



MINUTES

OF THE

SPECIAL MEETING OF THE COUNCIL

HELD ON

MONDAY, 28 NOVEMBER 2016

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

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MINUTES OF THE SPECIAL MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON MONDAY 28 NOVEMBER 2016.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, Governance and Compliance Program Manager read aloud the Disclaimer that is on the front page of these Minutes and then Deputy Mayor R Aubrey, read aloud the following Affirmation of Civic Duty and Responsibility.

Affirmation of Civic Duty and Responsibility

I make this Affirmation in good faith on behalf of Elected Members and Officers of the City of Melville. We collectively declare that we will duly, faithfully, honestly, and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the City's Code of Conduct and Standing Orders to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

COUNCILLORS

Cr R Aubrey (Deputy Mayor)
Cr D Macphail
Cr N Pazolli,
Cr C Schuster (From 6.48pm)
Cr C Robartson
Cr L O'Malley, Cr P Phelan
Cr T Barling,
Cr N Foxton (From 6.48pm)
Cr G Wieland, Cr J Barton

WARD

City
City
Applecross/Mount Pleasant
Applecross/Mount Pleasant
Bull Creek/Leeming
Palmyra/Melville/Willagee
University
University
Bicton/Attadale

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Mr J Christie	Director Technical Services
Mr S Cope	Director Urban Planning
Ms C Young	Director Community Development
Mr L Hitchcock	Executive Manager Legal Services
Mr G Ponton (Until 7.16pm)	Manager Strategic Urban Planning
Mr J Rae	Strategic Land and Property Executive
Mr P de Lang	Healthy Melville Coordinator - Leisure Planning
Mr J Clark	Governance and Compliance Program Manager
Mr N Fimmano	Governance and Property Officer
Ms S Tranchita	Minute Secretary

At the commencement of the meeting there were 75 members of the public and one member from the Press representing the Melville Times in the Public Gallery.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE**4.1 APOLOGIES**

His Worship the Mayor R A Aubrey
Cr C Schuster – For late arrival
Cr N Foxtton – For late arrival

4.2 APPROVED LEAVE OF ABSENCE

Cr M Woodall – Bull Creek/Leeming Ward

5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION) AND DECLARATIONS BY MEMBERS**5.1 DECLARATIONS BY MEMBERS WHO HAVE NOT READ AND GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPERS PRESENTED BEFORE THE MEETING.**

Nil

5.2 DECLARATIONS BY MEMBERS WHO HAVE RECEIVED AND NOT READ THE ELECTED MEMBERS BULLETIN.

Nil

6. QUESTION TIME

6.1 Mr Guiton – Attadale

Question 1

Whilst recognising the potential value of a safe urban surf training facility I ask whether Council has considered any other possible site for the facility and if so which sites were considered and on what bases were they rejected?

Response

The Wave Park group has not made any other formal submission to Council.

Question 2

In the Proposal Business Case (p10) it is stated, and I quote "WPG have.....satisfied themselves that no significant regulatory approvals constraints will impact the Proposal ...and at this stage this is also the shared understanding of the City in discussions with relevant Key Government Stakeholders".

I ask which were these Key Stakeholders and on the basis of what documentation was their opinion sought?

Response

Ongoing discussion will be held with key stakeholders depending on how the proposal progresses. Informal discussions with Department of Lands, Department Parks and Wildlife, Department of Sport and Recreation, and Main Roads have been held.

6.2 Mr Kalkhoven – Applecross

In relation to the land being proposed for commercial lease or sale on the current Melville Bowling Club site and adjacent land, could you please provide the following details;

Question 1

A clear map illustration and aerial photo overlay in relationship to the whole of Tompkins Park and Atwell House showing the boundaries, dimensions, land area and land title details of the land both before and after? Note that Site Plans 1 – 4 in Appendix A of the Business Case – Wave Park Proposal attached to the Agenda, does not provide legible dimensions of the site or the relationship to surrounding land titles.

Response

The question was taken on notice.

Question 2

Any affects on surrounding land titles?

Response

The proposal is for a ground lease on the affected parcels of land identified in the Business Case which are owned or controlled by the City of Melville and there will be no affect on surrounding land titles.

6.3 Mr Lubin – AttadaleQuestion

I am submitting the following and would be grateful if it could be taken into account at the City of Melville Council meeting on Monday 28 November 2016: In its goal to redevelop facilities at Tompkins Park Melville Bowling Club site, why is the Council only looking at one proposal for the use of this land? I have read on the COM website that In June, the Council asked the Chief Executive Officer to investigate and report to the Council on suitable future recreational uses (plural) of the existing Melville Bowling Club site. Within days a prepared unsolicited proposal from the Wave Park Group was in play. The local media reported that the Wave Park developer and some members of the Council, notably the Mayor, were promoting the proposal, speaking of it almost as “a done deal” long before its official submission to Council on the 28 November 2016. My wife has already sent in a letter to the CEO (see attached) questioning this ‘done deal’ status and received a response (also attached) from the CEO (A/g) indicating that the Wave Park proposal is merely a proposal which will be subject to a number of stages and approvals including a detailed community consultation process.

My question is why haven't other (more environmentally friendly) proposals been sought by the Melville Council? The Tompkins Park Melville Bowling Club site is after all on the edge of the Swan Estuary Marine Park and adjacent 'A' class nature reserves. There are many other sites for a Wave Park within the City of Melville that wouldn't cause the havoc that it has the potential to cause in such an environmentally sensitive location.

Response

This proposal is an unsolicited bid - as per Section 3.59 of the *Local Government 1995*, the advertising period proposed in the Council Item provides an opportunity for other proponents to makes submissions.

6.4 Mr Napier – AttadaleQuestion

Given the Council's Urban Forest and Green Space Policy CP-102 includes the statement that ". all future structural plans, amendments and infrastructure assets plans will make explicit reference to urban forest and green space objectives" how would the construction of the surf-park comply with this Policy and have other options been considered for this site?

Response

During the Development Application process for this Site, whether from the proponent or any other development, a landscaping plan will need to be submitted.

6.5 Ms S NorrisQuestion

Has serious consideration been given to the fact the proposed Wave Park is within 200 metres of an international bird sanctuary and an A class nature reserve?

The movement and noise will disturb wildlife and generally destroy the tranquillity of the area.

Response

Detailed environmental impact assessments will be carried out as part of approval processes should the proposal progress to the Development Application stage.

6.6 Ms O'Neill – MelvilleQuestion

Given the need for a holistic perspective in considering any development initiative, should the Council decide to approve the advertising of the Business Case and ground lease for the proposed wave park; will the Tompkins Park Master Plan be made available at the same time for public consideration?

Response

The development of this portion of the City's land is separate from the initiative of the City to develop a sports and recreation hub at Tompkins Park to cater for Bowls, Rugby, Cricket, Soccer, and social participation.

6.7 Mr S Wallace - Bicton

Questions in relation to propose wave park at Tompkins park

Question 1

Does the city monitor the Thompkins park reserve for contaminants leaching into the water table from the old rubbish tip that is I understand located under or nearby to Tompkins park.?

Response

The site at Tompkins Park was classified in 2007 by Department of Environment Regulation (DER) as possibly contaminated investigation required. In response the City commissioned further investigations on groundwater and soil contamination at Tompkins Park by two independent consultants in 2011, 2013 and in 2015.

The results have been submitted to DER for consideration for reclassification of the site.

The City is currently awaiting a response from DER on the findings.

Question 2

Does the city hold record of the original plans to develop the old land fill site to be able to confirm the original boundary of the old rubbish tip here?

6.7 Mr S Wallace - BictonResponse

Original plans have not been located. Aerial photography between 1953 and 1965 indicate the extent of the site.

Question 3

If so in 2, please provide copy of the boundary, if not, why does the city not have this detail of the site?

Response

See response to Question 2

Question 4

Has the EPA ever served a pollution abatement notice on the city of Melville for the purpose of ensuring the ongoing management of the site by the city and place the site on priority sites register?

Response

See response to Question 1

Question 5

Is the city monitoring the site regularly for leaching contaminates and if so, what are the current results for all contaminates example, Lead Dildrum , DNT leachate entering the river nearby and the drain located near the art center building from the site?

Response

See response to Question 1

Question 6

Does the city have an after care management plan to:-

- (a) prevent and control erosion.*
- (b) Restore depressions and seal & monitor cracks in the cap caused by settlement?*

Response

See response to Question 1

Question 7

Does the city operate a leachate collection & treatment system here and if so where is it?

Response

See response to Question 1

Question 8

Does the city maintain and operate a landfill gas-extraction system here?

6.7 Mr S Wallace - BictonResponse

See response to Question 1

Question 9

Does the city conduct environmental monitoring of the site for contaminants in:-

- (a) Ground water*
- (b) surface water*
- (c) land filled gas*
- (d) Leachate and*
- (e) settlement*

Response

See response to Question 1

Question 10

Is the city aware of any possible contaminates leaching from the Tompkins park site that could potentially kill fish or bird life in the river?

Response

The latest consultant report made the observation that the site is not considered a significant source of contamination to groundwater

6.8 Melville Residents and Ratepayers Association**Wave Park proposal for Melville Bowling Club site**Question 1

Melville Bowling Club option to stay - The 26 November 2016 Perth Now "Melville Bowling Club members against wave pool in Alfred Cove" article reported the City of Melville's CEO Shayne Silcox "rejected claims Melville Bowling Club was being forced to move against its will".

When was an express proposal provided to the Melville Bowling Club to extend its current lease? What were the terms of that proposal?

Response

Following Council endorsement of the Lawn Bowls Strategy, City officers are working with the Tompkins Park Relocation Group (made up of representatives from both Melville and Mount Pleasant Bowling Clubs) to ensure their new bowling club will have state of the art facilities that will aid in the long term sustainability of the club and the sport as a whole.

The majority of Members in both Clubs have already agreed in principle to work with the City to merge and relocate.

Question 2

Business case - Who prepared, reviewed and approved the business case? Why has the Wave Park option not been assessed against other use alternatives using a triple bottom line approach? Who undertook the independent market and financial assessment for the business case? What basis of the estimates for the attendance numbers and financial returns.

Response

The Business Case was developed by a number of City officers and reviewed and approved for Council consideration by the City's Executive.

This proposal is an unsolicited bid - as per Section 3.59 *Local Government Act 1995* the Advertising period proposed in the Council Item provides an opportunity for other proponents to make submissions.

Information regarding the independent Valuation and Risk Assessment is Confidential.

Question 3

Mount Pleasant Bowling club site future use options.

Community engagement - We refer to the Officer recommendation 3724 points 2 and 3. Please explain how Councillors can support item 2 prior to the completion of item 3; that is Councillors assuming the community is actually in favour of any urban development on the site ahead of any engagement with that community.

Response

The preliminary concepts are only provided as an indicative guide as to the type of development that may be possible within the site. Extensive community consultation will occur in the next phase and will be captured in the Business Case which will be presented to the Council for consideration.

6.9 Mr and Mrs Richards – Attadale

Question 1

Who decides on the rent for the wave park, the Council or the Wave Park Group? Plus the value of the land?

Response

The rent is decided by reference to a valuation that has been conducted, and then provided as a confidential item to the Council.

6.10 Ms Walters – Attadale

Question 1

RE Wave Park – Questions for Andrew Ross

Where is he obtaining the (reported) 22 million litres of water PER ANNUM to replenish the evaporation from the lagoon. If it is to be from the existing groundwater allocation for the Melville Bowling Club, has he received approval from the Water Corporation, and City of Melville, to access at no cost this valuable resource to operate a personal commercial business?

Response

The Deputy Mayor advised that these questions will be responded to by Mr Ross- chairman of the Wave Park Group

Question 2

If the water is to be “trucked” in from another underground water source, has Mr Ross obtained Water Corporation approval to do so and will he be paying for this water?

Response

The Deputy Mayor advised that these questions will be responded to by Mr Ross- chairman of the Wave Park Group

7. DECLARATIONS OF INTEREST

- P16/3724 - Cr Schuster - Interest under the Code of Conduct
- CD16/8092 - Cr O'Malley - Interest under the Code of Conduct

7.1 FINANCIAL INTERESTS

Nil

7.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil

8. DEPUTATIONS

CD16/8092 Mr A Ross – Wave Park Group.
CD16/8092 Mr M Du Plessis – Surf Lifesaving WA
CD16/8092 Ms P Raitt – Green Light Environmental
CD16/8092 Ms C O'Neill – Swan Estuary Reserves Action Group

9. APPLICATIONS FOR NEW LEAVES OF ABSENCE

At 6.50pm Cr Robartson moved, seconded Cr Schuster –

That the application for new leaves of absence submitted by His Worship the Mayor on Monday, 28 November 2016, be granted.

At 6.50pm the Deputy Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY (11/0)

10. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil

11. PETITIONS

A petition signed by 3,245 people of whom 1,908 are electors of the City of Melville and 1,337 from other local governments was received on Monday 28 November 2016. The petition reads as follows

“We the undersigned, all being electors of the City of Melville, do humbly pray that - The City of Melville do all in its power to secure the development of ‘URBNSURF’ Perth at Tompkins Park.

We understand that the City of Melville is investigating options to develop alternative sport and recreation uses on the site currently occupied by the Melville Bowling Club (Site), and that the City has received a proposal from Wave Park Group to develop on the site a \$25m surf sports, recreation and leisure facility to be named ‘URBNSURF Perth’

The residents of the City of Melville (and particularly its younger residents), are underserved in terms of sporting and leisure amenity, and given the large number of surfers that currently reside in the City of Melville, I believe this to be an ideal use of the site, and that the Council should do all in its power to secure the development of ‘URBNSURF’”

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION

At 6.53pm Cr Phelan moved, seconded Cr Wieland -

That the petition bearing 3,245 signatures be received and acknowledged and be dealt with by the Council in conjunction with an item on the same agenda.

At 6.53pm the Deputy Mayor submitted the motion, which was declared

CARRIED (8/3)

Vote Result Summary	
Yes	8
No	3

Vote Result Detailed	
Deputy Mayor Aubrey	Yes
Cr Foxton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Barling	No
Cr Barton	No
Cr Pazolli	No

At 6.54pm Cr Schuster left the meeting and returned at 6.56pm.

SUSPENSION OF STANDING ORDERS

At 6.56pm Cr Wieland moved, seconded Cr Phelan –

That Standing Orders Local Law Clause 9.5 be suspended allowing Elected Members permission to speak more than once.

At 6.56pm the Deputy Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

At 7.15pm Dr Silcox left the meeting and returned at 7.17pm.

At 7.29pm Ms Young left the meeting and returned at 7.31pm.

REINSTATEMENT OF STANDING ORDERS AFTER DISCUSSION

At 7.30pm Cr Schuster moved, seconded Phelan -

That Standing Orders be reinstated.

At 7.30pm the Deputy Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

From 6.57pm to 7.30pm a presentation was heard from Mr Ponton, Manager Strategic Urban Planning and Mr Rae, Strategic Land and Property Executive.

12. REPORTS OF THE CHIEF EXECUTIVE OFFICER

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

Disclosure of Interest

Item No.	P16/3724
Elected Member/Officer	Cr C Schuster
Type of Interest	Interest under Code of Conduct
Nature of Interest	Councillor works with applicant
Request	Stay, discuss, vote
Decision of Council	Not Applicable
Ward	: Applecross/Mount Pleasant
Category	: Strategic
Application Number	: Not Applicable
Property	: Lot (2018) 40 Bedford Road, Ardross
Proposal	: Purchase of Crown Reserve (R27046) in Freehold from the State Government of Western
Owners	: State Government of Western Australia vested in the City of Melville under Management Order
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: None
Responsible Officer	: Jeremy Rae Strategic Land and Property Executive

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)****KEY ISSUES / SUMMARY**

- The City's Lawn Bowls Strategy was endorsed at the October 2016 Ordinary Meeting of Council and included Recommendations supporting the merger of both the Mount Pleasant and Melville Bowling Clubs to a new northern City site at Tompkins Park.
- The City's Strategic Community Plan and Corporate Business Plan key priorities include creating greater revenue from our current and potential land, property and facility holdings.
- Council Policy (CP-005 : Land and Property Retention, Disposal and Acquisition Policy) notes that in order to be less dependant on rates as the primary funding source for the provision of services, the City aims to diversify its income opportunities by raising revenue from additional sources.
- This report seeks endorsement for the City to progress the project to explore development of the Bowling Club site and to enter into negotiations with the Department of Lands (DoL) to acquire Lot 2018 (No. 40) Bedford Road Ardross being Crown Reserve No. 27046, as a Freehold parcel.
- The report outlines and recommends options regarding the future development potential of the site which focuses on retaining the existing character and low density of the area.
- On 15 September 2016 the current users of the site, being the Mount Pleasant Bowling Club (MPBC), at a Special Meeting resolved that the Club merge with Melville Bowling Club and relocate to the proposed new shared bowling facility to be built by the City of Melville at Tompkins Park Reserve in Alfred Cove.
- The proposed acquisition price of Lot 2018 would be determined by negotiation between the City of Melville and the Department of Lands on advice from the Valuer General's Office on behalf of the State Government.
- The City has had consultants prepare two preliminary subdivision development concepts to demonstrate the type of development that could occur on the site and provide an indication of the vision for the future plan. The City has also had the development concepts costed by engineers
- The preferred development concept option would deliver 21 residential lots plus a passive park for the local community.
- The passive park is likely to include recognition of the site being previously associated with the Mount Pleasant Bowling Club such as a plaque or sculpture.
- It is proposed that in conjunction with negotiations with DoL a program of community engagement occur in relation to the future potential development of the site.
- The outcomes of community engagement would be presented to Council in a further Council report in conjunction with a business case to be approved by Council prior to submission to the DoL for the purpose of obtaining to State Cabinet consent.
- Key to this support from Cabinet will be for the City to demonstrate that it has engaged with the local community in the preparation of a development option and that general support from the local community has been evidenced.
- Council approval is sought to progress negotiations with the DoL to acquire the site and conduct all necessary due diligence, including necessary community consultation and planning to ensure completion of the business case, for which Council approval will be sought.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

Mount Pleasant Bowls Club Site – Lot 2018 (No. 40) Bedford Road, Ardross
(Aerial Site Image)



BACKGROUND

At the June 2016 Ordinary meeting of the Council the following Recommendation was endorsed from Item CD16/8081 dealing with the City of Melville Bowls Strategy

5. directs the Chief Executive Officer to:

b investigate and report to the Council suitable future uses for the existing Mount Pleasant Bowling Club site for possible financial contribution towards the development of community sporting hubs and the local replacement of Public Open Space at the current location

A presentation on the potential future use options for the Mt Pleasant Bowling Club site was delivered at an Elected Member Information Session on 25 October 2016.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)****DETAIL****Purpose**

The purpose of this report is to provide the Council with an outline of the potential proposed acquisition and redevelopment of the site in Ardross currently leased to the Mount Pleasant Bowling Club.

The Report seeks Council support for the City's officers to enter into negotiations with the Department of Lands (DoL) to acquire Crown Reserve 27046 in freehold from the State Government of Western Australia or joint venture the development of the site and to commence the process of community engagement.

The property situated at Lot 2018 (No. 40) Bedford Road Ardross has been identified by the City of Melville in its draft Land Asset Strategy as potentially a surplus Crown Reserve to the State Government of Western Australia with the potential to be partially redeveloped as an infill residential lot subdivision when the Mount Pleasant Bowling Club vacates the site. Any profits derived by the City in relation to the redevelopment could then be reinvested into sport and recreation improvements at Shirley Strickland and Tompkins Park Reserves.

Property Details – 40 Bedford Road Ardross

- Current Owners
 - State of Western Australia
 - Vested in City of Melville by Management
- Particulars
 - Reserve 27046
 - Lot 2018
- Easements and Encumbrance
 - None
- Lot Size
 - 1.4053 Ha
- Zoning
 - “Urban” under the Metropolitan Region Scheme (MRS)
 - “Public Open Space” LPS No.6
- Lease Details
 - Lessee – Mount Pleasant Bowling Club
 - Lease Term five years
 - Lease Expiry Date 30 June 2019
 - Lease Option Period five years to 30 June 2024

Land Assembly Process (Department of Lands Draft Crown Reserves Disposal Policy)

The previous DoL Reserves Disposal Policy permitted Local Governments to purchase “20A Reserves” (created under the Town Planning and Development Act) at 5% of the valuation, on the condition that the proceeds from the development or sale of the Reserve were allocated by the Local Government for recreational and public purposes. In relation to “Non-20A Reserves” the former Policy required the Local Government to submit a Business Case to DoL and if the proposal is supported by DoL, the lodgement of a Cabinet Submission through the Minister for Lands for the proposal to be approved by the State Government.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

Both existing policies are now being reviewed and may change. DoL is currently developing a new draft Policy to deal with the disposal of all Reserves (both 20A and Non20A) to Local Governments. This draft policy is currently before the Minister for Lands with no date currently set for it to be finalised.

Advice from Senior Officers at DoL is that the new Policy will require:-

- Local Governments to submit a Business Case to outline and justify the proposal by arguing the need under which DoL should approve the land transfer to the Local Government.
- The Business Case needs to demonstrate community support for the proposal and also outline the justification for the sale as well as how the Local Government intends to allocate any profit from either the redevelopment or sale of the reserve into recreational and community infrastructure.
- The Valuer General's Office (VGO) will still undertake a market valuation for the Reserve earmarked for disposal based upon the lands rezoned unimproved market value with DoL sharing a percentage of this value.

It's important to note that this policy is currently in draft format only and that the final Policy is subject to approval by the Minister for Lands under recommendation from Cabinet. The principal basis of the draft Policy by DoL is to ensure the State Government receives a proportion of any value uplift from the disposal of Crown Reserves vested in Local Governments which are earmarked as surplus to current need.

Valuation Process

Prior to finalising the business case and advertising the proposal and consideration under Section 3.59, the land will be independently valued on an "Unimproved Market Value" basis by the Valuer General's Office at the instruction of DoL on behalf of the State Government of Western Australia.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

Site Options Analysis

The City engaged planning consultants to prepare indicative residential land subdivision concepts based on a vision to deliver the following key objectives for the site:-

- Ensure that any proposed development of the site is in keeping with the existing context of residential development in the precinct (i.e. Residential R20/R25 zoning)
- Ensure that the local community has access to public open space in a way that encourages community interaction with those spaces.
- Ensure that the subdivision will deliver on built form guidelines to ensure housing construction is seen to enhance the value of the precinct.
- Ensure that constraints within the site, such as the drainage sump, can be upgraded and integrated with the park as a combined usable space which is more aesthetically pleasing to the community
- Ensure that the development is feasible and generates sufficient economic returns to enable the City to part fund the improvements at Shirley Strickland Reserve and Tompkins Park.

Lot 2018, 40 Bedford Road, Ardross – Development Concepts Aerial Image



**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**



Planning Concepts

Two indicative subdivision concepts have been prepared as shown above. In summary:

Concept 1

This indicative concept shows a subdivision layout yielding 21 residential lots and a pocket park and public open space area covering approximately 4,650sqm (30% of the site). The lots average 450sqm in area which is in keeping with newly created lots within the precinct. The lots are shown configured back to back facing east and west in direction and rectangular in shape. Future development could be both single storey and double storey homes of a high standard.

Concept 2

This indicative concept shows a subdivision layout yielding 23 residential lots and a pocket park and public open space area covering approximately 2,780sqm (over 19% of the site). The lots average 400sqm in area at which is in keeping with the size of some newly created lots within the precinct. The lots are shown configured north/south facing and 'rear loaded' with parking at the back of the properties thereby reducing the need for garage and driveways fronting the street. This concept proposes connectivity between Bedford Road and Canna Way via a park. Future development could be both single storey and double storey homes of a high standard.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

Consulting engineers prepared indicative development costs analysis based on two potential development options scenarios outlined in the indicative subdivision concept plans.

The indicative costs are based on servicing the lots with power, communications, gas, water, scheme gravity sewers and drainage. The costs also consider demolition, earthworks, retaining walls, on-street parking, and reinstatement of verges / pavements from the installation of services.

The indicative construction costs have been based on a desktop study of existing services, site visit, aerial imagery and information readily available online. No geotechnical investigations were available at the time of undertaking this review. The costs would need to be reviewed once the Western Australian Planning Commission subdivision conditions have been received to ensure all assumptions have been captured.

Based on the information available, there does not appear to be any significant infrastructure constraints that would prevent the proposed residential subdivision of the site. It is noted that in the event of a future decision to proceed with the development of Option 1 that consideration would need to be given to the lot dimensions that are impacted by the sewer and drainage easements.

It is not expected that the number of additional residential lots proposed would create any additional traffic over and above the existing land use. Any traffic generated would be well within the function of the existing road network. A traffic impact report can be completed, if required, as part of the development proposal.

The product typology identified highlights the demographic of the potential buyers of which many would be expected to come from the local Ardross/Mount Pleasant area. These are likely to include:-

1. Professional couples with no children
2. Professional and middle aged families
3. Empty nesters and retirees looking to downsize from larger lots

POLICY IMPLICATIONS

The City's "Land and Property Retention, Disposal and Acquisition" Policy (CP-005) will apply. No other Council policies relate to this item.

CP-005 notes that in order to be less dependant on rates as the primary funding source for the provision of services, the City aims to diversify its income opportunities by raising revenue from additional sources.

The City has prepared a draft Land Asset Management Plan. The purpose of the Land Asset Management Plan is to establish an effective framework for the City to manage its land and property portfolio in such a way as to maximise the economic value and financial returns whilst supporting the long term financial sustainability of the City. This in turn supports the City undertaking further strategic capital investment, as well as expanding the range and types of services and facilities for the community.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

The Lawn Bowls Strategy endorsed by Council at the October Meeting of Council identifies a future location for the Melville Bowling Club and the Mount Pleasant Bowling Club at Tompkins Park. This movement would see the vacating of a key land site in Ardross that has the potential to provide funds towards the new facility and the redevelopment proposed at the Shirley Strickland Reserve and Tompkins Park, whilst at the same time seeing developments that would be compatible with the current residential area, and encompassing a significant amount of public open space.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

The next phase of the project, subject to Council endorsement, is commencement of community engagement to inform the preparation of a preferred concept plan.

II. OTHER AGENCIES / CONSULTANTS

Informal meetings have been held between the City and the DoL to discuss the likelihood that the acquisition could occur and the process that would be required to be followed. DoL advised that the draft Policy governing disposal of surplus Crown Reserves is currently being considered by the Minister for Lands.

DoL has indicated initial support for the proposal and indicated that the process requires a Cabinet submission process under recommendation from the Minister for Lands in support of a joint business case prepared by the City and DoL. Key to this support from Cabinet will be for the City to demonstrate that it has engaged with the local community in preparing a preferred development option and that general support from the local community has been evidenced. Subject to Council approval, an engagement and communications strategy will be finalised with commencement of the engagement phase in February 2016.

STATUTORY AND LEGAL IMPLICATIONS

The process adheres to the City's property disposition and retention policy CP-005 and advertising and public notice requirements within the *Local Government Act 1995* outlined in Section 3.58 and Section 3.59.

FINANCIAL IMPLICATIONS

The purchase price of the land from DoL is unknown at this stage and would be subject to valuation by the VGO's and negotiations between the City and DoL should the project proceed.

The development costs would be funded from the Property Reserve Fund with the acquisition of the site being funded from sales proceeds from the subdivided lots. Any future development will require funding for the development expenditure. No provision for these amount has yet been reflected in the City's Long Term Financial Plan.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The City's Strategic Community Plan and Corporate Business Plan key priorities include creating greater revenue from our current and potential land, property and facility holdings.

The identified strategic, risk or environmental management implications associated with this proposal are summarised in the risk table below:-

Risk Statement	Level of Risk	Risk Mitigation Strategy
State Government approval by Cabinet is not received	Medium Level of Risk	Ensure DoL and the Minister for Lands supports the Business Case and sponsor the Cabinet Submission Process
The proposed options for future development of the site are not supported by the local community	Low Level of Risk	Any potential options for future development of the site are to be in keeping with existing development in the precinct. A community and stakeholder engagement plan would be implemented to guide engagement throughout the planning and development phase of the project.
The proposed development fails to be viable and the City fails to achieve its financial return from the project	Low Level of Risk	Lots would be pre-sold prior to commencing civil construction of the lots to ensure returns are locked. Construction timeframe is only six months

ALTERNATE OPTIONS AND RISKS TO CONSIDER

1. Do nothing:
Risk – The City of Melville does not achieve its community, planning and financial objectives.

2. Retain the site under Management Order as a Reserve and Create a Public Open Space:
The cost to relocate the MPBC to new bowling facilities at Tompkins Park cannot be funded independently of rates revenues to residents of City of Melville. The size in question of the public open space would be too small for any active sports, and would present as more of a neighbourhood open space. Shirley Strickland Reserve an active reserve of significant size of public open space is in close proximity to the site and is considered to be more suited to be a neighbourhood open space.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)****CONCLUSION**

The Council endorsed the Lawn Bowls strategy determining Tompkins Park to be the most suitable space for the sport of Bowls in the north of the City which now provides direction for alternative uses for the current Mt Pleasant Bowling Club site. The Mount Pleasant Bowling Club has also indicated agreement to relocate to new Bowling Club facilities to be built at Tompkins Park.

There is opportunity for the City, with the support of the Department of Lands, to redevelop the subject site to ensure a good community and economic outcome for the City. Funds provided by this alternative use can assist with the redevelopment of both Shirley Strickland Reserve and Tompkins Park. Engagement with the local community in preparing a preferred development option is now proposed in conjunction with preparation of a business case for later approval by the Council.

The recommended option highlights that the site would see a significant area be retained for public open space, and urban design compatible with the surrounding neighbourhood with lots of size comparable to the surrounding area.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3724) APPROVAL

At 7.30pm Cr Schuster moved, seconded Cr Robartson –

That the Council:

- 1. Authorises the Chief Executive Officer to progress the negotiations with the Department of Lands to acquire the site being Lot 2018 (Reserve 27046) at 40 Bedford Road, Ardross or joint venture the development of the site and conduct all necessary due diligence, including necessary community consultation, and planning to ensure completion of the Business Case for approval by the Council prior to submission to the Department of Lands for the purpose of obtaining State Government Cabinet consent;**
- 2. Supports in principle the development of the site including the provision of suitable open space, and urban design and lot size comparable with the surrounding neighbourhood;**
- 3. Endorses the next step of the project to commence engagement with the community with a view to arriving at a suitable concept design for the site which will in turn inform the due diligence/Business Case phase.**

At 7.39pm Cr Robartson moved, seconded Cr Phelan -

That in accordance with Standing Order Clause 9.6 (Limitation of duration of speeches) Cr Schuster be permitted an extension of time to speak.

At 7.39pm the Deputy Mayor submitted the motion which was declared

CARRIED UNANIMOUSLY (11/0)

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

AMENDMENT

At 7.44pm Cr Pazolli moved, seconded Cr Barton –

That the Council amends Officer Recommendation (3724) by adding item 4 to the recommendation as follows:

4. That the community engagement in item 3 of this recommendation includes an option for retaining the entire area of the current Mt Pleasant Bowls Club land as public open space for the improved amenity of the community.

At 8.15pm the Deputy Mayor submitted the amendment, which was declared

LOST (5/6)

Vote Result Summary	
Yes	5
No	6

Vote Result Detailed	
Cr Barling	Yes
Cr Barton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Pazolli	Yes
Cr Aubrey	No
Cr Foxton	No
Cr Phelan	No
Cr Robartson	No
Cr Schuster	No
Cr Wieland	No

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)**

COUNCIL RESOLUTION (3724)

APPROVAL

That the Council:

- 1. Authorises the Chief Executive Officer to progress the negotiations with the Department of Lands to acquire the site being Lot 2018 (Reserve 27046) at 40 Bedford Road, Ardross or joint venture the development of the site and conduct all necessary due diligence, including necessary community consultation, and planning to ensure completion of the Business Case for approval by the Council prior to submission to the Department of Lands for the purpose of obtaining State Government Cabinet consent;**
- 2. Supports in principle the development of the site including the provision of suitable open space, and urban design and lot size comparable with the surrounding neighbourhood;**
- 3. Endorses the next step of the project to commence engagement with the community with a view to arriving at a suitable concept design for the site which will in turn inform the due diligence/Business Case phase.**

At 8.16pm the Deputy Mayor submitted the motion, which was declared

CARRIED (9/2)

Vote Result Summary	
Yes	9
No	2

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barling	Yes
Cr Foxton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Barton	No
Cr Pazolli	No

At 8.16pm Mr Ponton left the meeting.

**P16/3724 – FUTURE USE OPTIONS OF MOUNT PLEASANT BOWLING CLUB SITE
(REC)****SUSPENSION OF STANDING ORDERS**

At 8.16pm Cr Barling moved, seconded Cr Schuster –

That Standing Orders Local Law Clause 9.5 be suspended allowing Elected Members permission to speak more than once.

At 8.16pm the Deputy Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

At 8.16pm Cr Foxtan left the meeting and returned at 8.18pm
At 8.18pm Cr Pazolli left the meeting and returned at 8.19pm
At 8.24pm Cr Schuster left the meeting and returned at 8.26pm.
At 9.09pm Cr Barton left the meeting and returned at 9.12pm.
At 9.14pm Cr Schuster left the meeting and returned at 9.16pm.
At 9.27pm Cr Phelan left the meeting and returned at 9.30pm.
At 9.49pm Dr Silcox left the meeting and returned at 9.51pm.
At 9.52pm Ms Tranchita left the meeting and returned at 9.56pm

DEPUTATIONS

1. From 8.17pm until 8.57pm a deputation was heard from Mr Ross – Wave Park Group
2. From 8.58pm until 9.08pm a deputation was heard from Mr Du Plessis – Surf Lifesaving WA
3. From 9.08pm until 9.13pm a deputation was heard from Ms Raitt - Green Light Environmental
4. From 9.13pm until 9.56pm a deputation was heard from Ms O'Neil - Swan Estuary Reserves Action Group

ADJOURNMENT OF MEETING

At 9.57pm the Deputy Mayor adjourned the meeting.
At 10.05pm the meeting resumed.

PRESENTATION

From 10.06pm until 10.30pm a presentation was heard from Ms Young – Director Community Development, Mr Hitchcock – Executive Manager Legal Services and Mr de Lang - Healthy Melville Coordinator – Leisure Planning.

REINSTATEMENT OF STANDING ORDERS AFTER DISCUSSION

At 10.54pm Cr Wieland moved, seconded Schuster -

That Standing Orders be reinstated.

At 10.54pm the Deputy Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

Ward	:	Bicton/Attadale
Category	:	Strategic
Subject Index	:	Recreation
Customer Index	:	Wave Park Group
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter
Previous Items	:	CD16/8081 – City of Melville Lawn Bowls Strategy – Ordinary Meeting of Council - June and October 2016
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Christine Young – Director Community Development Louis Hitchcock – Executive Manager Legal Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)****KEY ISSUES / SUMMARY**

- At the June 2016 Ordinary Meeting of the Council, a recommendation directed Officers to investigate alternative recreation uses for the Melville Bowls Club site at Tompkins Park, Alfred Cove.
- An unsolicited expression of interest by the Wave Park Group to ground lease a portion of Tompkins Park to construct and operate a wave park recreational facility was received in late June 2016 for a proposed integrated surf sports, recreation and leisure facility on the Melville Bowls Club site.
- The Report and attached Business Case outline the proposal and make recommendations to progress to Public Advertising of the proposal adhering to section 3.59 of the *Local Government Act 1995*.

[Wave Park Group Tompkins Park Business Case](#)**BACKGROUND**

At the June 2016 Ordinary Meeting of the Council, the City of Melville Bowls Strategy report and agenda item was presented. An adopted recommendation from that report was:

That the Council;

Directs the Chief Executive Officer to investigate and report to the Council suitable future recreational uses of the existing Melville Bowling Club site for a possible financial contribution towards the redeveloped facilities at Tompkins Park and development of community sporting hubs.

The Recommendation came about due to the Bowls Strategy recommending relocation of the Melville Bowling Club 300 metres east to the main Tompkins Park sporting hub, in keeping with the community/sporting hub focus of the City and Council.

Following the June 2016 Ordinary Meeting of the Council, the City of Melville (City) received a formal and unsolicited bid from Wave Park Group Pty Ltd (WPG) to develop a surf sports, recreation and leisure facility featuring a Wavegarden wave generator on the site occupied by the Melville Bowling Club including a portion of the existing Tompkins Park playing fields.

Following a briefing presentation by WPG to Elected Members of the City on 23 August 2016, a letter was sent from the City inviting WPG to submit a non-binding offer of commercial terms on the Proposal to fully consider the Proposal and make a recommendation to the Council.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

WPG publicly announced their proposal to the wider Perth community on Friday 26 August 2016 through a variety of main and social media methods. The City has considered the proposal and due to the value of the lease offer, this proposal is required to be progressed in accordance with Section 3.59 of the *Local Government Act 1995*. The attached Business Case provides further background and relevant information on the proposal.

DETAIL

Full details of the proposal are included in the Business Case. These cover the proposal details including amenities proposed; operations (including forecast attendances); an outline of the proposed commercial/lease agreement; an independent valuation and independent risk review; project objectives and outcomes; and project time frame details.

The valuation and risk review are confidential attachments to the Business Case.

PROPOSAL PARTICULARS

- Current Owner
 - 36,699sqm of Lot 39 City of Melville (owned in freehold)
 - 7,366sqm of Lot 9789 Crown Land with a Management Order in favour of the City.
- Address
 - 596 Canning Highway, Alfred Cove Western Australia
- Title Particulars
 - 36,699sqm of Lot 39 (owned in freehold by the City, volume/folio 1185/584) (Freehold Lot); and
 - 7,366sqm of Lot 9789 (Crown Land with a Management Order in favour of the City, volume/folio LR-3141/868) (Crown Lot). With Power to Lease (21 years)
- Easements and Encumbrances
 - Metropolitan Regional Scheme (MRS) Reservation (portion of Canning Highway adjacent to site, proposed future road widening)
- Total Lease Area
 - 44,065sqm
- Zoning
 - Parks and Recreation under the (MRS)
 - Parks and Recreation under LPS No.6

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

- Other Regulatory Approval Authorities
 - Swan River Trust (Dept. of Parks & Wildlife)
 - Minister for Environment
 - Department of Planning (DoP) and the Western Australian Planning Commission (WAPC)
- Proposed Lease Income from Wave Park Group
 - Commencing at \$700,000 per annum plus GST plus variable outgoings
- Lease Rate
 - \$15.88 per sqm
- Valuation Report Rate
 - \$15.88 per sqm
- Lease Term
 - 30 Years plus 2 x 10 year options
- Rent Abatement Period
 - 12 months
- Rental Bond
 - \$700,000

VALUATION

In order to inform possible negotiations over the proposed ground leasing rates with WPG and to meet the City's statutory obligations under Section 3.59 of the *Local Government Act 1995* and its Property Disposal, Retention and Acquisition Policy (CP-005), the City engaged the services of an independent property valuation service to prepare the ground lease valuation report, which was finalised on 13 October 2016.

In determining the commencing ground lease value amount of \$700,000 pa net exclusive of GST or \$15.88m² for the proposed lease site area of 4.4067 hectares, the valuer used the "Direct Comparison Method" and "Rate of Return Method" calculated as at a market rate on the unimproved land value assessed on the basis of the land being zoned "Parks and Recreation". The ground lease offer of \$700,000 pa excluding GST agrees to the valuation report. The ground lease offer is based upon demolition occurring prior to the commencement of the lease.

A full copy of the Valuation Report is provided as a "Confidential Attachment" to the Business Case.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)****STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

Following the Elected Members Information Session on the 23 August 2016, the City was informed that WPG would be publicly announcing the proposal at the end of the working week.

The City sent approximately 1,250 letters to residents, property owners and businesses in an area surrounding Tompkins Park advising that the City had received a formal and unsolicited proposal from WPG. The letter broadly outlined the process moving forward. A similar letter was sent to local community and sporting groups, informing them of the proposal.

The letters were delivered to the community on Thursday, 25 August 2016. Also on this date, the City released a media statement which aimed at informing the wider City of Melville community of the proposal that had been received.

No further formal engagement has commenced. It is envisaged that if the recommendations are endorsed, public advertising (for not less than a six week period) will commence providing opportunities for community input and submissions. Due to the Christmas period, it is planned to have an extended advertising period.

The level of communication in accordance with the Stakeholder Engagement Policy CP-002 would then be to inform and consult the community providing opportunities for comment and submissions on the proposal. Despite no formal calls for feedback/submissions, the City has received approximately 20 letters or emails supporting the proposal, and approximately ten letters or emails outlining some concerns.

II. OTHER AGENCIES / CONSULTANTS

As part of the due diligence undertaken by the proponent and the City the following external agencies were consulted:

- Department of Sport and Recreation
- Department of Aboriginal Affairs

The key stakeholders are:

- City of Melville
- Wave Park Group trading as Urbnsurf Perth
- Melville Bowls Club
- Tompkins Park Sporting Clubs
- Swan River Trust (Department of Parks and Wildlife)
- Department of Lands
- Department of Planning
- Department for Water

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

- Water Corporation
- Western Power
- Main Roads
- Local Residents and Business Operators
- Atwell Arts Association
- Swan Estuaries Reserve Action Group (SERAG)

STATUTORY AND LEGAL IMPLICATIONS

Section 3.59 (3) of the *Local Government Act 1995* lists the content a Business Plan or Business Case should cover in the form of a major land transaction and requires an overall assessment of the proposal. The list refers to Section 5.56 which deals with Administration of Local Government and is detailed as follows:

“5.56 Planning for the future

- (1) A local government is to plan for the future of the district*
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

Several Attachments to the Business Case are being dealt with in confidential business in accordance with the following provisions Section 5.23 and Section 5.41 of the *Local Government Act 1995*. If a meeting is being held by Council or by a committee referred to in subsection (1)(b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following:

- (a) A contract entered into, or which maybe entered into, by the local government and which relates to a matter to be discussed at the meeting;
- (b) A matter that if disclosed, would reveal information that has a commercial value to a person.

FINANCIAL IMPLICATIONS

Total cumulative current value of the ground lease excluding rent reviews is \$20,300,000. The net present value (NPV) using a discount rate of 5% indicates a total cumulative ground lease value of \$9,613,000.

Total cumulative value of the ground lease including 2.5% CPI annual rent reviews and assuming no market rental growth over the full 30 year term of the lease is \$30,783,000. The NPV using a discount rate of 5% indicates a total cumulative ground lease value of \$13,417,000.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

If the proposed ten year plus ten year options were exercised by WPG then the cumulative lease term would be 50 years in total and the cumulative current value of the ground lease excluding rent reviews would be \$34,300,000. The NPV using a discount rate of 5% indicates a total cumulative ground lease value of \$11,536,000.

Total cumulative value of the ground lease including 2.5% CPI annual rent reviews and assuming no market rental growth over the full 50 year term of the lease is \$69,228,000. The NPV using a discount rate of 5% indicates a total cumulative ground lease value of \$18,490,000.

The above lease income calculations are exclusive of GST with WPG paying GST in addition to these lease amounts plus all variable outgoings incurred which will be itemised in the proposed ground lease agreement.

The proposed annual rental amount of \$700,000 is based on the City undertaking all demolition works on the Site. An alternative is for the Proponent to be responsible for demolition work; however this may then see a reduction in the annual rental fee.

The current lease to the Melville Bowls Club is approximately \$700 per annum, and building maintenance is undertaken by the City. Recent analysis highlights a City subsidy to Bowling members of the Club to be approximately \$400 per member (as reported in the City of Melville Lawn Bowls Strategy Report June 2016). Presently, the Club has 160 (capitated or Pennant Bowlers) members.

PROJECT OBJECTIVES AND OUTCOMES

The Proposal has the opportunity to deliver a number of benefits and opportunities for the City, assisting in meeting the City's vision and strategic goals through:

- Improved place activation by providing high quality amenities delivering a diverse experience for residents, visitors, workers and students;
- Increased diversity and relevance;
- Increased opportunities in sport development;
- Increased tourism; and
- Secure long term commercial lease income stream to the City to contribute to the City's financial sustainability objective.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
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Further outcomes that may be delivered include the following:

Benefit	Impact
Increased sport diversity and participation	Tompkins Park currently provides for no aquatic sports. The number of schools using the facility. Improved female participation. Wider age demographic using site.
Increased tourism and local business activity through operation.	WPG forecast approximately 250,000 surf hours per annum will be undertaken, with the facility receiving up to 300,000 visitations per year. The gross economic contribution for such a project is estimated to be in the order of \$300M over the operational lease period.
Improved amenities for the surrounding community	An improvement to the overall extent and quality of amenity currently offered. The Proposal also includes for the provision for new car parking servicing users of existing Swan River amenities (i.e. the dual use pathway, cyclists, and dog walkers). Creation of a living stream, activation of the area behind Atwell Arts Association.
Increased local employment options for local youth	300 jobs will be created through the construction period. 45 full time employees will be required to operate the facility throughout the operational life of the project.
Improved community engagement	Creation of partnerships with existing and new community groups (i.e. Atwell Arts Association, surrounding Primary and High Schools etc.)
Sport development	Surfing was recently announced as a demonstration sport for the Tokyo 2020 Olympics. This facility would offer training to assist elite athletes. This benefit can be measured by attendance of the facility by sports scientists, industry groups, athletes and the holding of surf competitions.
Net improvement to the environment	The Proposal includes for the improvement and beautification of the City's adjacent stormwater drain and rehabilitation of the riparian area of the adjacent wetland. Potential construction impacts will be managed through a Construction Environmental Management Plan. The Proposal offers to recognise the Aboriginal significance of the area through design and education.
Infrastructure and Servicing	The Proposal will see the upgrade of existing essential services, including power to the City's land (value adding). Further, the City retains the right to occupy the built forms following expiry of the lease
The furthering of the City's Strategic Objectives	The Proposal will support the aspirations of the Strategic Community Plan and is also consistent with the objectives of the City's Strategic Corporate Plan.
Ongoing revenue to the City derived from the Facility Ground Lease	The Facility is estimated to generate \$34.3M over the full ground lease term of 50 years including the lease option periods for reinvestment into Tompkins Park's further planning improvements. This is expected to be a significant net difference between the current revenue derived from the site.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
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Possible Concerns – Any Development Application and Approval will also deal with these matters.

Loss of Amenity	Bowling Club to be relocated 300 metres east to new facilities. No net loss of playing fields at Tompkins Park. Proposed Built form design limits loss of residential view corridors to Swan River and grassed/vegetated berms and landscaping to screen facility.
Environment	Currently highly modified site (since 1960's) with no remaining specific environmental values. Proposal provides opportunity to improve adjacent wetland and create living stream (currently stormwater drain). Proponent Discussions with Environment Protection Authority, Swan River Trust, Department of Parks and Wildlife, Department of Aboriginal Affairs and Department of Planning suggest no apparent significant issues.
Guest Behaviour	Expected users predominantly families, children and school groups. Current facility on site hired to variety of user groups in evenings with no loss of amenity, future usage proposed to be similar. Similar annual attendance to facilities as is seen at active sporting reserves. On-site security for busy times, with increased passive surveillance expected due to site activation.
Light and Noise	Lagoon lit from underwater and medium sized light towers (similar to tennis court lighting), will be directed lighting to minimise spill.
Traffic	Facility attendance is self-regulating given there are only a maximum of 84 surfing positions per hour – guests required to pre-book on line. Canning Highway is a major distributor road averages 45,000 vehicle movements a day. Good public transport available and access to cycle paths.
Sustainability	Sufficient ground water available, facility to have similar total water usage to that currently used by Bowls Club (annually). Power requirements similar to the Booragoon LeisureFit and planned substantial use of solar PV on site. Solar passive design proposed, use of recycled materials, use of sensitive urban design.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

PROPOSED PROCESS AND PROGRAM SCHEDULE (INDICATIVE ONLY)

Note that the program is indicative at this point in time and the project may be subject to variation.

<u>Dates</u>	<u>Process</u>
November 2016	Council approval to advertise proposal under Section 3.59
December 2016	Section 3.59 advertising for six weeks
February 2017	Refer submissions received to Council for final approval
February 2017	Council approves conditional Agreement for Lease (AFL)
March 2017	Execute Agreement for Lease (AFL)
April 2017	WPG prepares and lodges Development Application (including supporting technical studies)
May–November 2017	Development Application referred to the Department of Planning and other decision making authorities for assessment (including Department of Parks and Wildlife) and public advertising
December 2017	Development Assessment Panel considers Department of Planning report on Development Application and issues conditional approval
February 2018	Application for Building License submitted to the City
March-April 2018	Demolition of existing structures and construction commences (this would occur in consultation with the City, Melville Bowls Club and the relocation to Tompkins Park)
December 2018	Construction completed
December 2018	Commissioning of facility
December 2018	City conducts final inspection and issues Certificate of Occupancy
January 2019	Official opening and lease commencement

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

City of Melville’s Strategic Objectives

The City’s Corporate Business Plan 2016-2020 provides the following Priorities relevant to this proposal.

Priority 1: Restricted current revenue base and increasing/changing service demands impacts on rates.

Key Strategies to address this:

1. Explore opportunities for increased residential density and commercial investment in strategic locations, aligned to the local planning objectives and coupled with the exploration of special area rating.
2. Creating greater revenue from our current and potential land, property and facility holdings.
3. Pursue productivity and efficiency improvements.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
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Priority 2: Meeting the demand to provide fit for use/appropriate infrastructure into the future.

Key Strategies to address this:

1. Optimise facilities to achieve “fit for use” facilities for current and future beneficiaries. Includes amalgamation of like groups into hubs and shared use of facilities.
2. Review the standards and management model that we assess our asset gap against.
3. Ensure sufficient funding is available to replace assets at their end of life.

Priority 3: Urban development creates changes in amenity (positive and negative) which are not well understood.

Key Strategies to address this:

1. Facilitating higher density development in strategic locations, consistent with the local planning framework and structure plans, design guidelines for interface areas and ensuring measured change in established areas and consideration of parking and traffic issues.
2. Enhance amenity and vibrancy and enhancing community safety through streetscapes, public art, pedestrian and cycle paths, place making and creating well designed, attractive public areas.

Further, the City’s Strategic Community Plan *People Places Participation 2016-2026* aims to facilitate the following aspirations:

- Clean and Green
- Sustainable and connected transport
- Growth and prosperity
- Sense of Community
- Healthy Lifestyles
- Safe and Secure

The opportunity for the Facility to further the City’s Strategic Community Plan objectives and strategies are noted.

Risk management of the proposal is addressed in detail in the attached Business Case.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

However Risks for the City are identified below:

Risk Statement	Level of Risk	Risk Mitigation Strategy
<p>There is risk that the City of Melville is tying up an important component of freehold land for potentially 50 years under the ground lease opportunity and foregoing the opportunity for alternative for other uses in the future.</p>	<p>Moderate consequences which would be rare, resulting in Low level of risk.</p>	<p>The proposal site sits within the Tompkins Park precinct and is zoned Parks and Recreation for public use. It is unlikely that a change of use away from recreation would be acceptable to the Council or Community, and it is therefore reasonable to assume that there are little alternative redevelopment options for the site providing the level of financial return despite it being freehold land which the City owns.</p>
<p>There is the risk that if the owner and operator collapse, the City of Melville will inherit the facility and will either need to find a suitable experienced operator or undertake the operations itself.</p>	<p>Major consequences which would be possible. With risk mitigation as described risk is reduced to Low.</p>	<p>The City's solicitors will ensure that the City is legally protected as can be reasonably expected under Contract Law, by ensuring that the default provisions within the ground lease agreement provide a clear course of action in the event that the WPG is placed into Administration or Liquidation. In addition a security bond of significant value will be required from WPG to cover the "make good" costs such as demolition and site restoration so that the City does not bear the costs.</p>

Independent Risk Assessment

The City engaged the services of an independent risk assessor to undertake a risk assessment study of the proposal on behalf of the City and advise the City of potential risks and measures to mitigate those risks. The Report was issued on 28 October 2016 and it identified and ranked the risks associated with this proposal and recommended mitigation strategies for the City to employ. None of the risks identified were considered to be so severe that they would prevent the City from being able to mitigate those risks. No fatal flaws were identified from the risk assessment.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)****POLICY IMPLICATIONS**

Council Policy that would need to be referred to if the Proposal is to proceed includes the following:

- Architectural and Urban Design Advisory Panel – CP- 069 Canning Highway Precinct Design Guidelines - CP-075
- Car Parking and Access - CP-079
- Crime Prevention Through Environmental Design of Buildings – CP-065
- Disability Access and Inclusion Policy – CP-084
- Energy Efficiency in Building Design – CP-080
- Environmental Policy – CP-030
- Flood and Security Lighting – CP-058
- Land Property Retention, Disposal and Acquisition – CP-005
- Non-Residential Development – CP-087
- Outdoor Advertisements and Signage – CP-093

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The alternative option is to not proceed with Public Advertising under Section 3.59 of the *Local Government Act 1995*, and to instead proceed to following a Request for Proposals process. This would still be following the Recommendation from the Ordinary Meeting of the Council in June 2016 to investigate alternate recreation uses for the site that can provide a financial return. However, there is the risk of delays to process impacting the Proposal and offer.

The Public Advertising period, through Section 3.59 of the *Local Government Act 1995*, also serves to facilitate submissions for any further interest/proposals for the identified site which would be reported back to the Council at the conclusion of the advertising process for consideration.

CONCLUSION

The City has received an unsolicited proposal from the Wave Park Group to ground lease a portion of the Tompkins Park Reserve covering approximately 4.4 hectares for the purpose of constructing and operating a Wave Park recreational facility.

This is considered a unique, transformational proposal that could provide a number of community benefits to the City and will come with risks, but based on advice those risks can be mitigated. The community benefits and risks are outlined in the Business Case and also show excellent alignment to the City's Strategic Community Plan aspirations, and the Strategic Corporate Plan objectives.

The proposal includes an initial lease opportunity that represents significant return on investment for the City. This would be further negotiated if the Council endorses to move to formal lease negotiations at the conclusion of the Advertising Period.

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

If supported in principle the proposal can move to a Public Advertising period to ensure other interests may be registered, and to receive comment from the community. The proposal offers the introduction of a unique recreation facility to the community whilst at the same time providing significant financial return.

The proposal is to be funded by WPG and the initial offer proposes payment to the City of an annual commencing ground lease rent of \$700,000 (Ex GST) plus variable outgoings in return for granting a long term ground lease to WPG. The City would bear no cost for the project apart from agreeing to pay for the cost of demolition of the Melville Bowls Club building upon the Club vacating the premises and moving to their new Bowls Club facility on Tompkins Park.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (8092) APPROVAL

At 10.55pm Cr Wieland moved, seconded Cr Macphail –

That the Council:

- 1. Notes the Business Case which details the proposed wave park recreational facility project and ground lease;**
- 2. Approves the Proposal for advertising of the Business Case and ground lease proposal as per the requirements of Section 3.59 of the *Local Government Act 1995*; and**
- 3. Directs the Chief Executive Officer to report to the Council at the conclusion of the advertising.**

PROCEDURAL MOTION

At 10.55pm Cr Barton moved, seconded Cr Pazolli, the following Procedural Motion in accordance with Clause 11.1(b) of Standing Orders Local Law 2003 -

That discussion and decision on the Officer Recommendation on this Item be deferred to March 2017 at either a Special Meeting or Ordinary Meeting of Council to allow the Council time to meet its obligation under Section 1.3 (3) of the Local Government Act to “use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity”

At 11.04pm the Deputy Mayor submitted the motion, which was declared

LOST (3/8)

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

Vote Result Summary	
Yes	3
No	8

Vote Result Detailed	
Cr Barling	Yes
Cr Barton	Yes
Cr Pazolli	Yes
Cr Aubrey	No
Cr Foxtton	No
Cr Macphail	No
Cr O'Malley	No
Cr Phelan	No
Cr Robartson	No
Cr Schuster	No
Cr Wieland	No

AMENDMENT

At 11.07pm Cr Schuster moved, seconded Cr Robartson –

That an item 4 be added as follows:

4. Authorises the Chief Executive Officer to make minor amendments to the business case as follows:

- 1. Section 5 the business case needs to include that there will be no ongoing financial costs to the City.***
- 2. Section 9 to include the Environmental Protection Authority (EPA) in consultation.***
- 3. Section 9 Stakeholders Point 11 is to read local residents, business operators and resident groups.***
- 4. Table page 17 (Section light and noise) to include a new sentence, noise management will be assessed by the relevant regulatory agencies.***

At 11.21pm the Deputy Mayor submitted the amendment, which was declared

CARRIED (9/2)

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

Vote Result Summary	
Yes	9
No	2

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barling	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Pazolli	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Barton	No
Cr Wieland	No

PROCEDURAL MOTION – QUESTION BE PUT

At 11.22pm Cr Foxtton moved, seconded Cr Phelan the following procedural motion in accordance with Clause 11.1(d) of Standing Orders Local Law 2003 –

That the question be now put.

At 11.23m the Deputy Mayor submitted the motion which was declared

CARRIED (8/3)

Vote Result Summary	
Yes	8
No	3

Vote Result Detailed	
Cr Aubrey	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Barling	No
Cr Barton	No
Cr Pazolli	No

**CD16/8092 – WAVE PARK GROUP GROUND LEASE RECREATIONAL FACILITY
PROPOSAL FOR TOMPKINS PARK (REC) (CONFIDENTIAL ATTACHMENT)**

COUNCIL RESOLUTION (8092)

APPROVAL

That the Council:

- 1. Notes the Business Case which details the proposed wave park recreational facility project and ground lease;**
- 2. Approves the Proposal for advertising of the Business Case and ground lease proposal as per the requirements of Section 3.59 of the *Local Government Act 1995*; and**
- 3. Directs the Chief Executive Officer to report to the Council at the conclusion of the advertising.**
- 4. Authorises the Chief Executive Officer to make minor amendments to the business case as follows:**
 - Section 5 the business case needs to include that there will be no ongoing financial costs to the City.**
 - Section 9 to include the Environmental Protection Authority (EPA) in consultation.**
 - Section 9 Stakeholders Point 11 is to read local residents, business operators and resident groups.**
 - Table page 17 (Section light and noise) to include a new sentence, noise management will be assessed by the relevant regulatory agencies.**

At 11.24pm the Deputy Mayor submitted the motion, as amended, which was declared **CARRIED (7/4)**

Vote Result Summary	
Yes	7
No	4

Vote Result Detailed	
Cr Aubrey	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Barling	No
Cr Barton	No
Cr O'Malley	No
Cr Pazolli	No

13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

14. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil

15. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil

16. CLOSURE

There being no further business to discuss, the Deputy Mayor declared the meeting closed at 11.25pm