

CITY OF WEST TORRENS



Confidential Minutes

of

Report Item 21.1 of the Council Meeting

of the

CITY OF WEST TORRENS

held in the Council Chambers, Civic Centre
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 2 JULY 2019
at 7.00pm**

**Terry Buss PSM
Chief Executive Officer**

Index

21 Confidential..... 1
21.1 Divestment of Council Property at 108-120 Marion Road, Brooklyn Park 1

Released

21 CONFIDENTIAL**21.1 Divestment of Council Property at 108-120 Marion Road, Brooklyn Park****Reason for Confidentiality**

The Council is satisfied that, pursuant to Section 90(3)(b)(i) and (b)(ii) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (b)(i) information the disclosure of which - could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council.
- (b)(ii) information the disclosure of which - would, on balance, be contrary to the public interest.

Council resolved that:

1. Pursuant to Section 90(2) of the *Local Government Act 1999*, Council orders, that the public, with the exception of the Chief Executive Officer, members of the Executive and Management Teams in attendance at the meeting, and meeting secretariat staff, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report Item 21.1 Divestment of Council Property at 108-120 Marion Road, Brooklyn Park , attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(b)(i) and (b)(ii) because it may prejudice the commercial position of the Council and lead to Council not obtaining or securing the best possible price for the land to be divested. In addition, Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to secure the best possible price for the land for the benefit of the Council and its community and consequently, Council considers the disclosure of this information would, on balance, be contrary to the public interest.
2. At the completion of the confidential session the meeting be re-opened to the public.

8.44pm the meeting moved into Confidence and the confidential session commenced.

PRESENT:**Council Members:**

Mayor M Coxon (Presiding Member)

Councillors: J Woodward, E Papanikolaou, D Huggett, K McKay, D Mugavin, G Nitschke, S Pal, S Tsiaparis, G Vlahos, C O'Rielley, D Wilton, J Wood, B Reynolds

Officers:

Mr T Buss	(Chief Executive Officer)
Ms P Koritsa	(General Manager Business and Community Services)
Mr B Ross	(General Manager Corporate and Regulatory)
Mr A Catinari	(General Manager Urban Services)
Mr J Ielasi	(Manager City Assets)
Mr D Ottanelli	(Manager City Property)
Ms H Bateman	(Manager City Development)

This report summarised the response to the marketing campaign undertaken by commercial agents CBRE acting for Council for the divestment of Council's Marion Road Depot site at 108-120 Marion Rd, Brooklyn Park, together with providing Council options on the future of the local Heritage Building located on the site.

RECOMMENDATION(S)

It is recommended to Council that:

1. Council note the report from its heritage advisor and maintain an open mind in regard to any potential redevelopment on the site and while Council does not have any firm view on whether the local heritage listed item should be retained or not, it recognises that a potential purchaser of the site is free to submit a development application for assessment independent of the Elected Council for any proposed redevelopment including complete or partial demolition of the local heritage listed item and that Council would not unreasonably oppose or necessarily support such a development application if it is made.
2. The current sales process continue for the short term given there is still interest being expressed by several parties however, the current sale process will conclude on 31 August 2019 if nothing further results from this process that is satisfactory to Council.
3. If Council has not accepted an in-principle offer for the site by 31 August 2019 then the site be withdrawn from sale, Council continue to hold the site and the CEO be authorised to seek a tenant to lease the site under a commercial lease arrangement following which Council can consider re-offering the property for sale in a year or two with a lease in place and with other identified resistance points to the sale having been dealt with.
4. The Administration continue to monitor and deal with identified site contamination issues around groundwater testing and the underground fuel tanks; that absent a contract it take no action to remove the underground fuel tanks and remediate the surrounding soil until after 31 August 2019 at which stage Council will have a better idea as to the potential future use of, and its continued involvement, with the site; and that, in the interim, Council indicate its willingness to consider a contract for sale subject to it removing the underground tanks.

RESOLUTION

Moved: Cr John Woodward
Seconded: Cr Graham Nitschke

1. That Divestment of Council Property at 180-210 Marion Road, Brooklyn Park is referred to the City Facilities and Waste Recovery General Committee to further consider and recommend to Council options to:
 - a. Improve site value and remove potential impediments to a future sale through environmental remediation works.
 - b. Retain and re-establish the 'Primary Significance' heritage value items on the site, including removing any portions of 'Secondary Significance' and 'Little or No Significance' heritage value connected to the heritage item.
 - c. Better realise the full potential commercial value of the site, including potential subdivision of the site.

2. The current sales process be concluded at this stage given that the two offers realised from the Expression of Interest process are below Council's expected sale price and that the two offers are qualified to the point that they are not acceptable to Council.
3. Council may consider any improved offers from the two respondents to the Expression of Interest process or from any other interested party but that consideration will not extend beyond 31 August 2019.
4. In the meantime, the CEO be authorised to seek a tenant to lease the site under a commercial lease arrangement however, no formal arrangement be entered into regarding such a lease until either any revised offer by any party is accepted by Council, or the 31 August 2019, whichever is the earlier.

Discussion took place in relation to Point 1(b) of the motion specifically whether to retain and re-establish the heritage value items on the site. Cr Cindy O'Rielley suggested the inclusion of the word 'Whether' in Point 1(b) to allow for consideration of options for the heritage items on the site. The mover, Cr John Woodward and seconder, Cr Graham Nitschke consented to the change and accordingly, the motion was changed as follows:

Moved: Cr John Woodward

Seconded: Cr Graham Nitschke

That:

1. That Divestment of Council Property at 180-210 Marion Road, Brooklyn Park is referred to the City Facilities and Waste Recovery General Committee to further consider and recommend to Council options to:
 - a. Improve site value and remove potential impediments to a future sale through environmental remediation works.
 - b. Whether to retain and re-establish the 'Primary Significance' heritage value items on the site, including removing any portions of 'Secondary Significance' and 'Little or No Significance' heritage value connected to the heritage item.
 - c. Better realise the full potential commercial value of the site, including potential subdivision of the site.
2. The current sales process be concluded at this stage given that the two offers realised from the Expression of Interest process are below Council's expected sale price and that the two offers are qualified to the point that they are not acceptable to Council.
3. Council may consider any improved offers from the two respondents to the Expression of Interest process or from any other interested party but that consideration will not extend beyond 31 August 2019.
4. In the meantime, the CEO be authorised to seek a tenant to lease the site under a commercial lease arrangement however, no formal arrangement be entered into regarding such a lease until either any revised offer by any party is accepted by Council, or the 31 August 2019, whichever is the earlier.

CARRIED

FURTHER

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the Item 21.1 - Divestment of Council Property at 108-120 Marion Road, Brooklyn Park, the Minutes arising, attachments and any associated documentation, having been considered by the Council in confidence under Section 90(3)(b)(i) and (b)(ii), be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting, on the basis that it may prejudice the commercial position of the Council and lead to Council not obtaining or securing the best possible price for the land to be divested. In addition, Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may severely prejudice Council's ability to secure the best possible price for the land for the benefit of the Council and its community and consequently, Council considers the disclosure of this information would, on balance, be contrary to the public interest.
2. Council delegates the power of review, but not the extension, of the confidential order to the Chief Executive Officer on a monthly basis in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

RESOLUTION

Moved: Cr Daniel Huggett

Seconded: Cr Elisabeth Papanikolaou

That the recommendations be adopted.

CARRIED

9.26pm the Confidential session closed and the meeting reopened to the public.