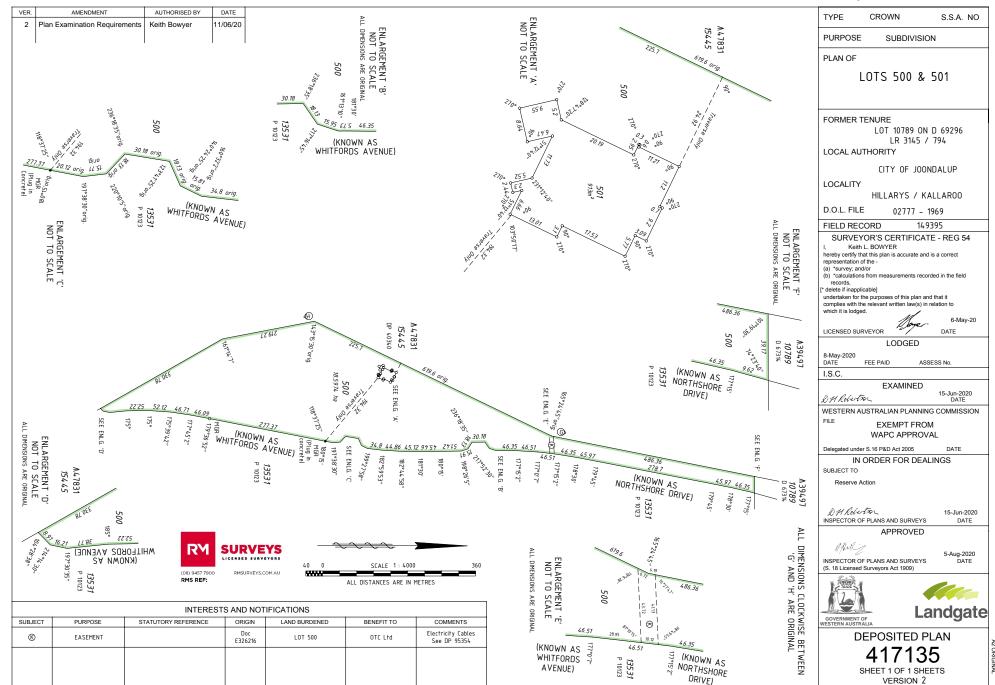
APPENDIX 4 ATTACHMENT 1



PINNAROO POINT - PROJECT HISTORY



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

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

The fiscal responsibility and commerciality development parameters of the project aim to provide:

- 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.

At its meeting held on 27 May 2013 Council considered a report entitled 'The Provision of Cafés/Kiosks/Restaurants on City Owned or Managed Land – Project Status and Progression Options Report' (CJ069-05/13 refers) and resolved in part:

"2 AUTHORISES the Chief Executive Officer to initiate an Expression of Interest process for the development of a Café/Kiosk facility at Pinnaroo Point"

At its meeting held on 28 July 2015 Council considered a confidential interim status report (CJ124-07/15 refers) outlining the details of the progress of negotiations with White Salt and moved the following:

"2 REQUESTS the Chief Executive Officer undertake further negotiations with Rock (WA) Pty Ltd trading as White Salt in relation to the redesign of the proposed development as the current design in relation to the second storey being assigned as an office area does not accord with the aspirations of the Council for the development of Pinnaroo Point."

Following Council's decision to negotiate a redesign of the proposed development, City officers worked with White Salt to incorporate a second storey into the design, to optimise the potential for ocean views. At its meeting held on 15 December 2015 Council considered a confidential progress report (COJ225-12/15 refers) containing images of the new design and moved in part the following:

- "2 ENDORSES the proposed concept by Rock (WA) Pty Ltd T/as White Salt as shown in Attachment 1 to Report CJ225-12/15;
- 3 REQUESTS the Chief Executive Officer to negotiate a draft land lease agreement with Rock (WA) Pty Ltd T/as White Salt and a draft Crown Land lease agreement with the Department of Lands for the Pinnaroo Point Café/Kiosk Project."

PINNAROO POINT - PROJECT HISTORY



At its meeting held on 16 August 2016 Council considered a confidential progress report (CJ131-08/16 refers) which outlined the details of a proposal to relocate the site for the café development. Due to new Bushfire legislation in early 2016 it was recommended by consultants that the facility be relocated further away from the bushland at the site. Other advice around this time relating to Coastal Hazard Risk and Adaptation Planning recommended that the facility be moved back away from the shoreline. Following consideration of the report Council moved in part the following:

"2 ENDORSES the new location proposed by Rock (WA) Pty Ltd T/as White Salt as shown in Attachment 1 to this Report and REQUESTS the Chief Executive Officer to give reasonable notice to the WA Sky Pirates Paramotor Club that their permit will not be renewed."

At its meeting held on 13 December 2016 (CJ235-12/16 refers) Council considered a status report on the progress of the Café/Kiosk/Restaurant project and in relation to Pinnaroo Point resolved in part as follows:

- "2 NOTES the Chief Executive Officer will expedite negotiations with Rock (WA) Pty Ltd T/as White Salt in relation to the provision of utilities up to the lease area and the costs of these services, as required to service the proposed development at Pinnaroo Point;
- 4 REQUESTS the Chief Executive Officer to investigate:
 - 4.1 potential expiry of lease options and the implications any changes may have;
 - 4.2 the ramifications of the project if there is a rent increase above \$30,000;
 - 4.3 the prospect of the Department of Lands allowing a rent review every 10 years;
 - 4.4 the connection of services to the site".

At its meeting held on 4 April 2017 the Finance Committee considered a project status report providing information in response to the instructions from the previous meeting of the Finance Committee and after due consideration of the report it was resolved as follows:

- "1 NOTES the Confidential Pinnaroo Point Café Project Status Report;
- 2 NOTES the estimated costs for the upgrade of existing services and additional services required for the café facility lease area are approximately \$488,000 (excluding GST);
- NOTES that the Chief Executive Officer will seek agreement from the Department of Lands to amend the draft Crown Land lease to acknowledge the costs of the City providing services to the proposed lease area, in the form of a rent free period of a term reflective of the costs of providing the services;
- 4 NOTES that the Chief Executive Officer will continue negotiations with Rock (WA) Pty Ltd trading as White Salt to match the terms negotiated in the Crown Land lease, including matters relating to:
 - 4.1 expiry of lease options;
 - 4.2 market rent;
 - 4.3 market rent review periods.

PINNAROO POINT - PROJECT HISTORY



A status report was subsequently provided to the Finance Committee at its meeting held on 12 June 2017. The report provided an update as to the negotiations with the DPLH and provided amended quantity surveyor estimated site servicing costs of \$590,000. This figure was then further revised to \$613,000 after further progress on the design.

At its meeting held on 12 March 2018 the Major Projects and Finance Committee considered a status report on the progress of the Pinnaroo Point Café project report (item 11 refers) and resolved to NOTE as follows:

- 1. the Confidential Pinnaroo Point Café Project status report;
- 2. that the Chief Executive Officer will seek formal agreement with the Department of Planning, Lands and Heritage on a Crown Land lease, the key terms of which are outlined in this report; and
- 3. that once an agreement has been reached on the Crown Land lease, the Chief Executive Officer will finalise negotiations with Rock (WA) Pty Ltd trading as White Salt on a sub lease, the key terms of which will be consistent with the Crown Land lease.

At its meeting held on 7 May 2018 (Item 6 refers) the Major Projects and Finance Committee considered a status report on the progress of the Pinnaroo Point Café project, detailing the progress made on negotiations with the DPLH on a Crown Land lease, including details of the negotiated key lease terms. The Major Projects and Finance Committee resolved as follows:

"NOTES the Confidential - Pinnaroo Point Café - Project status report."

At its meeting held on 16 July 2018 (item 8 refers) and 12 November 2018 (Item 1 refers) the Major Projects and Finance Committee noted status reports on the progress of the Pinnaroo Point Café project. A further report was presented to the Major Projects and Finance Committee at its meeting held on 11 March 2019 (Item 8 refers) and it was resolved to note:

- "1 the Pinnaroo Point Café Project Status Report;
- a further report dealing with the process to execute the Crown Land lease and sublease for this project will be provided directly to Council".

An interim status report was presented to the Major Projects and Finance Committee at its meeting held on 6 September 2019 (Item 6 refers).

To facilitate progressing the project, at its meeting held on 17 March 2020 (CJ039-03/20 refers) Council agreed to the City entering into a lease of the Subject Land (Head Lease) and authorised the Mayor and Chief Executive Officer to execute the Head Lease on behalf of the City. The City has now executed the Head Lease.

Also at its meeting held on 17 March 2020 Council authorised the Chief Executive Officer to give local public notice of the proposed disposition of the Subject Land, under the terms of the sublease, in accordance with section 3.58(3) of the Local Government Act 1995.