

9.4 CHIEF EXECUTIVE OFFICER

9.4.1 Proposed Lower Chittering Sports and Community Centre Project: Stage 1*

Report date	18 April 2018
Applicant	Shire of Chittering
File ref	18/07/15
Prepared by	Chief Executive Officer
Disclosure of interest	Ni
Voting requirements	Simple Majority
Attachments	<ol style="list-style-type: none">1. Site plan2. Lower Chittering Land Development Options, dated March 2018 (Confidential – not for public disclosure)3. Valuation Report Part Lot 8017 Muchea East Road, Lower Chittering (Confidential – not for public disclosure)

Executive Summary

Council's is requested to approve a budget amendment to release \$70,000 from the Recreation Development Reserve to allow for planning and costing of facilities associated with Stage 1 of the Lower Chittering Recreation and Sports Facility.

In order to ensure that Council is prepared for future Federal Grant Funding rounds (which is a possibility prior to the end of the current financial year), it is essential that a preliminary survey, geotechnical analysis, costed concept plan and a fully documented cost benefit analysis is prepared for Stage 1 of the proposed Lower Chittering Sports and Community Centre Project. It is also proposed to further investigate the proposed sale of a 3 ha portion of Public Open Space land to Immaculate Heart College.

Accordingly, it is proposed to transfer \$70,000 from the Recreation Development Reserve (current balance \$333,601) into a specific project budget to further progress these matters. While Council could delay any such considerations for the upcoming budget, there is a high risk that Council would not be prepared for future Federal Grant applications. It is too late to prepare this information after a grant funding round is announced as the time between announcement and lodgement is usually less than six weeks.

Background

Council will recall that a detailed Sports and Recreation Centre Feasibility study, which included an extensive community consultation component, was undertaken in 2016. The final report was presented to Council on 16 November 2016 followed by a staging workshop in early 2017. However, project viability depends on future grant funding opportunities and a potential partnership with Immaculate Heart College for the possible development or joint use facilities which would be of benefit to both the school and the local community.

On 15 November 2017, Council was advised of a Federal grant funding opportunity through the Building Better Regions Fund. However, in developing the application it became apparent that finalising a sufficiently detailed funding application with supporting cost benefit analysis would not be possible prior to the close of submissions on 16 December 2016. At the time it was proposed to develop an affordable project (circa \$6m) be developed as part of the 2018/19 Annual Budget. However, as there are funds available from the Recreation Development Reserve which would be suitable for this purpose, it is proposed

to undertake the necessary work in anticipation of future funding opportunities, which may well arise prior to finalising the 2018/19 Annual Budget.

A related issue is the transfer/sale of 3 ha of Public Open Space land in Lower Chittering to Immaculate Heart College (IHC). Council is already aware of ongoing negotiations with Immaculate Heart College to determine the viability of a land-swap with Council. IHC is in the process of transitioning from a Year 7 school through to a Year 12 School over the next four years, with the first Year 8 intake in 2018. The school has recently completed a new classroom building to cater for increased numbers. The facility has been constructed and completed to a very high standard which bodes well for future developments at the school. Enrolment numbers are also exceeding annual targets.

As it currently stands, IHC would be forced to construct part of the school across the road from its existing location in Lower Chittering. Split campus schools across Australia have a poor record when it comes to student safety. It would be a far better outcome for the School to be developed in its current location. The school adjoins 10ha of Public Open Space which is intended for the development of the Lower Chittering Sports and Community Centre. The proposed facility can easily be accommodated on 7ha of the land; the balance 3ha could therefore be used for school expansion. The 7ha parcel is quite capable of housing a full size AFL field with indoor sporting facilities, recreation club, outdoor courts and car parking. The diagrams at **Attachment 1** show the land which is proposed for school expansion and the balance parcel which is proposed for recreation/sporting facilities. Initially it was proposed that Council enter into a land swap with the school however the school's preference is to purchase the land at market price.

Giving effect to such a transaction involves subdivision of the land and Council entering into an agreement with the State Government to purchase the land in Freehold title. Such arrangements are quite complex and time consuming and must be supported by a specific business case. In order to put some context around the actual process, Council and the School jointly engaged NAJA Consulting (Paul Rosair) to detail the process required. A copy of that report is at **Attachment 2 (Confidential – not for public disclosure)**. The report is provided on a confidential basis at this stage as we would not want to compromise further discussions with the State Government should something in the report not be strictly in accordance with current practice/policy. In the past, the transfer of land to freehold has occurred at a discount (i.e. less than full market price) and would usually be in accordance with prescribed conditions (e.g. conditional freehold - for education purposes only). A current valuation for the 3ha parcel of land is at **Attachment 3 (Confidential – not for public disclosure)**. The report is again provided on a confidential basis as the matter will be the subject of future commercial negotiations.

The \$70,000 allocation is proposed to be allocated as follows:

Description	Amount
Preliminary survey / geotechnical	\$10,000
Architectural concept / preliminary design	\$10,000
QS estimates	\$5,000
Cost Benefit Analysis	\$25,000
Land Transaction Costs	\$20,000
TOTAL	\$70,000

Consultation/Communication Implications

Local

Council has been previously briefed regarding the Sports and Community Centre Feasibility Study (numerous workshops and consultant briefings - the most recent of these being the staging workshop on 15 February 2017) and the proposed land transaction involving IHC (the most recent of these being at the Council Briefing session on 12 December 2017).

Community consultation occurred as part of the Sports and Community Centre Feasibility Study from March to September 2016.

State

Nil

Legislative Implications

State

There are legal implications associated with the proposed land transactions, the basis of which are summarised in **Attachment 2 (Confidential – not for public disclosure)**.

Generally, Council must comply with the requirements of the *Local Government Act 1995*. Section 3.58 of the Act contains specific provisions regarding the disposal of property. Most notably, the size of the proposed transaction is considerably less than the threshold for a major land transaction.

Local

Nil

Policy Implications

State

There are policy implications associated with the proposed land transaction, the basis of which are summarised in **Attachment 2 (Confidential – not for public disclosure)**.

Local

Nil

Financial Implications

As referenced under “Background” the \$70,000 which is currently in the Shire’s Recreation Development Reserve, will be used to fund:

Description	Amount
Preliminary survey / geotechnical	\$10,000
Architectural concept / preliminary design	\$10,000
QS estimates	\$5,000
Cost Benefit Analysis	\$25,000
Land Transaction Costs	\$20,000
TOTAL	\$70,000



Strategic Implications

Local

- Strategic Community Plan 2017-2027

- | | |
|-------------|--|
| Focus area: | Our community |
| Objective: | S1.1. An active and supported community |
| Strategy: | S1.1.2 Develop and enhance existing recreation and social facilities for local communities |
| Objective: | S1.3 A safe and healthy community |
| Strategy: | S.1.3.1. Improve the safety of our community |
| Focus area: | Our built environment |
| Objective: | S3.1 Development of local hubs |
| Strategy: | S3.1.1. Plan for new and enhanced community facilities |
| Focus area: | Strong leadership |
| Objective: | S5.2 Strong partnerships and relationships |
| Strategy: | S5.2.1. Build effective partnerships with stakeholders |
| | S5.2.2. Actively seek grant funding opportunities to support identified projects |

State

The Department of Planning, Lands and Heritage (DPLH) will need to be involved for the purposes of reclassification sometime in the future (refer to **Attachment 2 Confidential – not for public disclosure**).

Site Inspection

Site inspection undertaken: Yes

There have been numerous site inspections over the last two years, with many more to follow.

Triple Bottom Line Assessment

Economic implications

There are positive economic implications associated with the proposed land transaction. It is recommended that any excess funds generated through the process be allocated to the Recreation Development Reserve for the Lower Chittering Sports and Recreation Facility.

The only realistic mechanism for funding the Lower Chittering Sports and Recreation Facility is through partnerships (potentially with IHC) and through either federal or state grant funding opportunities.

Social implications

There are positive social implications associated with the development of shared use sporting facilities adjacent to the IHC school in Lower Chittering, with the school community and the local community involved in the management and use of those facilities.

The safety risk associated with a split school campus is effectively eliminated, should IHC be consented to develop on the western side of the current Public Open Space, rather than across Santa Gertrudis Drive, Lower Chittering.

Environmental implications

There are no known significant environmental implications associated with the proposal. Stormwater can be managed in such a way that it does not cause any appreciable increase in runoff with potentially enhanced mechanisms for treating runoff. There is also the potential for storage of water used for irrigation purposes which is yet to be fully explored.

Officer Comment/Details

Overall, the proposed land transaction and the joint development of sporting facilities at Lower Chittering represents an excellent example of Council, the School and the local community working towards a common outcome for the benefit of all.

OFFICER RECOMMENDATION

Moved Cr Tilbury / Seconded Cr Osborn

That Council approves a budget amendment to release \$70,000 from the Recreation Development Reserve to allow for planning and costing of facilities associated with Stage 1 of the Lower Chittering Recreation and Sports Facility, including the preparation of a cost benefit analysis and further progress of the proposed land transaction involving Immaculate Heart College.

AMENDMENT

Moved Cr King / seconded Cr Ross

That the amount of "\$70,000" be amended to read "up to \$100,000" so that the Recommendation reads as follows:

"That Council approves a budget amendment to release up to \$100,000 from the Recreation Development Reserve to allow for planning and costing of facilities associated with Stage 1 of the Lower Chittering Recreation and Sports Facility, including the preparation of a cost benefit analysis and further progress of the proposed land transaction involving Immaculate Heart College."

**THE AMENDMENT WAS PUT AND DECLARED CARRIED 7/0
AND FORMED PART OF THE SUBSTANTIVE MOTION**

8:06PM

9.4.1 SUBSTANTIVE MOTION / COUNCIL RESOLUTION 070418

Moved Cr Tilbury / Seconded Cr Osborn

That Council approves a budget amendment to release up to \$100,000 from the Recreation Development Reserve to allow for planning and costing of facilities associated with Stage 1 of the Lower Chittering Recreation and Sports Facility, including the preparation of a cost benefit analysis and further progress of the proposed land transaction involving Immaculate Heart College.

THE SUBSTANTIVE MOTION WAS PUT AND DECLARED CARRIED 7/0

8:06PM





