP2791	Ocean Reef Park Playspace Renewal
PDP2222	Ocean Reef Park LMP
PDP2354	Killen/Sycamore Amenity Upgrades
PDP2355	Padbury N/E Cluster Pk Revitalise

The Committee requested that additional milestone reporting on the Capital Works Projects identified above be provided to the Committee.

Note that RDC2030 Moolanda Boulevard Pedestrian Footbridge is now included in Attachment 2 Capital Project Status Report.

DETAILS

The Capital Works Project Report for the 2022-23 program as at 31 March 2023 is attached (Attachment 1 refers).

A summary of the projects and their current status is detailed in the Capital Project Status 2022-23 as at 31 March 2023 forming Attachment 2 to this Report.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / Policy implications

Legislation

Sections 5.17 and 6.8 of the *Local Government Act 1995*.

A committee cannot make decisions, on behalf of the Council, that require an absolute majority decision (section 5.17 of the *Local Government Act 1995*), in which case, and in accordance with Section 6.8 of the *Local Government Act 1995*, includes approving expenditure not included in the City's Annual Budget. The Major Projects and Finance Committee may only recommend to Council to approve or modify capital works projects.

10-Year Strategic Community Plan

Key theme

Leadership.

Outcome

Accountable and financially-sustainable – you are provided with a range of City services which are delivered in a financially responsible manner.

Policy

Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The attached reports provide an update on the activities undertaken.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Fishwick, **SECONDED** Cr Hill that the Major Projects and Finance Committee
NOTES:

- 1** the report on the Capital Works Projects for 2022-23 as at 31 March 2023 forming Attachment 1 to this Report;
- 2** the Capital Project Status Report 2022-23 as at 31 March 2023 forming Attachments 2 to this Report.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Logan, Fishwick, Hill, Jones and Poliwka.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1MPFC230501.pdf](#)

ITEM 2 BURNS BEACH CAFÉ/RESTAURANT FACILITY PROJECT STATUS REPORT

WARD	North
RESPONSIBLE DIRECTOR	Mr Mat Humfrey Corporate Services
FILE NUMBER	101515, 108335
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Major Projects and Finance Committee to note the progress on the Expression of Interest (EOI) process to identify commercial operators for the proposed Café / Restaurant at Burns Beach.

EXECUTIVE SUMMARY

The City is progressing a project for a new two-storey food and beverage facility at Burns Beach. The City intends to construct the facility and lease the premises to commercial food and beverage operators.

To identify suitable food and beverage facility operators the City prepared a two stage Expression of Interest (EOI) process. The EOI commenced on Saturday 19 November 2022 and closed on Wednesday 1 February 2023. The City received 13 submissions which are now being assessed. The City has sought advice from a specialist hospitality consultant and the EOI probity advisor to assist the evaluation panel with interpretation of the proposals. This has added additional time to the evaluation process and therefore it is proposed that a recommendation of a preferred respondent, or shortlist of respondents, will be provided to the Major Projects and Finance Committee at its meeting to be held on 14 August 2023.

It is therefore recommended that the Major Projects and Finance Committee NOTES the Burns Beach Café / Restaurant Facility Project Status Report.

BACKGROUND

The City owns and manages several strategically located land parcels that in terms of accommodating cafés, kiosks and restaurants have the potential to increase the enjoyment of popular recreational locations, provide food and beverage options to the community and provide the City with a level of commercial gain.

At its meeting held on 22 June 2010 (CJ103-06/10 refers), Council endorsed the philosophy and parameters for the cafés / kiosks / restaurants project to articulate, for historical purposes, its intent to progress the project and to address the project objectives. The *Cafés / Kiosks / Restaurants Project Vision* recognises the provision of facilities which will:

- advance the City's ability to attract visitors / tourists for entertainment and socialising
- provide more employment, increase business opportunities, a greater awareness of the City's natural assets and a greater social and economic contribution by tourists
- provide equitable community based facilities that acknowledges and provides for the lifestyle and alfresco culture of Western Australia.

The fiscal responsibility and commerciality development parameters of the project aims to include:

- assurance of commercial viability
- due diligence and financial / cost benefit analysis
- future financial and social benefit for City residents and visitors
- high quality, appropriate commercial operations
- consideration of co-location opportunities
- creation of an asset/s that maintains its capital value throughout its economic life cycle.

A report was presented to the former Finance Committee at its meeting held on 7 August 2017 (Item 11 refers), outlining various options for the City to deliver a café / restaurant development at Burns Beach. After due consideration it was decided in part that the former Finance Committee NOTES:

“2 the Chief Executive Officer will further investigate options for the City to build a café / restaurant facility at Burns Beach, with a view of leasing the facility to a commercial operator and to present options and opportunities to Council for consideration”.

At its meeting held on 12 March 2018 (Item 8 refers), the Major Projects and Finance Committee considered a status report on options for the implementation of the project and noted in part that the Chief Executive Officer will engage an architect to design a facility.

Several confidential reports were provided to the Major Projects and Finance Committee during 2018 and 2019 and at its meeting held on 9 March 2020 (Item 5 refers), the Major Projects and Finance Committee considered progress of the design development phase of the project, as well as an update on the City's request to the Department of Planning, Lands and Heritage (DPLH) to purchase Crown Land for the development - the DPLH indicated that a Crown Land purchase would not be considered and that a Crown Land lease was the preferred land tenure arrangement. The report also noted that the City was in the process of identifying a consultant landscape architect to review the 2016 *Burns Beach Master Plan – Coastal Node Concept Plan*.

At its meeting held on 15 September 2020 (CJ137-09/20 refers) Council considered a report on options to progress the project and resolved as follows:

- “1 ENDORSES the refined Burns Beach Coastal Node Concept Plan forming Attachment 2 to this Report for the purpose of community consultation;*
- 2 REQUESTS the Chief Executive Officer to commence community consultation on the refined Burns Beach Coastal Node Concept Plan as shown in Attachment 2 to this Report;*

- 3 *NOTES the proposed artist impressions for the City's Burns Beach café/restaurant Project forming Attachment 3 to this Report."*

At its meeting held on 21 July 2021 (CJ108-07/21 refers) Council considered a status report on the outcomes of community consultation on the Burns Beach Coastal Node Concept Plan and resolved as follows:

- "1 *NOTES the Community Consultation Outcomes Report (Attachment 1 refers) on the Burns Beach Coastal Node Concept Plan (Attachment 2 refers);*
- 2 *APPROVES the Burns Beach Café / Restaurant and Coastal Node Redevelopment Business Case (Attachment 3) as the basis for continuing to progress the project;*
- 3 *REQUESTS the Chief Executive Officer to continue to progress the Burns Beach Café / Restaurant and Burns Beach Coastal Node Redevelopment projects in line with the actions outlined in this report and the indicative project schedule outlined in Attachment 3 to this report;*
- 4 *REQUESTS the Chief Executive Officer to initiate an Expression of Interest (EOI) process to identify potential commercial operators for the proposed café / restaurant facility;*
- 5 *NOTES that the project will not commence to construction until the relevant land tenure arrangements and required approvals have been secured and a commercial operator for the café / restaurant identified for consideration by Council. A further status report will be presented to the Major Projects and Finance Committee detailing the outcomes of these actions, to inform Council in making a final decision on whether to proceed with the development".*

At its meeting held on 26 July 2022 (Item 2 refers) the Major Projects and Finance Committee noted a status report on the proposed Café / Restaurant at Burns Beach. The report in part provided details for a two stage EOI process to identify potential commercial operators for the food and beverage facility.

At its meeting held on 28 November 2022 (Item 6 refers) the Major Projects and Finance Committee noted a status report on the EOI process, which had commenced at that stage. A copy of the City's EOI document formed an attachment to that report.

An interim status report on the EOI process was provided to the Major Projects and Finance Committee at its meeting held on 20 March 2023.

DETAILS

The Expression of Interest (EOI) process commenced on Saturday 19 November 2022 and was advertised in the West Australian newspaper, signage on site, social media posts, online hospitality industry and tourism publications, and in City of Joondalup publications and promotions. The EOI closed on 1 February 2023 and the City received 13 submissions.

The 13 submissions have been received from the following respondents:

- Australian Venue Co. Ltd.
- Be Our Guest Holdings Pty. Ltd.
- Gastevski Group Pty. Ltd.
- Chopped Parsley Pty. Ltd.
- Flour and Bean (WA) Pty. Ltd. as Trustee for Flour & Bean Unit Trust (Cup & Co).
- General Public Investments Pty. Ltd.
- Hospitality Total Services (AUS) Pty. Ltd.
- Shack Holdings Pty. Ltd.
- Laika Group Pty Ltd (Young Folk Co).
- Mid-Century Cafe and Collectables Pty. Ltd.
- Alba Pty Ltd as Trustee for the Glyde Street Unit Trust (Clancy's Fish Pub).
- Proper Food Company Pty. Ltd.
- Shreenathji Trading Pty. Ltd.

Assessment of the submissions have progressed in accordance with the EOI document. The EOI is a two-stage process. The intent of the Expression of Interest (Stage One) process is for the City to determine respondents suitable for Stage Two.

Stage One measures respondents against a set of pre-determined evaluation criteria, including the financial capacity of the respondent, demonstrated operational capacity of the respondent, proposed operational details, proposed lease details, and the social and economic effects of the proposal on the local community. Stage Two will include a request for further details from a shortlist of preferred respondents, potentially resulting in an agreement to lease with a preferred operator. The EOI process is being monitored by a probity consultant.

Due to the complexity of some of the information contained in the submissions received, particularly in relation to lease terms and commercial fit out cost estimates, in accordance with the EOI process the City sought advice from a specialist hospitality consultant to assist the evaluation panel on interpretation of the proposals. Additional probity advice has also been sought from the EOI process probity advisor. This has added additional time to the evaluation process and therefore it is proposed that a recommendation of a shortlist of respondents will be provided to the Major Projects and Finance Committee at its meeting to be held on 14 August 2023.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / Policy implications

Legislation

Besides the legislation that covers the planning, environmental and building requirements, regarding the land related matters, the *Land Administration Act 1997* and the Department of Planning, Lands and Heritage relevant policies deal with the administration of Crown land. The *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* deal with local governments' dealings with property, which includes purchase and leasing.

10-Year Strategic Community Plan

Key theme	Place.
Outcome	Functional and accessible – you have access to quality community facilities that are functional and adaptable.
Key theme	Economy.
Outcome	Innovative and confident - you are attracted to the City's unique characteristics and potential and feel confident in investing.
Policy	Not applicable.

Risk management considerations

Potential risks to the successful progression of the project include:

- inability to obtain support and approvals from the statutory approval authorities
- negative community reaction to the project
- lack of suitable respondents to the City's EOI to identify commercial business operators
- failure of negotiations on lease agreements with commercial operators
- a proponent, or the City, may opt not to proceed with the development.

Financial / budget implications

Project costs for the food and beverage facility and the overall Burns Beach coastal node redevelopment are currently listed in the *Five-Year Capital Works Program*. The cost estimates will be further developed as the design process progresses.

It is envisaged that the Burns Beach Café/Restaurant project will provide an additional long-term income stream to the City.

Current financial year impact

Account no.	1-220-C1060
Budget Item	Cafés/Kiosks/Restaurants (Burns Beach)
Budget amount	\$ 98,756
Amount spent to date	\$ 90,067
Proposed cost	\$ Nil
Balance	\$ 8,689

Future financial year impact

Annual operating cost In the event the City is successful in leasing the Crown Land required for the facility and the City constructs its own building, it will be responsible for paying Crown Land rent and the cost of structural maintenance, depreciation and insurance of the building.

All other annual operating costs including rates and consumption of services would be borne by the commercial operator. There will also be a level of operating costs associated with the other improvements to the coastal node.

Estimated annual income	The City will receive the market rent negotiated with an operator of the café / restaurant building. Rates will also be payable by the operator to the City.
Capital replacement	A capital replacement component has been included in the financial evaluations for the project and will be further developed through the detailed design process.
Strategic Financial Plan impact	The capital costs / funding for the coastal node redevelopment (including the café / restaurant) is currently included in the City's <i>5-Year Capital Works Program</i> .
Impact year	2022-23.

All amounts quoted in this report are exclusive of GST.

Regional significance

The redevelopment of the Burns Beach coastal node including the provision of the food and beverage facility will provide significant resident / visitor / tourist benefit by enhancing the City's existing natural assets and amenities.

Sustainability implications

The project philosophy and parameters (CJ103-06/10 refers) outlines the intent of Council in progressing the project and addresses the following sustainability implications:

- Project Vision.
- Land Use and Built Form.
- Environmental Strategy.
- Liaison Protocol.
- Fiscal Responsibility and Commerciality.
- Governance.

Consultation

The results of the community consultation on the Burns Beach coastal node concept plan were presented in a report to Council in July 2021.

The City will be required to further advertise the proposed café/restaurant development in accordance with the *Local Government Act 1995*.

The café/restaurant will require approval of a development application, building permit and a clearing permit prior to being constructed. Further community consultation may be required as part of these approvals processes.

COMMENT

Further project updates will be provided to future meetings of the Major Projects and Finance Committee.

VOTING REQUIREMENTS

Simple Majority.

Mayor Jacob entered the meeting at 6.22pm.

**MOVED Cr Fishwick, SECONDED Cr Hill that the Major Projects and Finance Committee
NOTES the Burns Beach Café / Restaurant Facility Project Status Report.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Logan, Mayor Jacob, Crs Fishwick, Hill, Jones and Poliwka.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 6.45pm the following Committee Members being present at that time:

CR JOHN LOGAN
MAYOR HON. ALBERT JACOB, JP
CR ADRIAN HILL
CR NIGE JONES
CR RUSS FISHWICK, JP
CR RUSSELL POLIWKA