

minutes

Strategic Financial Management Committee

MEETING HELD ON **TUESDAY 27 APRIL 2010**

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CITY OF JOONDALUP

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY, 27 APRIL 2010.

ATTENDANCE

Committee Members

Cr Geoff Amphlett, JP	<i>Presiding Person</i>
Cr Mike Norman	<i>Deputy Presiding Person</i>
Mayor Troy Pickard	
Cr Tom McLean	
Cr Philippa Taylor	
Cr Brian Corr	
Cr Russ Fishwick	

Observers

Cr K Hollywood – Deputy Mayor	
Cr J Chester	<i>Absent from 1930 hrs to 1939 hrs and from 2047 hrs to 2050 hrs</i>
Cr L Gobbert	<i>Absent from 2100 hrs to 2103 hrs</i>

Officers:

Mr Garry Hunt	Chief Executive Officer
Mr Mike Tidy	Director, Corporate Services
Mr Mike Archer	Manager, Asset Management
Ms Christine Robinson	Executive Officer
Mrs Genevieve Hunter	Executive Projects Officer – City Projects
Mrs Lesley Taylor	Administrative Secretary

DECLARATION OF OPENING

The Chief Executive Officer declared the meeting open at 1900 hrs.

APOLOGIES/LEAVE OF ABSENCE

Nil.

ELECTION OF PRESIDING PERSON

Section 5.12 of the Local Government Act 1995 requires a committee appointed by a local government, to appoint a presiding person as the first item of business at its first meeting. Schedule 2.3 of the Act requires the Chief Executive Officer to preside. Nominations for the position of presiding person are to be given to the Chief Executive Officer in writing, with the vote to be conducted by ballot.

The Chief Executive Officer called for nominations for the position of Presiding Person.

Mayor Troy Pickard nominated Cr Geoff Amphlett. Cr Amphlett accepted the nomination.

There being no further nominations, Cr Amphlett was elected unopposed to the position of Presiding Person.

Cr Amphlett assumed the Chair at this point.

ELECTION OF DEPUTY PRESIDING PERSON

It is advisable that the committee appoints a deputy presiding person, who would chair the meeting in the absence of the presiding person.

The Presiding Person called for nominations for the position of Deputy Presiding Person.

Mayor Troy Pickard nominated Cr Mike Norman. Cr Norman accepted the nomination.

There being no further nominations, Cr Norman was elected unopposed to the position of Deputy Presiding Person.

CONFIRMATION OF MINUTES

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD ON 30 SEPTEMBER 2009

MOVED Cr Fishwick, SECONDED Cr McLean that the minutes of the meeting of the Strategic Financial Management Committee held on 30 September 2009 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**ITEM 1 JOONDALUP CITY CENTRE COMMERCIAL OFFICE DEVELOPMENT - PROJECT PHILOSOPHY AND PARAMETERS****WARD:** All**RESPONSIBLE DIRECTOR:** Mr Garry Hunt
Office of the CEO**FILE NUMBER:** 70512**ATTACHMENTS:** Attachment 1 Joondalup Vision 2020
Attachment 2 Map of City owned land within the Joondalup City Centre
Attachment 3 Potential sites

PURPOSE/EXECUTIVE SUMMARY

To enable Council and the Strategic Financial Management Committee to affirm the philosophy and parameters on which the project will be based to assist in clarifying and confirming its future direction.

BACKGROUND

The State Government, through the Western Australian Planning Commission, has released two strategic documents for public comment, being Directions 2031 (Draft Spatial Framework for Perth and Peel), and Activity Centres for Perth and Peel (Draft State Planning Policy).

Directions 2031 is a high level strategic plan that establishes a vision for future growth of the Perth and Peel regions. The plan builds on the themes identified in Network City, although Directions 2031 is not intended to be a replacement of Network City.

The draft Activity Centres policy provides more detail on the development of the activity centre hierarchy identified in Directions 2031 and will replace the existing Metropolitan Centres Policy.

At its meeting of 18 August 2009 Council endorsed the submissions from the City of Joondalup on the draft Directions 2031 and Activity Centres for Perth and Peel documents and agreed to forward the submissions to the Western Australian Planning Commission noting:

- (a) The importance of the designation of the City as the Primary Centre for the North West sub-region;
- (b) That the City should be the only designated Primary Centre in the North West region for the foreseeable future;
- (c) Any change to the status of other centres within the sub-region in the foreseeable future, will only serve to undermine the level of any new investment and the rate of growth of Joondalup City, and the realisation of the full potential of investment to date.

Report CJ171-08/09 refers.

The City of Joondalup is identified as a “primary centre” in Directions 2031 due to its central location, relative to the Perth central area, and access to high-order public transport infrastructure. Directions 2031 further states that to improve employment self-sufficiency, primary centres must build on their existing assets and invest in the attributes that influence the locational decisions of businesses.

The State Government expands on its vision for the City of Joondalup:

“Transitioning Joondalup town centre to a primary activity centre that will be the major employment centre of the northwest sub-region is a significant undertaking and one that is unlikely to be completed by 2031. However, governments, planners, developers and investors must begin making decisions with the end goal in mind if Joondalup is to evolve from a population driven consumer goods and services centre, to a more intense and diverse centre that attracts knowledge based and producer service businesses.

... The expected increase in commercial floor space is likely to come from two sources – redevelopment of brownfield commercial areas and greenfields sites. The existing low density developments within the city centre, which were developed according to the needs at the time, have significant latent potential for higher density mixed use development.

In addition, LandCorp’s southern business district site (The Quadrangle), which is approximately 34 hectares in size, will ultimately deliver high amenity office developments, business parks and other mixed uses. Other significant vacant landholdings are the 8 hectare Edith Cowan University site and 3 hectares of various council-owned sites. In total, it is estimated that an additional 450,000m² of vacant land will become available for development” (Ref: Directions 2031 – Draft Spatial Framework for Perth and Peel, June 2009, pg 42-43).

Joondalup Vision 2020 articulates the City’s own vision for the Centre City; a vibrant and vital City with large numbers of people working in high rise office buildings creating a bustling atmosphere in the City Centre during the day. Vision 2020 also acknowledges Joondalup as Perth’s second CBD with the City Centre providing a large number of jobs that will reduce the journey to work for many local residents and produce social and environmental benefits (refer Attachment 1).

The City has also recognised the potential for its City Centre with the development of a new City Centre Structure Plan that is intended to facilitate the growth of a City with an intense mix of opportunities to live, work, play and learn and with convenient transport links to the surrounding region.

The City Centre covers a total area of 358ha and is bounded to the west by the Mitchell Freeway and to the east by Lake Joondalup. The north of the City is bounded by Moore Drive and the south by Lakeside Drive, Joondalup Drive (South) and Ocean Reef Road.

Key attractions within City Centre include:

- 1 Joondalup Learning Precinct (consisting of Edith Cowan University, West Coast Institute of Training and WA Police Academy);
- 2 Joondalup Health Campus – Joondalup Public and Private Hospital;
- 3 Retail Precinct (Lakeside Joondalup Shopping City);
- 4 Serviced by freeway and rail;
- 5 Service industrial;
- 6 Central Business District (CBD).

In April 2008 the City commenced an Expression of Interest process to engage a private consultancy to investigate the feasibility of constructing a commercial office building on a specific site within the Joondalup City Centre. Following this process the City appointed the research branch of Jones Lang LaSalle Property Consultants (JLL) to undertake this feasibility analysis.

At an Elected Members Strategic Planning Weekend held in May 2008, discussions were held on the Council's position in relation to the development of high rise commercial office space on City owned land in the City Centre. These and other discussions led to the endorsing by the Council of a series of Strategic Positions Statements in July 2008, one of which was that *"Development of a high rise commercial office space within the CBD on Council owned land is supported under the following conditions:*

- 1 *Development should be iconic*
- 2 *Review the adequacy of the administration building; and*
- 3 *Would require a business plan"*

JLL presented their report in December 2008, which took into account significant changes occurring within the Perth commercial property market as a result of the then worsening economic crisis.

Their report identified that the City Centre was seen as a viable alternative for businesses wishing to relocate away from the Perth CBD due to lower rents and good transport links. However the commercial building options modelled in their report for the site in question was not deemed financially viable. The report suggested a review of the development proposal to reconsider specific variables such:

- built form
- car parking requirements
- incentives
- commercial profit
- attraction of tenants
- staging of project
- partnership models
- consideration of non-financial outcomes and their weight in the project

The report from JLL was submitted to the City's Strategic Financial Management Committee in February 2009. The Committee discussed the report, noting its findings regarding the non-viability of the project and requested *"... the Chief Executive Officer to prepare a further report on:*

- (a) Options for development of City-owned landholdings in the Centre City;*
- (b) Parameters for development of designated City Centre commercial sites."*

DETAILS

Following the recommendation of the Strategic Financial Management Committee, this report now seeks to establish the philosophy and parameters for development of identified City-owned landholdings in the Joondalup City Centre.

The purpose of the project philosophy and parameters is to articulate, for historical purposes, the intent of Council progressing the project and to address the objectives of the project and why it is proposed.

1. Philosophy/Project Vision

The City Centre has long been earmarked as the second Perth CBD and a number of City owned sites have the potential for a landmark Commercial Office Tower. The City considers it vital to its economic prosperity and future growth that such a development is undertaken. The Draft City Centre Structure Plan has been developed to facilitate and encourage a greater number of high rise developments within the City Centre and the opportunity now exists for the City to realise the potential that its City Centre landholdings offer.

The Joondalup City Centre Commercial Office Development will be a high quality, environmentally sustainable, landmark development that will strengthen the local economic and employment base for the City.

The proposed development will enhance the vitality and vibrancy of the Joondalup City Centre; increasing the number of people attracted to the City Centre for work, retail and commercial purposes in turn providing existing and future businesses with a constant and increasing customer base.

A Joondalup City Centre Office Development will entice businesses, commercial operators and Government agencies to relocate to a fast, growing area surrounded by existing infrastructure with an increasing population base. This is strategically aligned with the Directions 2031 objective of Joondalup being identified as a Primary Centre; one that aims to achieve employment self-sufficiency and reduced travel distances for employees living in outer and middle sectors, while also providing a recognisable business address and opportunities for agglomeration.

2. Key Parameters

Governance

It is clear that the City does not have the financial or resource capacity to bring the development to fruition without a joint venture agreement with a third party. This will require the preparation of a detailed Business Plan that meets with commercial and legislative requirements and addresses all relevant issues.

Any planning for a development on City owned land, as well as any corresponding arrangements should incorporate high ethical standards; probity, legal and legislative compliance and transparency are of vital importance. To ensure this is achieved, the City proposes to undertake:

- Implementation of sound probity to ensure transparency of process and decision making;
- Internal audit review and monitoring;
- Development of a comprehensive Business Case/Plan and Financial Analyses;
- Extensive Risk Management assessment and monitoring;
- Legal and statutory compliance.

Through the appointment of suitably qualified consultants and peer review panels in the areas of planning, environmental, financing and the commercial market, the City will ensure that the proposed development meets community, legislative, sustainability and commerciality expectations.

The City would also ensure that the City Centre Commercial Office Development complies with existing City strategies/plans, for example the draft Joondalup City Centre Structure Plan.

Land use and built form

The City recognises that the location of the proposed City Centre Commercial Office Development is a critical factor underpinning the success of the project. Location criteria such as aspect, site capability, access, car parking, commerciality, complementary businesses and amenity, and service utilities are key components in the identification of a suitable site and the development must maximise land use and built form in order to satisfy the opportunities provided by the identified site.

Whilst the primary consideration is for a City Centre Commercial Office Development, it is recognised that the opportunity also exists to incorporate a range of mixed uses into the proposed development such as, but not limited to, retail, residential and short stay accommodation.

Consideration of the actual height of the development is important to achieving the status of a landmark building. “Landmark” is defined for this purpose as “a prominent structure or geographical feature that identifies a location and serves as a guide to finding it” (ref: Encarta Dictionary: English (UK)).

Fiscal Responsibility and Commerciality

The City owns a number of valuable sites within the City Centre suitable for the siting of such a development (Attachments 2 and 3 refer), and the development of any of these sites needs to take into account present and future benefits for the City, investors/developers, commercial tenants, visitors and residents.

To enable the City to assess the commercial viability of the development prior to any decision on progressing the development through to construction, an Expression of Interest process will need to be undertaken to analyse that viability.

The success of the development to attract commercial tenants and achieve a financial return to the City and/or developer will depend largely on the prevailing economic climate, which will need to be closely monitored to determine progression of the project.

Key principles underpinning the project are the potential for the City to benefit from capital appreciation on any equity investment it may have in the project, additional revenue streams from leasing opportunities, additional rates revenue and the effect of other projects that may commence as a result of the City's development progressing.

It is important for the City to retain public ownership of strategically located City owned sites with the underlying financial benchmark being the creation of an asset that maintains its capital value in real terms over its economic life cycle investment period. In order to achieve this the City may be required to consider a range of incentives and options to attract investment, development and occupancy.

Sustainability Considerations

Through the use of up-to-date urban design, architectural and construction techniques the City Centre Commercial Office Development is able to be a showcase for innovation in design that aims to achieve world's best practice in environmentally sustainable developments.

The City needs to be committed to the utilisation of up-to-date best practice architectural and construction techniques and innovative environmentally sustainable design principles which provide the opportunity to show leadership in sustainable developments including:

- carbon emission reduction;
- energy reduction, efficiency and supply;
- design efficiency to reduce water consumption, using alternative sources (eg rainwater);
- environmental impact.

Innovation in these areas deliver benefits such as improved environmental conditions for workers, lower development control costs, improved risk mitigation and management, higher tenant retention, lower renovation costs, lower overheads, greater flexibility in internal planning, higher productivity, faster lease-up periods and access to financial incentives and tax credits.

Any development should attempt to balance the social and economic needs of the community with the need to maintain and preserve the existing amenity for residents and tenants surrounding the identified sites.

Liaison Protocol

Of key importance to the project is the identification of, and liaison with, community and City stakeholders. A community participation plan will need to be prepared and implemented, in accordance with the City's Public Participation Policy and Strategy.

The identification of key stakeholders and potential private or Government sector partners is recognised as a key element to the success of the development. Negotiation and liaison with these stakeholders to determine what level of interest exists should be a key consideration within the project.

Summary

It is viewed as appropriate and necessary that Council and the Strategic Financial Management Committee considers and affirms a philosophy for the Joondalup City Centre Commercial Office Development and endorses parameters for the project as outlined above and summarised below:

Project Philosophy and Key Parameters

1. Philosophy/Project Vision

- High quality, environmentally sustainable, landmark development that will strengthen the local economic and employment base for the City.
- Enhances the vitality and vibrancy of the Joondalup City Centre increasing the number of people attracted to the City Centre for work, retail and commercial purposes.
- Provides a fast growing location for business, commercial operators and Government agencies surrounded by existing infrastructure with an increasing population base.

2. Development Parameters

Governance

- Incorporation of high ethical standards;
- Probity, legal and legislative compliance;
- Appointment of suitably qualified consultants;
- Consistency with existing City strategies and plans including the draft City Centre Structure Plan.

Land use and built form

- To achieve “landmark” status maximisation of land use and built form including the actual height of the development;
- Consideration of a range of mixed uses.

Fiscal Responsibility and Commerciality

- Assessment of commercial viability and the investigation of potential joint venture arrangements;
- Retention of public ownership of land;
- Creation of an asset that maintains its capital value in real terms over its economic life cycle investment period.
- Consideration of incentives for investment, development and occupancy.

Sustainability Considerations

- Achievement of best practice environmentally sustainable design principles and management practices;
- Implementation of development concepts sensitive and compatible with the existing environment and minimising impact on surrounding landowners/occupiers.

Liaison protocol

- Development of a public participation strategy in accordance with the City’s Public Participation Policy and Strategy;
- Stakeholder liaison, in particular private sector and Government agencies.

Issues and options considered:

Not applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Not applicable.

Strategic Plan

Key Focus Area: Economic Prosperity and Growth

Objective:

3.1	To encourage the development of the Joondalup CBD
3.2	To increase employment opportunities within the City

Key Focus Area: Community Wellbeing

- Objective:
- 5.1 To ensure the City's facilities and services are of a high quality and accessible to everyone.
 - 5.2 To facilitate healthy lifestyles within the community

Policy The development will be in accordance with the City's policies and procedures.

Risk Management considerations:

A detailed Risk Management Assessment Report outlining the risks apparent to the project will be prepared and updated as the project progresses.

Financial/Budget Implications:

Consideration of the financial/budget implications for the development will be included in the Business Case/Plan financial analysis.

Regional Significance:

A City Centre Commercial Office Development will be a symbol of the City Centre as the second Perth CBD. This will enhance the vitality and vibrancy of the City Centre by increasing the number of people attracted to it for work, retail and commercial purposes, thereby providing existing and future business with a constant and increasing customer base.

Sustainability implications:

Consideration of whole of life cycle costings for the development will be included in the Business Case/Plan financial analysis.

Consultation:

All community consultation will be in accordance with the City's Public Participation Policy and Strategy.

COMMENT

Not applicable.

VOTING REQUIREMENTS

Simple majority

OFFICER'S RECOMMENDATION: That the Strategic Financial Management Committee RECOMMENDS that Council ENDORSES the Joondalup City Centre Commercial Office Development Project Philosophy and Parameters in order to articulate for the record and for historical purposes the intent and purpose of the Council in progressing the project:

1. Philosophy/Project Vision

- High quality, environmentally sustainable, landmark development that will strengthen the local economic and employment base for the City.
- Enhances the vitality and vibrancy of the Joondalup City Centre increasing the number of people attracted to the City Centre for work, retail and commercial purposes.

- Provides a fast growing location for business, commercial operators and Government agencies surrounded by existing infrastructure with an increasing population base.

2. Development Parameters

Governance

- Incorporation of high ethical standards;
- Probity, legal and legislative compliance;
- Appointment of suitably qualified consultants;
- Consistency with existing City strategies and plans including the draft City Centre Structure Plan.

Land use and built form

- To achieve “landmark” status maximisation of land use and built form including the actual height of the development;
- Consideration of a range of mixed uses.

Fiscal Responsibility and Commerciality

- Assessment of commercial viability and the investigation of potential joint venture arrangements;
- Retention of public ownership of land;
- Creation of an asset that maintains its capital value in real terms over its economic life cycle investment period.
- Consideration of incentives for investment, development and occupancy.

Sustainability Considerations

- Achievement of best practice environmentally sustainable design principles and management practices;
- Implementation of development concepts sensitive and compatible with the existing environment and minimising impact on surrounding landowners/occupiers.

Liaison protocol

- Development of a public participation strategy in accordance with the City's Public Participation Policy and Strategy;
- Stakeholder liaison, in particular private sector and Government agencies.

MOVED Cr Amphlett, SECONDED Cr McLean that the Strategic Financial Management Committee RECOMMENDS that Council:

- 1 ENDORSES the Joondalup City Centre Commercial Office Development Project Philosophy and Parameters in order to articulate for the record and for historical purposes the intent and purpose of the Council in progressing the project:**

(a) Philosophy/Project Vision

- **High quality, environmentally sustainable, landmark development that will strengthen the local economic and employment base for the City.**

- Enhances the vitality and vibrancy of the Joondalup City Centre increasing the number of people attracted to the City Centre for work, retail, cultural and commercial purposes.
- Provides a fast growing location for business, commercial operators and Government agencies surrounded by existing infrastructure with an increasing population base.

(b) Development Parameters

Governance

- Incorporation of high ethical standards;
- Probity, legal and legislative compliance;
- Appointment of suitably qualified consultants;
- Consistency with adopted Council strategies and plans.

Land use and built form

- To achieve “landmark” status maximisation of land use and built form including the actual height of the development;
- Consideration of a range of mixed uses, including the provision of a public plaza.

Fiscal Responsibility and Commerciality

- Assessment of long-term commercial viability and the investigation of potential joint venture arrangements;
- Retention of public ownership of land;
- Creation of an asset that maintains its capital value in real terms over its economic life cycle investment period.
- Consideration of incentives for investment, development and occupancy.

Sustainability Considerations

- Achievement of best practice environmentally sustainable design principles and management practices;
- Implementation of development concepts sensitive and compatible with the existing environment, including integration with existing civic buildings and minimising impact on surrounding landowners/occupiers.

Liaison protocol

- Development of a public participation strategy in accordance with the City’s Public Participation Policy and Strategy;
- Stakeholder liaison, in particular private sector and Government agencies.

2 AGREES that an item be presented to all future Strategic Financial Management Committee meetings reporting on the progress of this project.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

Appendix 1 refers

To access this attachment on electronic document, click here:

[Attach1sfmc270410.pdf](#)

ITEM 2 JOONDALUP REGIONAL CULTURAL FACILITY - PROJECT PHILOSOPHY AND PARAMETERS

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

FILE NUMBER: 07019

ATTACHMENTS: Attachment 1 Map of Lot 1001 Kendrew Crescent, Joondalup

PURPOSE/EXECUTIVE SUMMARY

To enable Council and the Strategic Financial Management Committee to affirm the philosophies and parameters on which the project will be based to assist in clarifying and confirming its future direction.

BACKGROUND

The need for a performing arts facility for the Joondalup region was defined in the 1992 Joondalup Cultural Plan (Item G91127 refers) which was commissioned by the former City of Wanneroo and LandCorp. The plan indicated that the facilities should be located adjacent to the Administration Centre; with the provision of the Regional Library and the Civic buildings being Stage 1 of the project.

There have been a number of subsequent studies and reports produced identifying the need for a cultural facility in Joondalup including:

- 1996: Hames Sharley – Planning and Architectural Brief
- 2000: Australian Pacific Projects – Feasibility Study for the Establishment of Performing Arts Facilities in the City of Joondalup (Stages 1 – 3)
- 2003: Walne & Alexander – Joondalup Performing Arts Centre: Resourcing Study.

Each of these and other reports indicate strong support on the part of the community and other stakeholders for the concept of a centrally-located performing arts centre containing a range of venues and facilities.

Throughout the period 1996 – 2004 further significant progress was made on the project including:

- Liaison with key government stakeholders.
- Presentation to the public of a feasibility study.
- Formation of a Joondalup Regional Performing Arts Steering Committee.
- Commissioning of consultants to prepare a concept design and other relevant studies with the outcome being the endorsement of a concept design for the facility (Item C56-0403 refers).

- Identification of West Coast Institute of Training (formerly TAFE) land adjacent to Central Park and facing Grand Boulevard as the preferred site (Item CJ310-02/12 refers).
- Decision by Council to refer to the proposed facility as a “cultural facility” in lieu of Joondalup Regional Performing Arts Centre (Item CJ174-08/04 refers).
- Discussions with the Department of Education and Training and West Coast Institute of Training regarding the acquisition of land.

In August 2004 (Item CJ248-11/04 refers) the Commissioners authorised the City to commence negotiations for a contract of sale between the City and the Department of Education and Training for the purchase of a portion of Lot 500 Kendrew Crescent, Joondalup - the cultural facility site (refer Attachment 1). These negotiations were completed in 2006 (Item CJ194-10/06 refers). The settlement price for the land was \$583,999.65 and the contract of sale contained the following special conditions:

- (a) Restricts the use of the site to that of cultural facility and associated activities. Should the City propose development on the site that is not consistent with the use under which it is provided, then the DET reserves the right to repurchase the land at a future date at the market valuation at that date;
- (b) Requires the City to advise the DET of any proposed development on the site prior to seeking development approval, outlining the connection between the proposed development and the cultural facility and associated activities use. The DET will have 120 days to respond to the City.

The site is 7999 sq metres in area and is now Lot 1001 Kendrew Crescent and has the street address 3 Teakle Court, Joondalup (site plan attached).

Due to financial considerations, the project was not included in the Strategic Financial Plan 2005/06-2008/09 and was deferred pending further research and investigation as to the requirements of a cultural facility being established in the northern corridor.

In June 2008 briefing meetings on the proposed cultural facility were held with the following:

- Vice Chancellor, Edith Cowan University
- Principal, WA Police Academy
- Managing Director, West Coast Institute of Training

The purpose of the briefing meetings was to:

- Outline the proposal for a cultural facility;
- Invite Joondalup Learning Precinct Members to submit to any options for long term joint facilities to be incorporated in the facility;
- Gain a positive response from all parties.

The project has been recommended in line with the City's Strategic Plan 2008 – 2011 (Key Focus Area: the Built Environment / 4.2.2 Develop a concept for a Cultural Centre at Lot 1001, Kendrew Crescent, Joondalup).

It should also be noted that the City of Joondalup has been identified as a “primary centre” by the State Government (Ref: Directions 2031 - Draft Spatial Framework for Perth and Peel, June 2009) due to its central location, relative to Perth central area, and access to high-order public transport infrastructure. Primary centres are described as “....the preferred location for investment in high order public and employment generating infrastructure...” The Framework further states that “....primary centres must build on their existing assets and invest in the attributes that influence the locational decisions of these businesses, including accessibility, land availability, local amenity, communications and technology, and the availability of skilled labour” (Ref: Directions 2031 - Draft Spatial Framework for Perth and Peel, June 2009).

At a meeting with City officers in March 2010, officers from Edith Cowan University advised of the university’s forward plans for the development of a large auditorium, capable of hosting events such as ceremonies and small concerts. The proposed site for this auditorium is close to the Joondalup Regional Cultural Facility site. While the university’s proposal is at the very early planning stage, the opportunity exists for discussions on the similarities between the scope of both projects and the potential establishment of partnerships.

DETAILS

The purpose of the project philosophy and parameters is to articulate, for historical purposes, the intent of Council progressing the project and address the objectives of the project and why it is proposed.

1. Philosophy/Project Vision

The City has long recognised the need for a Joondalup Regional Cultural Facility. Located with clearly defined linkages to the educational, commercial/retail, transport and civic precincts, the provision of a Regional Cultural Facility would fill a major gap in the amenities and services provided in the City Centre.

The overarching philosophy for the development of the Joondalup Regional Cultural Facility on Lot 1001 Kendrew Crescent is a place for the pursuit of activities such as performing arts, visual arts and crafts, film and media, writing and cultural events for the community of Perth’s northern corridor. The Facility aspires to:

- create synergies with the existing educational institutions and reinforce the Joondalup City Centre as the creative and educational centre of the northern corridor;
- provide a world class, state of the art centre incorporating innovative and sustainable design, that is architecturally symbiotic with the existing natural and built environment;
- project an ambience of cultural significance, providing an easily recognised entry statement to the City that creates strong visual and physical linkages to existing and future civic buildings, educational precinct, green areas and transport hub.
- become a place to celebrate imagination and creativity, inspiring individuals and the community to take part in the arts and raise the aspirations of all users.
- create an inclusive environment where people of all ages and levels of cultural awareness can develop and nurture a strong sense of the possibilities that the arts can provide.
- provide a facility that can host a mixture of commercial and community activities that supports the viability and attraction of the venue.

2. Key Parameters

Governance

Any planning for a development on City owned or managed land, including Lot 1001 Kendrew Crescent, Joondalup, should incorporate high ethical standards; probity, legal and legislative compliance and transparency are of vital importance. To ensure these objectives are achieved the City will be required to undertake:

- Implementation of sound probity to ensure transparency of process and decision making;
- Internal audit review and monitoring;
- Development of comprehensive and robust Business Cases/Plans and financial analyses;
- Risk management assessment and monitoring;
- Legal and statutory compliance.

Through its appointment of suitably qualified consultants and peer review panels in the areas of planning, the environment, financing, engineering and infrastructure the City attempts to ensure that any proposed development meets community, legislative and sustainability expectations.

Adherence to the City's internal mechanisms for new development projects must also be recognised as essential to the success and timely delivery of the project.

Land Use and Built Form

The City understands that any development on Lot 1001 Kendrew Crescent, Joondalup must be in accordance with the special conditions of the land purchase and as such has recognised this site as the preferred site for the development of the Facility .

The site offers a unique opportunity for the City to develop the Facility amid an established educational precinct well known to City residents, workers and visitors. The design principles utilised and resulting built form of the Facility should create clear and defined linkages between these institutions, Central Park, the City Civic precinct and other City Centre locations. The use of contemporary architecture reflecting innovation in design and materials used will create a civic presence with a strong sense of arrival and add considerable value to the public domain.

To ensure maximum usage for a wide variety of cultural events/activities, facilities provided should be highly adaptable and incorporate the latest relevant design principles.

Previous research has identified the need for a facility in the northern Perth region with the ability to accommodate a seated audience of between 800 to 1500 persons able to cater for a range of cultural genres (Australian Pacific Projects, 2000; Feasibility Study for the Establishment of Performing Arts Facilities in the City of Joondalup (Stages 1 – 3) and Walne, G and Alexander, P, 2002; Joondalup Regional Performing Arts Centre – Resourcing Study). To ensure the validity of this data further research into the needs of the community will be required; however facilities provided should reflect the primary focus of the Facility as a cultural facility that recognises the diversity of users and activities and consideration should be given to the inclusion of the following core components:

- **Theatre / auditoriums / cinema** with required supporting features such as raked seating, fly tower, loading dock, dressing rooms, greenrooms, storage space for props, costumes, equipment.

- **Rehearsal space**
- **Dance studio**
- **Exhibition space**
- **Art workshop / studio space**
- **Recording studio**
- **Multimedia studio / editing suite**

The City should also recognise and validate the importance of the inclusion of additional components, complementary to those above, which aim to increase the Facility's capacity to attract users and visitors and maximise operating hours. These additional components may include:

- **Function / meeting / breakout rooms of various sizes** suitable for arts purposes, conferences, seminars and meeting hire
- **Bar / café / catering facilities**
- **Courtyard or gardens suitable for functions**
- **Box office / customer service desk**
- **Foyer space** for use as an art gallery or function space
- **Office space, storage and a facilities** for centre management or community groups
- **Amphitheatre** linked to Central Park
- **Sculpture garden**

It should be recognised by the City that the opportunity exists for the development of a design for the Facility which is flexible and able to grow with the needs of the community.

The use of digital technology to connect with audiences in new and exciting ways will play an important role in the design and creativity of the Facility.

As part of the overall land use strategy, the provision of adequate car parking (in accordance with the relevant City policies) should be recognised.

Fiscal Responsibility and Commerciality

It is clear that the City does not have the financial or resource capacity to bring the development of a Regional Cultural Facility to fruition without a significant financial contribution from the State and/or Federal Governments. This contribution may be in the form of a joint venture partnership or financial input from other sources such as grants or Lotteries Commission funding.

In recognition of the Facility being commercially focussed, a range of suitable and flexible management options should be considered. The City will be required to prepare a Business Plan which takes into consideration the varied needs of each identified user group whilst recognising that the facility may not always operate in a cost neutral environment. An operating subsidy may be required that identifies the value of the contribution by the City towards the various groups/organisation who utilise it. Whilst attempting to maintain a high degree of commerciality, it should be understood that the provision of facilities of this nature form part of the City's charter to provide community facilities to its ratepayers.

Notwithstanding the above, access to the Facility would be on a "user pays" basis wherever possible however the City should attempt to provide an element of community use that would be subsidised where the City identifies that the social benefits derived take precedence over commercial outcomes.

In an attempt to increase the commercial viability of the Facility, the inclusion of activities not principally recognised as “cultural” would allow the Facility to be more widely utilised by groups/ entities. For example:

- Graduations and other school events,
- General commercial / community room hire,
- Conferences,
- Functions including corporate, community and private, such as weddings.

The use of the Facility as a home base for an established company/group may assist in creating a profile and recognition. However to ensure equitable access by all users, the City should guarantee that no one group or entity has exclusive use to the entire Facility.

Sustainability Considerations

By utilising up-to-date urban design, architectural and construction techniques the Facility can be a showcase for innovation in design that aims to achieve best practice in environmentally sustainable principles, whilst maintaining a contemporary, cultural ambience.

- The City should be committed to the utilisation of up-to-date best practice architectural and construction techniques and innovative environmentally sustainable design which provides the opportunity to show leadership in sustainable developments including: energy reduction, efficiency and supply;
- design efficiency to reduce water consumption and utilising alternative sources (eg rainwater);
- environmental impact.

Innovation in these areas includes benefits such as lower operational costs and the creation of a healthy meeting and working place.

Liaison Protocol

The identification of strategic user groups should be acknowledged by the City as an intrinsic component of the project. A strong understanding of the requirements of the individual user groups should be recognised as important to the overall success of the Facility. Ongoing liaison with the identified user groups throughout the development of the project is required to ensure their needs are recognised and, if aligned to the needs of the City, incorporated into the Facility.

The strategic value and implicit importance of community consultation in the development of the Facility should be recognised. To facilitate this a community consultation plan, in accordance with the City’s Public Participation Policy and Strategy, should be prepared and implemented.

3. Summary

It is viewed appropriate and necessary that Council and the Strategic Financial Management Committee considers and affirms a philosophy for the Joondalup Regional Cultural Facility and endorses parameters for the project as outlined above and summarised below:

1. Philosophy/Project Vision

- Provide a world class, state of the art facility; incorporating innovative and sustainable design, symbiotic with the existing natural and built environment that is a place for the pursuit of activities such as performing arts, visual arts and crafts, film and media and cultural events for the community of Perth's northern corridor.
- Provide a facility that can host a mixture of commercial and community activities that creates an inclusive environment that becomes a place to celebrate imagination and creativity, inspiring individuals and the community to take part in the arts and raise the aspirations of all users.
- Reinforce the Joondalup City Centre as the creative and educational centre of the northern corridor.

2. Development Parameters

Governance

- Incorporation of high ethical standards;
- Probity, legal and legislative compliance;
- Appointment of suitably qualified consultants;
- Consistency with existing City strategies and plans;

Land Use and Built Form

- Adherence to the special conditions of the land purchase of Lot 1001 Kendrew Crescent;
- Utilisation of design principles that create clear and defined linkages to the established educational precinct, the City Civic Centre and other City Centre locations;
- Utilisation of contemporary architecture reflecting innovation in design and materials that create a civic presence with a strong sense of arrival that will add considerable value to the public domain;
- Provision of a wide range of highly adaptable and flexible facilities incorporating latest design principles including digital technologies;
- Creation of a facility for a seated audience of between 800 to 1500 persons;
- Inclusion of complementary components which aim to increase the Facility's capacity and usage;
- Provision of adequate car parking (in accordance with the relevant City policies);

Fiscal Responsibility and Commerciality

- Recognition that the development of the Facility will require State and/or Federal Government support in the form of a joint venture partnership or grants;
- Consideration of a range of management options in recognition that the Facility is a commercial operation and the preparation of a Business Plan;
- Recognition that the facility may not always operate in a cost neutral environment and that an operating subsidy may be required that identifies the value of the contribution by the City towards the groups/organisations that utilise it;
- Operation of the facility on a "user pays" basis wherever possible and practical with provision for an element of subsidised community use;

- Utilisation of the facility for activities not principally recognised as “cultural” and consideration of the facility as a home base for a company/group;
- Assurance of equitable access by all users and a guarantee that no one group or entity has exclusive use of the entire facility.

Sustainability Considerations

- Achievement of best practice in environmentally sustainable design principles whilst maintaining a contemporary, cultural ambience;
- Implementation of architectural and construction techniques that show leadership in environmentally sustainable developments;

Liaison Protocol

- Identification of, and ongoing liaison with, strategic user groups and a strong understanding of the requirements of individual user groups;
- Development of a public participation strategy in accordance with the City’s Public Participation Policy and Strategy.

Issues and options considered:

Not applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Not applicable.

Strategic Plan

Key Focus Area: The Built Environment

Objective 4.2 To progress a range of innovative and high quality urban development project within the City

Strategy 4.2.2 Develop a concept for a Cultural Centre at Lot 1001, Kendrew Crescent, Joondalup.

Policy The Regional Cultural Facility will be developed in accordance with the City’s policies and procedures

Risk Management considerations:

A detailed Risk Management Assessment Report outlining the risks apparent to the project will be prepared and updated as the project progresses.

Financial/Budget Implications:

The City has allocated \$170,000 in the 2009/10 budget towards the costs of engagement of consultants and other costs to assist with site assessment feasibility plans, design concepts and financial modelling.

For actual construction of the Facility, provisionally \$35 million has been allocated in Council’s 20 year Strategic Financial Plan with \$10 million of these funds to be sourced from Government Grants and the balance from reserves associated with land development.

Regional Significance:

The construction of the Joondalup Regional Cultural Facility will enhance the City Centre as the major commercial, educational, recreational and arts and culture centre for the northern corridor of the Perth metropolitan area.

Sustainability implications:

Consideration of whole of life cycle costings for the development will be included in the Business Case/Plan financial analysis.

Consultation:

All community consultation will be in accordance with the City's Public Participation Policy and Strategy.

COMMENT

Not applicable.

VOTING REQUIREMENTS

Simple majority

OFFICER'S RECOMMENDATION: That the Strategic Financial Management Committee RECOMMENDS that Council ENDORSES the Joondalup Regional Cultural Facility Project Philosophy and Parameters in order to articulate for the record and for historical purposes the intent and purpose of the council in progressing the project:

1 Philosophy/Project Vision

- Provide a world class, state of the art facility; incorporating innovative and sustainable design, symbiotic with the existing natural and built environment that is a place for the pursuit of activities such as performing arts, visual arts and crafts, film and media and cultural events for the community of Perth's northern corridor.
- Provide a facility that can host a mixture of commercial and community activities that creates an inclusive environment that becomes a place to celebrate imagination and creativity, inspiring individuals and the community to take part in the arts and raise the aspirations of all users.
- Reinforce the Joondalup City Centre as the creative and educational centre of the northern corridor.

2 Development Parameters

Governance

- Incorporation of high ethical standards;
- Probity, legal and legislative compliance;
- Appointment of suitably qualified consultants;
- Consistency with existing City strategies and plans;

Land Use and Built Form

- Adherence to the special conditions of the land purchase of Lot 1001 Kendrew Crescent;
- Utilisation of design principles that create clear and defined linkages to the established educational precinct, the City Civic Centre and other City Centre locations;
- Utilisation of contemporary architecture reflecting innovation in design and materials that create a civic presence with a strong sense of arrival that will add considerable value to the public domain;
- Provision of a wide range of highly adaptable and flexible facilities incorporating latest design principles including digital technologies;
- Creation of a facility for a seated audience of between 800 to 1500 persons;
- Inclusion of complementary components which aim to increase the Facility's capacity and usage;
- Provision of adequate car parking (in accordance with the relevant City policies);

Fiscal Responsibility and Commerciality

- Recognition that the development of the Facility will require State and/or Federal Government support in the form of a joint venture partnership or grants;
- Consideration of a range of management options in recognition that the Facility is a commercial operation and the preparation of a Business Plan;
- Recognition that the facility may not always operate in a cost neutral environment and that an operating subsidy may be required that identifies the value of the contribution by the City towards the groups/organisations that utilise it;
- Operation of the facility on a "user pays" basis wherever possible and practical with provision for an element of subsidised community use;
- Utilisation of the facility for activities not principally recognised as "cultural" and consideration of the facility as a home base for a company/group;
- Assurance of equitable access by all users and a guarantee that no one group or entity has exclusive use of the entire facility.

Sustainability Considerations

- Achievement of best practice in environmentally sustainable design principles whilst maintaining a contemporary, cultural ambience;
- Implementation of architectural and construction techniques that show leadership in environmentally sustainable developments;

Liaison Protocol

- Identification of, and ongoing liaison with, strategic user groups and a strong understanding of the requirements of individual user groups;
- Development of a public participation strategy in accordance with the City's Public Participation Policy and Strategy.

Cr Chester left the Room at 1930 hrs and returned at 1939 hrs.

MOVED Mayor Pickard, **SECONDED** Cr Norman that the Strategic Financial Management Committee **RECOMMENDS** that Council:

- 1** **ENDORSES** the Joondalup Regional Cultural Facility Project Philosophy and Parameters in order to articulate for the record and for historical purposes the intent and purpose of the council in progressing the project:

(a) Philosophy/Project Vision

- Provide a world class, state of the art facility; incorporating innovative and sustainable design, symbiotic with the existing natural and built environment that is a place for the pursuit of activities such as performing arts, visual arts and crafts, film and media and cultural events for the community of Perth's northern corridor.
- Provide a facility that can host a mixture of commercial and community activities that creates an inclusive environment that becomes a place to celebrate imagination and creativity, inspiring individuals and the community to take part in culture and the arts and raise the aspirations of all users.
- Reinforce the Joondalup City Centre as the creative and educational centre of the northern corridor.

(b) Development Parameters

Governance

- Incorporation of high ethical standards;
- Probity, legal and legislative compliance;
- Appointment of suitably qualified consultants;
- Consistency with adopted Council strategies and plans.

Land Use and Built Form

- Adherence to the special conditions of the land purchase of Lot 1001 Kendrew Crescent;
- Utilisation of design principles that create clear and defined linkages to the established educational precinct, the City Civic Centre and other City Centre locations;
- Utilisation of contemporary architecture reflecting innovation in design and materials that create a civic presence with a strong sense of arrival that will add considerable value to the public domain;
- Provision of a wide range of highly adaptable and flexible facilities incorporating latest design principles including digital technologies;
- Inclusion of complementary components which aim to increase the Facility's capacity and usage;
- Provision of adequate car parking (in accordance with the relevant City policies);

Fiscal Responsibility and Commerciality

- Recognition that the development of the Facility will require State and/or Federal Government financial support.
- Consideration of a range of management options in recognition that the Facility is a commercial operation and the preparation of a Business Plan;
- Recognition that the facility may not always operate in a cost neutral environment and that an operating subsidy may be required that identifies the value of the contribution by the City towards the groups/organisations that utilise it;
- Operation of the facility on a “user pays” basis wherever possible and practical with provision for an element of subsidised community use;
- Utilisation of the facility for activities not principally recognised as “cultural” and consideration of the facility as a home base for suitable entities;
- Assurance of equitable access by all users and a guarantee that no one group or entity has exclusive use of the entire facility.

Sustainability Considerations

- Achievement of best practice in environmentally sustainable design principles whilst maintaining a contemporary, cultural ambience;
- Implementation of architectural and construction techniques that show leadership in environmentally sustainable developments;

Liaison Protocol

- Identification of, and ongoing liaison with, strategic user groups and a strong understanding of the requirements of individual user groups;
- Development of a public participation strategy in accordance with the City’s Public Participation Policy and Strategy.

- 2 REFERS to the proposed facility as the Joondalup Performing Arts and Cultural Facility;
- 3 ESTABLISHES a Joondalup Performing Arts and Cultural Facility Steering Committee and requests the Chief Executive Officer to prepare appropriate Terms of Reference for consideration by Council.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

MOVED Cr Fishwick, SECONDED Cr Norman that the Strategic Financial Management Committee RECOMMENDS to Council the creation of a facility that is capable of catering for the needs of a regional centre.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2sfmc270410.pdf](#)

ITEM 3 CAFÉS/KIOSKS/RESTAURANTS – PROJECT PHILOSOPHY AND PARAMETERS

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

FILE NUMBER: 09095

ATTACHMENTS: Nil

PURPOSE/EXECUTIVE SUMMARY

To enable the Strategic Financial Management Committee and Council to affirm the philosophies and parameters on which the project will be based to assist in clarifying and confirming its future direction.

BACKGROUND

The City owns or manages a number of strategically located land parcels of potentially high commercial value that could be developed to accommodate a range of commercial uses, such as cafés, kiosks and restaurants.

Background research into the experience of other Local Governments in the development of cafés/kiosks/restaurants was undertaken in June 2008 resulting in the preparation of a research paper.

The CEO requested a report be prepared identifying opportunities and options for the development of café/kiosk/restaurant facilities on land owned or managed by the City as part of a review of the provision of Council facilities within the City. In accordance with industry best practice and consistent with the International Institute of Business Analysis and Project Management practices this report is in the form of a Business Requirements/Scoping document. This document forms part of the scoping phase of project management and its purpose is to identify, analyse and assess a range of key elements and issues that are critical in understanding the parameters of the project and to ensure its successful outcome.

New café/kiosk/restaurant facilities will provide much needed commercial food and beverage outlets to service local residents and visitors who make use of these strategic locations for recreational purposes. The provision of café/kiosks/restaurants is consistent with community expectations for governments to recognise and provide for the lifestyle and alfresco culture of Western Australia and for the significant number of tourists visiting the City.

DETAILS

The purpose of the project philosophy and parameters is to articulate, for historical purposes, the intent of Council progressing the project and to address the objectives of the project and why it is proposed.

1. Philosophy/Project Vision

The City owns or has management over a range of strategic locations, both along the coast and in other locations that are environmentally sensitive. The opportunity exists for the enhancement of these already visited locations through the provision of new amenities such as cafés, kiosks or restaurants. Such amenities, whilst enhancing the area for visitors, will also recognize the importance of the surrounding environment, and leave those areas undisturbed.

The consideration of locating café/kiosk/restaurant facilities within the City's identified tourism zones, including locations on Western Australia's "Sunset Coast", aims to advance the City's ability to attract visitors/tourists for entertainment and socialising which is identified as one of its primary tourism products. Enhancing the City's ability to attract visitors/tourists provides the opportunity for the City to achieve:

- 1 More employment for its residents;
- 2 Increased profitability for a wide range of businesses, and a resultant increase in business value;
- 3 A greater awareness of the social and economic value of the City's natural assets;
- 4 Greater social and economic contributions by tourists to community facilities.

The development design principles would seek to provide equitable community based facilities where visitor and resident alike can enjoy a first class amenity that acknowledges and provides for the lifestyle and alfresco culture of Western Australia.

2. Key Parameters

Land Use and Built Form

The City recognises that the location of any proposed café/kiosk/restaurant is a critical factor underpinning the success of the facilities. Location criteria such as aspect, site capability, access, car parking, commerciality, complementary businesses and amenity, and service utilities are key components in the identification of suitable sites for development.

The City recognises that any development should maximise land use and built form in order to satisfy the opportunities provided by the identified sites while recognising their existing environmental integrity.

The project should aim to enhance the amenity available to all City residents and as such the identified sites and exact location of proposed facilities should not impact on the existing amenity of its residents. Careful consideration and investigation is required to ensure maintenance of residential view corridors and the minimisation of adverse impacts such as increased traffic, noise and anti-social behaviour.

It should be recognised by the City that the opportunity exists for the co-location of existing City own/managed facilities within the provision of cafés/kiosks/restaurants. The opportunity also exists for the consideration of co-locating existing clubs/groups within larger, up-dated and more sustainable facilities which have the potential of providing greater economic value to these clubs/groups.

Environmental strategy

The project should attempt to balance the social and economic needs of the community with the need to maintain and preserve the natural environment. The development concepts need to be sensitive and compatible with the existing environment and provide an interface between sustainable development and natural environment and as such the provision of

café/kiosk/restaurant facilities should be developed using best practice environmental management techniques.

The City needs to be committed to the utilization of up-to-date best practice architectural and construction techniques and innovative environmentally sustainable design principles which provide the opportunity to show leadership in sustainable developments including:

- energy reduction, efficiency and supply;
- design efficiency to reduce water consumption and utilising alternative sources (eg rainwater);
- environmental impact.

Innovation in these areas deliver benefits such as lower development control costs, improved risk mitigation and management, higher tenant retention, lower renovation costs, lower overheads, great flexibility in internal planning, higher productivity and faster lease-up periods.

The design principles for any proposed development should provide facilities of high commercial value. By adopting best practice building philosophies and techniques any proposed developments have the potential to provide the City with future financial and social benefits for its residents and visitors.

Liaison Protocol

Of key importance to the project is the identification of, and liaison with, community stakeholders. A community participation plan will need to be prepared and implemented, in accordance with the City's Public Participation Policy and Strategy.

Identification and consideration of the needs and opinions of key stakeholders would also be necessary to ensure the objective of providing a viable, commercial operation serving the needs of the whole community is met.

Fiscal Responsibility and Commerciality

The City owns or has management orders over a number of valuable sites suitable for the provision of cafés/kiosks/restaurants. As such development of any site needs to take into account the present and future benefits for City residents and visitors/tourists.

It should be understood by the City that the principal business objective is to develop high class, environmentally friendly facilities that are well patronised by local residents and visitors to the area. This in turn will ensure the commercial viability of the business and a continuation of return on capital or land investment to the City.

As an outcome of the project, it is anticipated that City will receive a commercial return on any capital investment made, or as a result of providing land as a development component or equity in the project. Detailed due diligence and financial/cost benefit analysis would be required to ensure the commercial viability of the development of cafés/kiosks/restaurants on City owned or managed land and Business Cases/Plans should be prepared.

In recognition of the importance of maintaining public ownership of strategically located City owned sites the underlying financial benchmark for the project being the creation of an asset/s that maintains its capital value in real terms over its economic life cycle investment period should be affirmed.

Careful consideration of any proposed commercial operation is a fundamental requirement to the success of the proposed facilities. It should be recognised that any commercial leaseholder/operator must provide appropriate, high quality services/outputs that have the potential to become attractive and popular meeting places for City residents and visitors and provide a social hub for the immediate local community.

Governance

Any proposed development/s should incorporate high ethical standards, probity; legal and legislative compliance and transparency are of vital importance. To ensure these objectives are achieved, the City will be required to undertake:

- Implementation of sound probity process to ensure transparency;
- Internal audit review and monitoring;
- Development of comprehensive and robust Business Cases/Plans and Financial Analyses;
- Risk management assessment and monitoring;
- Legal and statutory compliance.

Through its appointment of suitably qualified consultants and peer review panels in the areas of planning, the environment, financing, engineering and infrastructure the City attempts to ensure its responsibility that any proposed development/s meets community, legislative and sustainability expectations is met.

Adherence to the City's internal mechanisms for new development projects must also be recognised as essential to the success and timely delivery of the project.

Summary

It is viewed as appropriate and necessary that Council and the Strategic Financial Management Committee considers and affirms a philosophy for the provision of Cafés/Kiosks/ Restaurants on City owned or managed land and endorses development parameters for the project as outlined above, and summarised below:

Project Philosophy and Key Parameters

1 Philosophy/Project Vision

- Provide café/kiosk/restaurant facilities within the City's identified tourism zones which will advance the City's ability attract visitors/tourists for entertainment and socialising.
- Provide café/kiosk/restaurant facilities which will 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.

2 Development Parameters

Land Use and Built Form

- Maximisation of land use and built form whilst maintaining environmental integrity;
- Identification of site criteria;
- Minimisation of impact on existing residents;
- Consideration of co-location.

Sustainability Considerations

- Maintenance and preservation of natural environmental;
- Implementation of sustainable green building and operational design.

Liaison Protocol

- Community consultation in accordance with the City's Public Participation Policy and Strategy;
- Stakeholder liaison.

Fiscal Responsibility and Commerciality

- 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.

Governance

- High ethical standards;
- Probity, legal and legislative compliance;
- Adherence to the City's internal processes.

Issues and options considered:

Not applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Not applicable.

Strategic Plan

Key Focus Area: The Build Environment

Objective: 4.2 To progress a range of innovative and high quality urban development projects within the City.

Key Focus Area: Community Wellbeing

Objective: 5.1 To ensure the City's facilities and services are of a high quality and accessible to everyone.
5.2 To facilitate healthy lifestyles within the community

Policy The development/s will be in accordance with the City's policies and procedures.

Risk Management considerations:

A detailed Risk Management Assessment Report outlining the risks apparent to the project will be prepared and updated as the project progresses.

Financial/Budget Implications:

Consideration of the financial/budget implications will be included in the Business Plan/Case financial analysis.

Regional Significance:

The provision of cafés/kiosks/restaurants on City owned or managed land will provide significant resident/visitor/tourist benefit by enhancing the City's existing natural assets and whole of community amenity.

Sustainability implications:

Consideration of whole of life cycle costings for the development will be included in the Business Plan/Case financial analysis.

Consultation:

Consultation will be undertaken in accordance with the City's Public Participation Strategy and Policy.

COMMENT

Not applicable.

VOTING REQUIREMENTS

Simple majority

MOVED Cr Taylor, SECONDED Cr McLean that the Strategic Financial Management Committee RECOMMENDS that Council ENDORSES the following Project Philosophy and Key Parameters for the provision of Cafés/ Kiosks/Restaurants on City owned or managed land in order to articulate for the record and for historical purposes the intent of the Council in progressing the project:

Project Philosophy and Key Parameters**1 Philosophy/Project Vision**

- Provide café/kiosk/restaurant facilities within the City's identified tourism zones which will advance the City's ability attract visitors/tourists for entertainment and socialising.
- Provide café/kiosk/restaurant facilities which will 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.

2 Development Parameters**Land Use and Built Form**

- Maximisation of land use and built form whilst maintaining environmental integrity;
- Identification of site criteria;
- Minimisation of impact on existing residents;

- **Consideration of co-location.**

Sustainability Considerations

- **Maintenance and preservation of natural environmental;**
- **Implementation of sustainable green building and operational design.**

Liaison Protocol

- **Community consultation in accordance with the City's Public Participation Policy and Strategy;**
- **Stakeholder liaison.**

Fiscal Responsibility and Commerciality

- **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.**

Governance

- **High ethical standards;**
- **Probity, legal and legislative compliance;**
- **Adherence to the City's internal processes.**

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

ITEM 4 20 YEAR STRATEGIC FINANCIAL PLAN - GUIDING PRINCIPLES STATEMENT

WARD: All

RESPONSIBLE DIRECTOR: Mr Mike Tidy
Corporate Services

FILE NUMBER: 52582, 51567

ATTACHMENTS: Attachment 1 20 Year Strategic Financial Plan – Guiding Principles Statement

PURPOSE

To present a (proposed) Guiding Principles Statement for the 20 Year Strategic Financial Plan (the Plan) for consideration by the Committee.

EXECUTIVE SUMMARY

The Plan was adopted by Council at its meeting on 13 October 2009 (CJ226-10/09) including a recommendation from the Strategic Financial Management Committee that Council “*Develops a guiding principle statement for the Strategic Financial Plan incorporating the key elements of the Report – 20 Year Strategic Financial Plan Review*”. A Guiding Principles Statement has been developed.

It is recommended that the Strategic Financial Management Committee RECOMMENDS that Council ADOPTS the 20 Year Strategic Financial Plan – Guiding Principles Statement forming Attachment 1 to this Report.

BACKGROUND

The Plan, first adopted in 2006, underwent a major review during 2009 culminating in its adoption in October 2009. During the course of this review the reports to the Strategic Financial Management Committee identified a number of principles and key elements/assumptions on which the Plan was based. The Committee recommended that a Guiding Principles Statement for the Plan be developed so that the principles and key elements/assumptions could be captured as the basis for the ongoing development, review and use of the Plan.

DETAILS

The Plan adopted in October 2009 was prepared based on certain assumptions referred to in the reports to the Committee and incorporated relevant aspects of the City’s Strategic Position Statements adopted in July 2008 (CJ120-07/08)

The assumptions set out the basis of the projections, the percentage increases in revenue and expenditures over the period, the movement in reserves and funding proposals and explained the reasons for applying those parameters. The assumptions and key elements of the report form part of the Guiding Principles.

The proposed Guiding Principles Statement presented in Attachment 1 is therefore in two parts. One part represents Basic Principles that are prudently used in the development of a financial plan and the other represents Key Elements/Assumptions as applied in the development of the Plan as adopted.

Issues and options considered:

In developing the guiding principles the options of putting together a comprehensive statement detailing numerous financial management principles and practices versus identifying and listing general, high level fundamental principles were considered and the latter was deemed more appropriate, in addition to Key Elements/Assumptions as applied in the Plan.

Legislation/Strategic Plan/Policy Implications

Legislation	Section 5.56 of the Local Government Act 1995 Regulation 19C of the Local Government (Administration) Regulations 1996
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Strategic Plan

Key Focus Area:	Leadership and Governance.
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Objective: 1.3.2 The City maintains a long-term Strategic Financial Plan which is reviewed regularly.

Policy Not applicable

Risk Management considerations:

The purpose of the Guiding Principles Statement is to ensure that the City is rigorous and consistent in its development, review and use of the Plan. This helps to mitigate the risk of the Plan not being relevant and useful in the City's Planning Framework.

Financial/Budget Implications:

Not applicable.

Regional Significance:

Not applicable.

Sustainability implications:

Financial sustainability is a fundamental aspect of the Guiding Principles Statement.

Consultation:

Not applicable.

COMMENT

The proposed Guiding Principles Statement is presented for the Committee's consideration.

VOTING REQUIREMENTS

Simple Majority.

Cr Chester left the Room at 2047 hrs and returned at 2050 hrs.

MOVED Cr McLean, SECONDED Cr Amphlett that the Strategic Financial Management Committee RECOMMENDS that Council ADOPTS the 20 Year Strategic Financial Plan – Guiding Principles Statement Forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

Appendix 3 refers

To access this attachment on electronic document, click here:

[Attach3sfmc270410.pdf](#)

ITEM 5 EXAMINATION OF CITY FREEHOLD LAND FOR POTENTIAL DISPOSAL AND PREFERRED METHOD OF DISPOSAL

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Martyn Glover
Infrastructure Services

FILE NUMBER: 63627

ATTACHMENTS: Attachment 1 Land details of 81 City freehold lots used for operational
type purposes
Attachment 2 Details of the 25 freehold lots that have been developed
Attachment 3 Land details of 33 freehold lots that are non-operational
Attachments 4 - 12 Details and location plan of the nine lots being
examined for possible disposal

PURPOSE

For the Strategic Financial Management Committee (SFMC) to consider the disposal of five lots of City owned freehold land in accordance with Section 3.59 of the Local Government Act 1995 (Act). In addition, for the SFMC to consider the potential for sale of a further four lots.

EXECUTIVE SUMMARY

A review of the City's freehold landholdings was prompted by an item in the 2008/2009 budget that included examining the disposal of City property to the value of \$1.8 million and this review highlighted that nine lots have the potential for disposal. Five of these lots could be disposed of with reasonably little difficulty (Attachments 4 to 8 refer), as they have the appropriate zoning, there is no restriction on the titles and the proposed use for the land when developers originally transferred it to the City is now questionable.

The four remaining lots (Attachment 9 to 12) would require amendments to District Planning Scheme No. 2 (DPS2) and further planning advice would be required regarding progressing disposal of these lots.

Should Council support the disposal of the five lots shown on Attachments 4 to 8, up-to-date market valuations will be required. The four lots shown on Attachments 9 to 12 that require further planning advice and amendments to DPS2 should be the subject of a further report to the SFMC regarding their sale potential.

As part of this report, the future approach on how freehold land is disposed of is included and it is recommended that the public auction method is adopted as described under Section 3.58 (2) (b) of the Act, as it is considered that this approach is the most transparent method of dealing with disposal of City freehold land. This method is chosen over the public tender and private treaty methods and would apply when the subject disposal is not an exempt disposition under the Act, or the value of the transaction or transactions exceeds \$1 million.

With regard to the five lots shown as Attachments 4 to 8, it is recommended that they be considered for disposal immediately and as the overall transaction will exceed \$1 million, Section 3.59 of the Local Government Act 1995 (Act) will apply rather than Section 3.58 and a business plan will need to be advertised. Disposal arrangements for the lots shown on Attachments 9 to 12 will be considered after further planning advice and market valuations.

BACKGROUND

The review of City's freehold land inventory took into account the following:

- the Certificates of Title held at Landgate in the City's name;
- all forms of information held by the City related to its freehold land; and
- valuations undertaken in June 2008 of all City property by a licensed valuer.

The City owns 140 freehold lots, one lot being the City's shared interest with six other local governments in Tamala Park which is not within the City's boundaries. With regard to the remaining 139 parcels within the City, 81 are considered to be for operational type purposes, for example, buffer strips, drainage sites, pedestrian walkways, etc (refer Attachment 1), 25 have been developed (refer Attachment 2), leaving 33 parcels of non-operational type freehold land (refer Attachment 3).

Nine lots (from the 33 non-operational lots) overall have been identified as possibly having short-term potential for disposal. A location plan and other relevant information on the selected nine lots are shown as Attachments 4 to 12 of this report. It should be noted that, except for Lot 181 (4) Rowan Place, Mullaloo, the remaining lots were transferred to the City by the developers, free of cost, as part of the subdivision process for variously described community uses.

DETAILS

Issues and options considered:

The following five lots are recommended for disposal under Section 59 of the Act:

Attachment 4 - Lot 181 (4) Rowan Place, Mullaloo

Legal Area	890m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Residential/R20
Date of Acquisition:	29 January 1981
Cost:	\$17,500
Purpose of Transfer:	Purchased from resident to demolish building due to subsidence
Transferee:	Mr and Mrs Kennedy
Encumbrance:	Subsidence

The City demolished the house on site due to it having wall cracks from subsidence. The City was held responsible, as it had issued a subdivision clearance for the ground stabilisation conditions. Legal advice received in 1998 stated that provided the City obtained a geotechnical engineer's report on stabilisation methods for Lot 181, there were two possible options on dealing with its disposal. The first option being to sell the land leaving the soil stabilisation actions for the purchaser to deal with in line with the engineer's advice; the second option being that the City carries out the stabilisation of the land prior to sale.

The course of action as to what the City's options are will be dependent upon the outcome of the geotechnical assessment.

Attachment 5 - Lot 200 (18) Quilter Drive, Duncraig

Legal Area	2001m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Residential/R20
Date of Acquisition:	7 April 1989
Cost:	Nil
Purpose of Transfer:	Child Care Centre
Transferee:	LandCorp
Encumbrance:	Possibly considered POS by community

This land has the potential for a four lot subdivision, or two grouped dwelling sites with its current Residential/R20 zone and density code. It was transferred to the City for use as a child care centre.

As can be seen from Attachment 5, this vacant lot has been grassed to improve its appearance and therefore local residents may assume that Lot 200 is part of Poynter Park. From the perspective of adjoining and adjacent landowners to Lot 200, it may only be the landowners opposite Lot 200 that object to proposed development, possibly assuming that the view from their homes would continuously be over 'parkland.' Land at the rear of Lot 200 is a 15-unit aged persons' development owned by the Department of Housing and Works.

It is recommended that disposal of Lot 200 by public auction takes place and prior to the formalities of this process being arranged, affected landowners are advised of Council's intent.

Attachment 6 – Lot 766 (167) Dampier Avenue, Kallaroo

Legal Area	2000m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Residential/R20
Date of Acquisition:	12 September 1978
Cost:	Nil
Purpose of Transfer:	Kindergarten
Transferee:	North Whitfords Estate Limited
Encumbrance:	None obvious

Lot 766 is separated by a pedestrian access way from St Ives Retirement Village and currently has the potential for subdivision into four lots, or two grouped dwelling sites. It was transferred for use as a kindergarten.

It is recommended that disposal of Lot 766 takes place by public auction.

Attachment 7 - Lot 202 (20) Kanangra Crescent, Greenwood

Legal Area	1605m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Residential/R20
Date of Acquisition:	4 April 1977
Cost:	Nil
Purpose of Transfer:	Kindergarten
Transferee:	FCA Finance Pty Ltd
Encumbrance:	None obvious

Lots 200 and 201 were transferred for use as public open space and Lot 202 was transferred for the purpose of a kindergarten. The zoning/density code of Lot 202 is Residential/R20 therefore having the potential to be subdivided into three residential lots. However, it should be noted that this property is included in Housing Opportunity Area 5 of the City's Draft Local Housing Strategy (DLHS) which has been endorsed by Council for the purpose of public advertising. The proposed density code for this property under the DLHS is a dual code of R20/30 which means that up to 6 lots could be created on the property provided certain criteria are met. The DLHS is a draft document at this stage and the outcome for this property could change before the document is finalised.

It is recommended that disposal of Lot 200 by public auction is arranged and prior to the disposal formalities taking place, affected landowners are advised of Council's intent.

Attachment 8 - Lot 147 (25) Millport Drive, Warwick

Legal Area	2490m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Residential/R20
Date of Acquisition:	28 June 1985
Cost:	Nil
Purpose of Transfer:	Community Purpose
Transferee:	Residential Sites Ltd
Encumbrance:	None obvious

The information regarding the DLHS detailed for Lot 202 Kanangra Crescent above also applies to Lot 147.

This lot is opposite residential development; it has a sump on its northern boundary and a park at the rear. Currently the land has the potential to be subdivided into four single lots or five grouped dwellings.

It is recommended that disposal of Lot 147 takes place by public auction and prior to the disposal formalities being arranged, the City writes to affected landowners advising them of Council's intent.

The following 4 lots have potential for disposal but further planning advice is required prior to any formal disposal actions taking place:

Attachment 9 - Lot 613 (11) Pacific Way, Beldon

Legal Area	2000m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Local Reserve Public Use/R20
Date of Acquisition:	21 May 1976
Cost:	Nil
Purpose of Transfer:	Kindergarten Site
Transferee:	Kaiser Aetna Australia
Encumbrance:	Zoning if want to achieve highest and best use

The land is currently zoned Local Reserve/Public Use, however, the original zoning of the land was Residential Development. The zoning was changed on 28 November 2000, as part of the planning scheme review to reflect what was considered to be the original intention for the land. Intentions can change and the City no longer requires Lot 613 for a kindergarten site. If this site were rezoned to Residential, it would have the possibility of a four lot subdivision under an R20 density code. The subject lot is next to a church and opposite a primary school.

It is recommended that Council initiates a scheme amendment for the rezoning of Lot 613 from a Local Reserve/Public Use zoning to Residential/R40 and on finalisation of the amendment, organises disposal of the land by public auction.

Attachment 10 - Lot 671 (178) Camberwarra Drive, Craigie

Legal Area	2000m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Civic and Cultural/R20
Date of Acquisition:	13 June 1979
Cost:	Nil
Purpose of Transfer:	Civic
Transferee:	North Whitfords Estate Limited
Encumbrance:	Reciprocal access and car parking agreement with Craigie Bowl and an encroachment

Should the Council decide to dispose of Lot 671, a scheme amendment to rezone the land will be necessary. A four lot subdivision may be possible, however, there is an encroachment and a reciprocal access and car parking agreement to take into account. Other zonings may be possible with regard to Lot 671 as the land is next to Craigie Bowl and close to Craigie Plaza.

It is recommended that Council initiates a scheme amendment to rezone Lot 671 from a Civic and Cultural zoning to Residential/R40 and on finalisation of the scheme amendment, organises disposal of the land by public auction.

Attachment 11 - Lot 745 (103) Caridean Street, Heathridge

Legal Area	2500m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Civic and Cultural/R20
Date of Acquisition:	18 February 1980
Cost:	Nil
Purpose of Transfer:	Civic
Transferee:	AGC General Finance Ltd
Encumbrance:	Zoning if want to achieve highest and best use
	Easement to owners of Heathridge City commercial site

Lot 745 is a battle-axe shaped lot behind Heathridge Shopping Centre and is adjacent to a park and school site. An easement allowing a right of carriageway exists between the City and the owners of the adjacent Heathridge City. If Lot 745 were rezoned, a commercial zoning would not be out of place. If the land were rezoned for residential purposes, there may be the potential to develop five lots under an R20 density code. Ongoing recent interest has been shown in this site for the development of aged persons' accommodation.

Given the interest in unit development, an R40 density code should be considered and therefore it is recommended that the Council initiates a scheme amendment for the rezoning of Lot 745 from Civic and Cultural to Residential/R40. On finalisation of the amendment, Lot 745 is disposed of by public auction.

Attachment 12 - Lot 977 (15) Burlos Court, Joondalup

Legal Area	5125m²
MRS Zone:	Urban
DPS2 Zoning/ Density Code:	Civic and Cultural/R20
Date of Acquisition:	31 January 1992
Cost:	Nil
Purpose of Transfer:	Community Purpose Site
Transferee:	Carine Nominees Pty Ltd
Encumbrance:	Two telecommunications leases. Reciprocal access and parking agreement. Possible parking construction costs. Caveats by telecommunication carriers on leased area

This site is adjacent to residential and commercial type land uses. Should rezoning be approved to Residential/R20, there is the potential for this site to accommodate 11 grouped dwellings. Should an R40 density code be supported as part of the amendment, the development potential would increase. The title is encumbered by a reciprocal access and parking agreement with the Pat Giles Centre (women's refuge centre). Should Council decide to sell Lot 15, to meet its obligations under a legal agreement it may be required to construct two parking areas at an approximate cost of \$40,000. There is also a mobile telecommunication tower on the land on which the City has two leases.

It is recommended that with further planning advice, Council initiates a scheme amendment to rezone Lot 977 from Civic and Cultural to Residential/R40 and on finalisation of the amendment, disposes of the land by public auction.

Disposal Method of City Freehold Land

Disposal under the Act also includes leasing of land but for the purpose of this report disposal means the sale of land only.

For any future sales of City freehold land, Council should have a preferred method of disposal that complies with the relevant sections of the Local Government Act 1995. Section 3.58 is used for dispositions of land under \$1 million in value; Section 3.59 is used if sales exceed \$1 million. Section 3.59 requires the City to prepare a business plan which is advertised for public comment for a period of not less than six weeks.

When freehold is being considered for disposal, City practices should first include:

- 1 a determination as to whether the City has a strategic use for the land;
- 2 an assessment of any planning matters or legal matters that may affect its use or disposal;
- 3 market valuations and any other specialist reports of land that has potential; and
- 4 a report to Council for its decision on disposal.

Disposal Methods

If Council was to approve the disposal of any land identified by the City as surplus to its requirements and valued less than \$1 million, it would need to be undertaken by one of the three methods outlined under Section 3.58 of the Act:

1 Public Auction - Section 3.58(2)(a)

Market valuation information would be obtained and a reserve price agreed upon; a date would be set to dispose of the land and an auctioneer would conduct an auction and determine if the bid met the City's requirements.

Public auction incurs auctioneer/real estate fees but is the most transparent method available under the Act and therefore the recommended disposal process to be used by the City.

2 Public Tender – Section 3.58(2)(b)

An advertisement would request that any interest in the land be forwarded to the City by a specified closing date and time. The tenders would then be opened at the City and the results presented to Council and Council would determine the most acceptable tender, whether or not it is the highest tender.

Public tender is a cost effective method of disposal but is considered not as transparent as public auction.

3 Private Treaty to a Nominated Party and Exempt Dispositions – Sections 3.58(3)(a), 3.58(3)(b) and 3.58(4)

Council would determine who it is going to dispose of the land to, and at what cost and then advertise the proposal inviting public submissions. The advertising process must comply with the requirements of Section 3.58(3) and 3.58(4) of the Act; these sections provide the details required to be included in the public notice. Prior to finalising the disposal of the land to the nominated body, Council must give consideration to any submissions received.

There are some exceptions to local governments complying with Section 3.58(3) and 3.58(4), such as disposing of land to a not-for-profit organisation, as this would be regarded as an 'exempt disposition' under the Local Government (Functions and General) Regulations 1996. The main difference in respect of exempt dispositions relates to the non-issue of a public notice.

Private treaty should be avoided on the sale of freehold land as it lacks transparency.

Section 3.59

Should the City dispose of freehold land whereby the total consideration received by the City for the parcel, or parcels of land exceeds \$1 million, this would constitute a 'major land transaction' under Section 3.59 and the City would be obliged to comply with Section 3.59 (2) and (3) of the Act and develop a business plan. The business plan is to be advertised for a period of not less than six weeks Statewide and include an overall assessment of the major land transaction and is to include details of -

- '(a) its expected effect on the provision of facilities and services by the local government;*
- (b) its expected effect on other persons providing facilities and services in the district;*
- (c) its expected financial effect on the local government;*
- (d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*
- (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.'*

The City has no choice but to comply with Section 3.59, as its compliance is driven by the value of the transaction, or transactions. Section 3.58 does offer options on how to deal with disposal and the City having an effective standard approach when Section 3.58 applies is appropriate.

Legislation – Statutory Provisions:

Sections 3.58 and 3.59 of the Local Government Act 1995, together with the Local Government (Functions and General) Regulations 1996 determine how a local government may dispose of property. As the last valuation received for the recommended five lots for disposal exceeds \$1 million, this would constitute a 'major land transaction' under Section 3.59 and the City would be obliged to comply with Section 3.59 (2) and (3) of the Act and develop a business plan. The business plan is to be advertised Statewide for a period of not less than six weeks.

Risk Management considerations:

Risk management considerations would be the financial consequences of holding unutilised property with no planned future use. Financial risk would be lowered if the value of this property was realised. Prevailing market conditions should also be considered when considering the disposal of land. Negative political fallout is also a consideration given that residents may object to the disposal of City freehold land for a use other than a community type use. Should the original developers who ceded the land free of charge to the City still exist, they may object if the original intent for the land transferred to the City changes. An overall communication plan for any planned disposals could be considered.

Financial/Budget Implications:

Council approved, in principle, for the disposal of City property by recording an expected income in the 2008/2009 budget of \$1.8 million though this disposal did not take place. The City would require up-to-date valuations on any land it considers progressing to disposal in order to meet legislation requirements and assist with proposed budget estimates. Market valuations would take approximately two months to obtain from a licensed valuer.

Policy implications:

Policy 1-3 Sustainability and Policy 7-19 Asset Management

Regional Significance:

There is no regional significance regarding this matter.

Sustainability implications:

Disposal of unused City land will assist in developing a sustainable City. Any funds from disposals should have an identified purpose that relates to benefitting the community by renovation or development of community facilities.

Consultation:

Consultation has not taken place at this stage. Advertising that takes place as part of the formal disposal process will constitute the required consultation. Writing to affected landowners is also recommended in some cases.

COMMENT

Of the lots examined as part of the review of City freehold land, many of them have been in the City's ownership for approximately thirty years and some the City's core business at the time of these acquisitions does not necessarily apply now, e.g., child care centres and kindergartens. The City's current preference would be to include uses such as kindergartens, playgroups and child health centres in a multi-functional building preferably on Crown land.

It could be argued that developers at the time of ceding these community purpose lots free of charge to the City as part of the subdivision process, expected that the land would be developed as community purpose type sites. However, in the absence of the developers' intentions being formalised, should the City dispose of these sites, then providing any funds raised are utilised on either the improvement or development of community buildings, the City's disposal actions could be considered justifiable. The view could be taken that the developers' original objectives have not been excessively varied in that the community, by having new and improved community buildings, is benefiting. The City is also acting in a financially responsible manner by making best use of its freehold assets for its residents.

Larger lots, such as Lot 977 (15) Burlos Court, Joondalup that may have the potential for residential subdivision should a rezoning be approved, could also be considered for an increase in the density code at the time of applying for the amendment. An increase in the density code could allow for unit development such as aged persons accommodation and this could possibly be considered by the community as a benefit and thus alleviate negative reaction.

For some of these larger lots, consideration may wish to be given to long term land leases, to relieve the City of development costs but produce a revenue stream. For lots that the City may dispose of at a later date, placing a sign on site indicating that the land is in fact a community purpose site, as opposed to parkland, may prepare local current and future residents for possible changes and therefore minimise any adverse reaction.

With regard to its disposal (selling) methods generally, Council should have a preferred method that it need to comply with Section 3.58 of the Local Government Act 1995. It is considered that disposal by public auction is the most transparent and therefore acceptable to the community.

VOTING REQUIREMENTS

Simple Majority

Cr Gobbert left the Room at 2100 hrs and returned at 2103 hrs.

OFFICER'S RECOMMENDATION: That the Strategic Financial Management Committee RECOMMENDS that Council:

- 1 APPROVES the disposal of the following five lots detailed on Attachments 4 to 8 to this Report:

- Lot 181 (4) Rowan Place, Mullaloo;
- Lot 200 (18) Quilter Drive, Duncraig;
- Lot 766 (167) Dampier Avenue, Kallaroo;
- Lot 202 (20) Kanangra Crescent, Greenwood;
- Lot 147 (25) Millport Drive, Warwick;

- 2 REQUESTS a further report to be submitted on the potential to dispose of the lots detailed on Attachments 9 to 12 to this Report:

- Lot 613 (11) Pacific Way, Beldon;
- Lot 671 (178) Camberwarra Drive, Craigie;
- Lot 745 (103) Caridean Street, Heathridge;
- Lot 977 (15) Burlos Court, Joondalup;

- 3 APPROVES disposing of City freehold land (sale of land only) that is not exempt under Regulation 30 of the Local (Functions and General) Regulations 1996 – via the public auction method as described under Section 3.58 (2) (b) of the Local Government Act 1995.

MOVED Mayor Pickard, SECONDED Cr Amphlett that the Strategic Financial Management Committee RECOMMENDS that a further report be submitted to the Strategic Financial Management Committee identifying appropriate rezoning to maximise the best use and method of progressing the disposal of vacant surplus land.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

Appendix 4 refers

To access this attachment on electronic document, click here:

[Attach4sfmc270410.pdf](#)

ITEM 6 BOOK CAFE REPORT

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

FILE NUMBER: 51567

ATTACHMENTS: Nil

PURPOSE

The Strategic Financial Management Committee requested at a previous meeting that an investigation be undertaken into the utilisation and financial viability of establishing a book cafe in the City's larger libraries.

EXECUTIVE SUMMARY

Background on what has taken place since the Joondalup Library was built, including plans to incorporate a coffee shop, have been provided together with information on the space and competitive constraints in the other branch Libraries in Duncraig, Woodvale and Whitford.

While space for a coffee shop was provided in the original design of the Joondalup Library, since that time there have been unsuccessful attempts by the City to lease the space to a commercial operator. The space is currently utilised as a meeting room, and there are a range of cafes that have opened in very close proximity to the Library.

BACKGROUND

In the planning and design phase of the Joondalup Library in 1995, space was allocated for a coffee shop. Tenders were called and closed on 1 April 1998 for the fit-out and lease of the Joondalup Library Coffee Shop. No tenders were received.

In May 1998 a report was prepared which investigated the reasons why no tenders were received. Enquiries were made with some of those who requested the tender documents to ascertain the reasons why no submissions were received. There was some reticence to give any details other than the cost to set up the operation was too much for the risk involved.

The report also explored the option of the cost of the fit-out being borne by the City to allow for re-tendering of the area on a more competitive basis. The total cost of the fit-out was estimated at \$95,700. The Technical Services Committee deferred the matter pending further information being supplied to the Joint Commissioners on extending the proposed fit-out of the Joondalup Library Coffee Shop to increase the possibility of attracting a suitable lessee.

A further report was prepared in August 1998 which explored income generation within the City's libraries. The report mentions a Technology Cafe being established in the vacant space on the ground floor of the Joondalup Library. The cost of establishing such a facility was not included in the report.

In February 2000 a report was prepared outlining the recommendations from a Library and Information Services Income Generation Consultancy. The report proposed the establishment of a Cyber Cafe in the vacant Joondalup Centre Library "coffee shop" space. The Cafe would provide food and refreshments, coin operated Internet kiosks, newspapers as well as indoor and outdoor seating and lounge areas, community information/trading posts, background music and live performances at weekends. The consultant recommended that \$120,000 be allocated for the building fit-out for the 2000/01 budget. For reasons not specified, the proposal did not proceed.

DETAILS

The Duncraig, Whitford and Woodvale Libraries presently do not have any vacant space suitable for the establishment of a coffee shop. The Woodvale and Whitford Libraries are located in very close proximity to shopping centres which have a number of coffee shops and book stores.

The Woodvale Library has vacant land adjacent to the library which could be utilised for a coffee shop. The cost of building an extension onto Woodvale Library is estimated to be in the vicinity of \$200,000 excluding fit-out.

The Duncraig Library is not located near any shopping centre or fast food outlets. It would be an ideal opportunity to include a book cafe if the Library is redesigned or rebuilt as part of the Percy Doyle Reserve Masterplan.

The space within the Joondalup Library, originally set aside for a coffee shop, is currently utilised by external organisations on a hire basis as well as for City programs such as immunisation and baby rhyme time. It is known as the ground floor meeting room at present.

The hire of the Joondalup Library ground floor meeting room by external organisations resulted in approximately \$8,700 income in 2008/09 and \$3,680 to date in 2009/10.

Issues and options considered:

The only City Library with the capacity to include a book café without the need for costly building extensions is Joondalup. There is now however a number of commercially operated cafes and restaurants in close proximity to the Joondalup Library and the fit-out of the vacant space is still required to allow for utilisation as a book café.

The establishment of a café within the Joondalup Library is likely to raise concerns with small businesses within the vicinity that operate similar services.

The financial viability of a café in the Joondalup Library is questionable given the current supply of similar services available during the day time. Even in the evenings when the Library is open and may have a commercial advantage, only an average of 110 patrons use the library between 5pm and 7pm. This is compared to an average of 770 patrons during the day. It is unlikely that this level of patronage would make a book café within the Joondalup Library a financially viable proposition.

Legislation/Strategic Plan/Policy Implications

Legislation Not applicable

Strategic Plan

Key Focus Area: 1.3 & 5.3

Objective: To lead and manage the City effectively.
To facilitate culture, the arts and knowledge within the community.

Policy Not applicable

Risk Management considerations:**Financial/Budget Implications:**

There are no funds currently allocated in the 2009/10 budget or the proposed 2010/11 budget for the establishment of a book café in any of the City's four Libraries.

Regional Significance:

The City of Wanneroo recently opened a new Cultural Facility that incorporates a library, museum and gallery. This facility has a café, the operation of which has been outsourced.

Sustainability implications:

A preliminary investigation into the establishment of a book café in any of the four City's Libraries indicates that this is unlikely to be a viable commercial or financial proposition and hence would not be sustainable.

Consultation:

There has been no consultation undertaken on this issue in recent times. Previous consultation took place with operators who sourced the tender documents for the coffee shop in Joondalup Library and did not proceed to submit a tender application.

COMMENT

Due to a number of factors including space constraints, existing supply of cafés, high cost of fit-out and lack of sufficient patronage, it appears unlikely that the establishment of a book café in any of the City's four Libraries is a viable proposition at this point in time.

MOVED Cr Norman, SECONDED Cr Corr that the Strategic Financial Management Committee NOTES:

- 1 the outcomes of the previous endeavours to establish a coffee shop/cafe in the City's Joondalup Library;**
- 2 the significant constraints in terms of space, commercial competitors, patronage and resources to provide book cafés in the Joondalup, Duncraig, Whitford and Woodvale Libraries and AGREES not to proceed with further investigation.**

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

DATE OF NEXT MEETING

MOVED Cr Amphlett, SECONDED Mayor Pickard that the next meeting of the Strategic Financial Management Committee be held on Tuesday, 8 June 2010, commencing at 8.00 pm.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, McLean, Norman, Taylor and Mayor Pickard

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

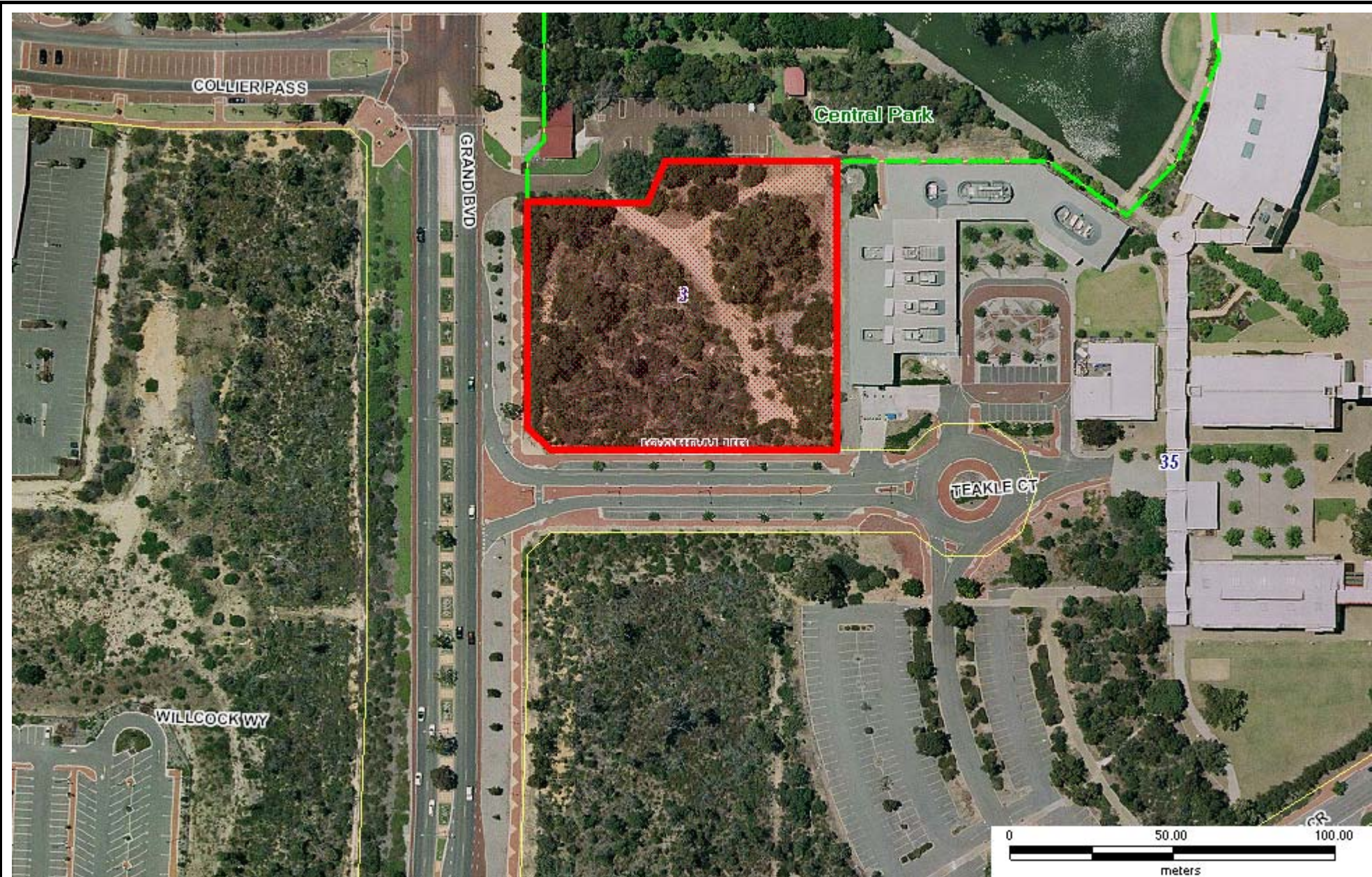
REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 2135 hrs; the following Committee Members being present at that time:

Mayor Troy Pickard
Cr Tom McLean
Cr Philippa Taylor
Cr Geoff Amphlett, JP
Cr Mike Norman
Cr Brian Corr
Cr Russ Fishwick



20 Year Strategic Financial Plan **Guiding Principles Statement**

The Guiding Principles Statement sets out the foundation and basis on which the 20 Year Strategic Plan (the Plan) has been developed and which will also apply to its ongoing review and use.

The principles are founded on the City's Governance Framework.

The Framework consists of four key principles required to achieve excellence in governance:

- Culture and Vision.
- Roles and Relationships.
- Decision-making and Management.
- Accountability.

Decision-Making and Management is the key driver of the Guiding Principles Statement. In particular section 9.5.1 Financial Management Planning and Principles.

The Guiding Principles are presented in two parts, one part represents Basic Principles that are prudently used in the development of a financial plan and the other represents key elements/assumptions as considered in the development of the Plan.

Basic Principles:

- **Sustainability:**

The Plan will be developed on a principle of financial sustainability. The Plan must provide for and ensure the protection of the City's financial capacity and viability into the future and mitigate risks to the City's and the community's assets.

- **Transparency:**

The Plan will be transparent and include disclosure, clarity and access to information related to the plan and the underlying assumptions contained therein.

- **Prudence:**

The City will base the plan on the exercise of sound financial judgement based on facts as known at the time and will apply reasonable tests to the assumptions deployed in the Plan's estimations to confirm their validity. Prudence will encompass anticipating and planning for change.

- **Consistency:**

The City will apply discipline and adhere to agreed principles in the development and use of the Plan to avoid fluctuating impacts and compromises to the validity of the projections.

- **Performance and Accountability:**

The Plan is a key element of the City's Planning Framework and will be used as the foundation for the preparation of the Annual Budget. The City will review the Plan at least annually to assess it against the adopted budget and to review the forward projections.

Key Elements/Assumptions:

- Revenue from the Tamala Park land sale is to be used for income producing and other significant one-off facilities.
- Estimates are to be conservative based on best available information.
- Projections will be based on the notion that each year in the plan should as close as possible be balanced.
- City assets that are not required for operational or community use are to be rationalised.
- Growth in operating revenue will be at least 1% in excess of the growth in operating expenditure.
- Building infrastructure of a capital nature may be funded by loans but with terms not exceeding 50% of the life of the asset.
- The plan will project two scenarios, the first based on the business as it currently stands, including agreed commitments to future projects, and the second after incorporating all envisaged projects and programs in the future.