



## **Notice of Commercial Services Committee Meeting**

A Commercial Services Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Tuesday 18 November 2014 commencing at 4.00 pm.**

### **Business**

1. Apologies
2. Declarations of Interest
3. Deputations
4. Committee Reports

A handwritten signature in black ink, appearing to read 'Paul Hickey', with a long horizontal line underneath.

Paul Hickey  
**General Manager**

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1. Apologies
  2. Declarations of Interest
  3. Deputations
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**1. Apologies**

**2. Declarations of Interest**

**3. Deputations**

- **Graham Eggins, Mens Shed** – spoke in relation to Item 4.3 –Southern Cross Industrial Estate – 54 North Creek Road, Ballina.

## **4.1 Shuttle Bus Concession Desks - Airport**

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### **4. Committee Reports**

#### **4.1 Shuttle Bus Concession Desks - Airport**

**Delivery Program** Commercial Services

**Objective** To obtain Council approval to grant licences to three companies to operate shuttle bus concession desks at Ballina Byron Gateway Airport.

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#### **Background**

Council has been providing shuttle bus booking concession desks at the Ballina Byron Gateway Airport (BBGA) for a number of years. There are three approved operators for three concession desks which are currently licensed on month to month holdover arrangements. The previous licence agreements expired on 30 September 2014. These concession desks are labelled desks four, five and six, with desk four being closest to the exit door of the terminal building. Refer to attachment one for the layout of these desks. Desk four is the most sought after desk due to its location at the exit.

An independent assessment of rental rates and passenger charges was undertaken to determine the value of these concession desks. This assessment took into account a number of factors including the increase in flights to and from BBGA, the growth in passenger numbers as well as licence fees being charged for similar services at other regional airports.

As a result of this review it was determined that the **minimum** base rental for the shuttle bus concession desks/licences should be set at \$25,000 p.a. + GST and the passenger charge increased to \$1.00 + GST per passenger carried; i.e. the shuttle bus operator pays a base licence fee and is charged an additional amount of \$1.00 + GST for each passenger carried.

Expressions of interest were then advertised under Request for Tender 773 (RFT773) for five years and this report outlines the outcomes from that process.

#### **Key Issues**

- Economic return to Airport
- Regular and reliable shuttle bus services for locals and visitors.

#### **Information**

The tender was advertised on Saturday 16 August 2014 and closed on Thursday 11 September 2014 with tender submissions from the three current operators:

1. Hawkins Investments (trading as Steve's Tours)
2. Xcede Airport Transfers
3. Byron Easy Bus

#### 4.1 Shuttle Bus Concession Desks - Airport

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All three operators submitted conforming tenders (albeit for concession desk number four). A breakdown of the prices submitted is as per attachment two.

The operators submitted the following prices as conforming tenders for concession desk number four:

1. Hawkins Investments (trading as Steve's Tours); \$36,100 p.a. + GST plus a passenger charge of \$1.03 per person + GST.
2. Xcede Airport Transfers; \$36,000 p.a. + GST plus a passenger charge of \$1.00 per person + GST.
3. Byron Easy Bus; \$25,000 p.a. + GST plus a passenger charge of \$1.00 per person + GST.

The offer from Hawkins Investments for desk number four is the highest conforming tender for this desk and is recommended for acceptance.

Subsequent negotiations with Xcede and Byron Easy Bus have identified ongoing interest in the two remaining concession desks/licences i.e. Xcede Airport Transfers for desk number five and Byron Easy Bus for desk number six.

This report recommends that the remaining two concession desks/licences (five and six) be offered to the two lower tenderers at the minimum base licence fee of \$25,000 p.a. + GST and a passenger charge of \$1.00 + GST per person.

The following information provides an overview of financial and operational matters relating to the shuttle bus concession desks:

1. The income derived from the three shuttle bus concession desks for the financial year ending June 2014 was as follows:
  - a. \$75,233 + GST in base licence fees; and
  - b. \$47,143 + GST for passenger charges

These figures are based on the current rates as follows; (all figures being exclusive of GST)

<b>Operator</b>	<b>Base Rental (\$)</b>	<b>Passenger Charge (\$)</b>
Hawkin's Investments	35,005	0.90
Xcede Airport Transfers	22,225	0.90
Byron Easy Bus	18,003	0.90

2. The estimated income to be derived from the three shuttle bus concession desks is now estimated as follows:
  - a. \$86,100 + GST in base licence fees; and
  - b. \$55,000 + GST for passenger charges.

## **4.1 Shuttle Bus Concession Desks - Airport**

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3. The three tenderers are incumbent operators and have been operating at the Airport for a number of years.
4. All three tenderers have demonstrated they are capable of meeting the requirements of the applicable licence agreements, the NSW Department of Transport and Infrastructure (accreditation requirements) and laws and regulations relating to the shuttle bus operations.
5. All three tenderers offer a good level of service and a range of vehicles to meet with the needs of the travelling public.

### **Sustainability Considerations**

- **Environment**

Not applicable

- **Social**

Shuttle buses provide a public transport service to and from the airport.

- **Economic**

The revenue derived from the shuttle bus concession desks is an important revenue stream for the airport.

### **Legal / Resource / Financial Implications**

The forecast income to be derived from the three shuttle bus concession desks based upon the proposed licence fee structures is estimated to be \$141,100, equating to an increase of \$18,700 derived for the year ending June 2014. The tender specification allows for annual CPI increases on the base rental.

### **Consultation**

All three current operators were consulted as part of the tendering process and a public tender process was undertaken.

### **Options**

Under the Local Government (General) Regulations, Council must either accept the tender that appears to be the most advantageous or decline to accept any of the tenders.

The options are available to Council include:

1. Council resolves not to accept any of the tenders received and invite fresh tenders.

This option is not recommended as Council has undertaken the tender process in accordance with the Local Government (General) Regulation 2005.

#### **4.1 Shuttle Bus Concession Desks - Airport**

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2. Council resolves to accept the tender from Hawkins Investments for shuttle bus concession desk number four for a term of five years at a licence fee of \$36,100 p.a. and a passenger charge of \$1.03 per person and authorises the General Manager to finalise negotiations accordingly. Council resolves to authorise the General Manager to finalise negotiations with Xcede Airport Transfers for shuttle bus concession desk number five and Byron Easy Bus for shuttle bus concession desk number six, with both licensees to pay the minimum base licence fee of \$25,000 p.a. + GST and passenger charge of \$1.00 per person + GST.

This is the preferred option as it will maintain the status quo in terms of shuttle bus operators and provide Council with an increased airport revenue stream.

3. Council negotiate further with the tenders.

This is not recommended as it is considered that Council has negotiated a reasonable outcome for this process.

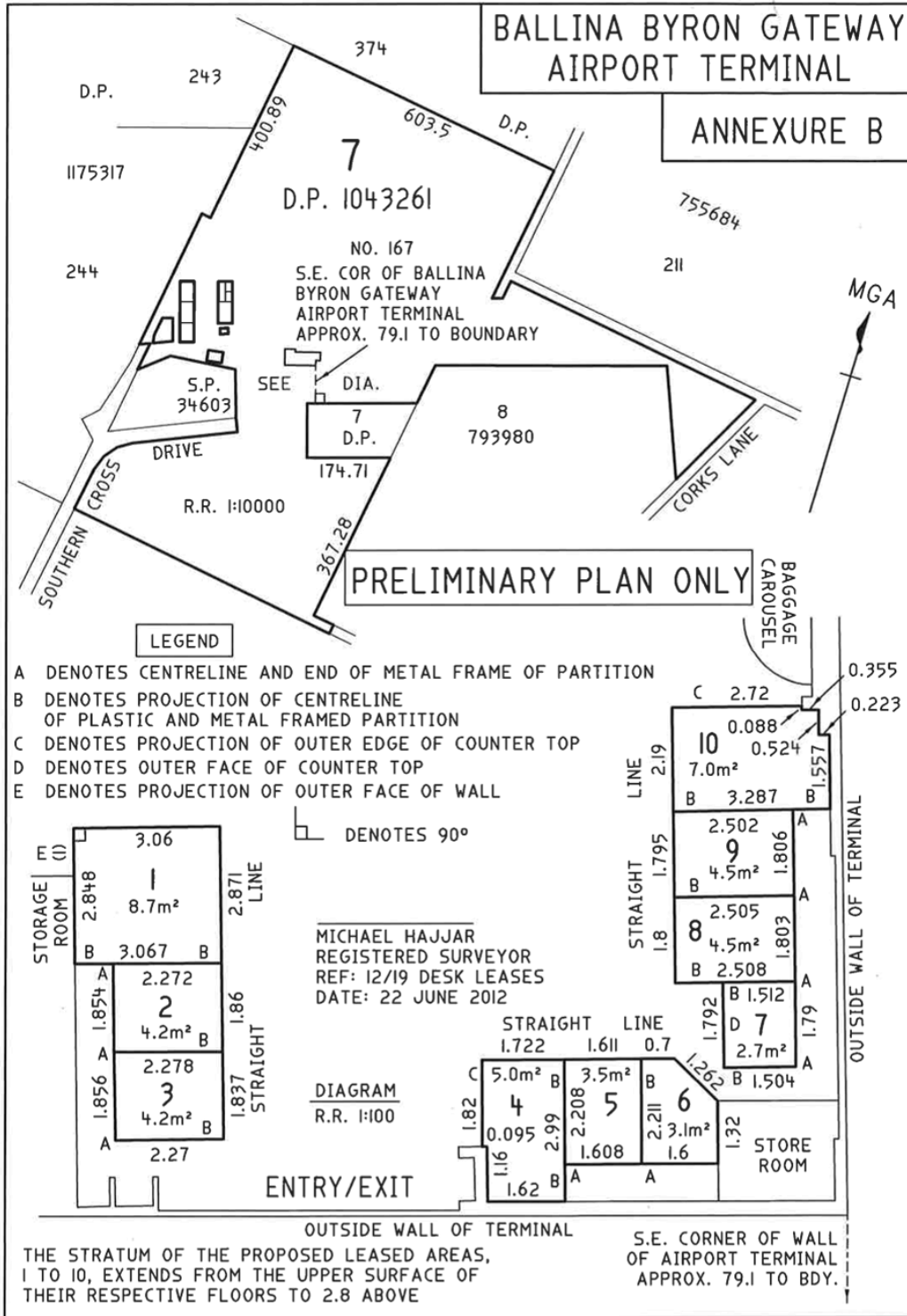
#### **RECOMMENDATIONS**

1. That Council resolves to accept the tender from Hawkins Investments for desk four, along with the negotiated outcomes with Xcede Airport Transfers for desk five and Byron Easy Bus Bay Easy for desk six, as detailed within this report.
2. The General Manager is authorised to finalise negotiations with all three tenderers based on point one.
3. The use of Council's Common Seal is approved to be affixed to the respective licence agreements.

#### **Attachment(s)**

1. Terminal Layout Plan - Location of Shuttle Bus Concession Desks
2. Tender Assessment Schedule

*Attached 2.*





## 4.1 Shuttle Bus Concession Desks - Airport

Attachment 1

### RFT773 Ground Transport (Shuttle Bus) Services - Ballina Byron Gateway Airport to Byron Bay and surrounds

Tenderer	Offer (ex GST)	Desk	Conforming/ Non Conforming	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12
1 Hawkins Investment	\$36,100	4		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	\$1.03 pp		Conforming												
2 Xcede Airport Transfers	\$36,000	4		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	\$1.00 pp		Conforming												
	\$15,000	5	Non Conforming with minimum price												
	\$1.00 pp														
	\$5,000	6	Non Conforming												
\$1.00 pp															
3 Byron Easy Bus	\$25,000	4		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	\$1.00 pp	4	Conforming												
	\$18,900	6	Non Conforming with minimum price												
	\$1.05 pp	6													

Notes: The valuation report for the market licence fee was provided by Opteon for this tender.

The base licence fee is \$25,000 pa + GST

The charge per passenger is \$1.00 per passenger + GST

The existing Base Rental Charge and Passenger Charge is as follows:

- 1 Hawkins \$35,006 ex GST pa and 90c pp ex GST (for approximately 16,442 passengers) Desk 4
- 2 Xcede \$22,226 ex GST pa and 90c pp ex GST (for approximately 20,100 passengers) Desk 5
- 3 Byron Easy Bus \$18,003 ex GST pa and 90c pp ex GST (for approximately 15,839 passengers) Desk 6

## **4.2 Wollongbar Residential Estate - Stage 1 Update**

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### **4.2 Wollongbar Residential Estate - Stage 1 Update**

**Delivery Program** Commercial Services

**Objective** To provide an update on the progress of the Wollongbar Residential Estate Stage 1.

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#### **Background**

At the Commercial Services Meeting of 26 March, 2013, Council resolved (approved at the March 2013 Ordinary Council meeting) to authorise the General Manager to prepare and submit a development application for the first stage of Council's residential landholdings in Wollongbar.

In August 2013 consultants Newton Denny Chapelle (NDC) lodged a development application for 15 residential lots on the subject land.

At the Commercial Services Meeting of 15 October, 2013, Council resolved (approved at the October 2013 Ordinary Council meeting) that, subject to gaining development consent, to approve the development of Stage 1 comprising 15 lots, take immediate steps to clear the land and review the lot layout in respect of the large teak tree on proposed Lot 5. On 24 October, 2013, Stage 1 was granted development for 15 residential lots (DA 2013/302).

At the Commercial Services Meeting of 18 February, 2014, Council resolved (approved at the February 2014 Ordinary Council Meeting) to authorise the General Manger to commence marketing of the 15 lots "off the plan" by private treaty through local real estate agents at asking prices set by consultant valuers HTW. At the same meeting Council also resolved to accept an aborist's report that the teak tree on Lot 5 be retained and that Council receive a further report on options for the proposed lot.

This report has been prepared to provide Councilors with an update on progress of the project and present options in regards to Lot 5 (the teak tree lot).

#### **Key Issues**

- Progress of development works
- Status of lot sales and development costs
- Options for Lot 5 (the teak tree lot)
- Road naming

#### **Information**

The progress of the project is detailed as follows:

##### **1. Progress of Development Works**

At the February 2014 Ordinary Council meeting Council accepted a tender from John Cormack Earthmoving for the amount of \$749,520 + GST to undertake civil works to develop the 15 lots.

## 4.2 Wollongbar Residential Estate - Stage 1 Update

This price was subsequently adjusted down to \$715,775 + GST by removing the landscaping component and having those works priced separately.

On 26 May, 2014 a construction certificate was granted to the project and works commenced on 6 June, 2014.

As at the date of drafting this report civil development works were due to be completed in the week ending 14 November, 2014, and the project was on target to be completed in line with the adjusted contact price of \$715,775 + GST (subject to receiving final progress claims).

Project consultants NDC are now in the process of finalizing works as executed documents and a linen plan and propose to lodge same with Council for a subdivision certificate by 21 November, 2014. Upon release of a subdivision certificate and linen plan by Council, application for registration of title will be made with NSW Land and Property Information ("LPI")

### 2. Lot Sales

Marketing of 14 of the 15 residential lots "off the plan" through local agents commenced in February, 2014. As requested by Council, Lot 5 has been placed on hold till further notice.

The asking prices for the lots are as per HTW's appraisal of "on-completion" prices in their report dated 9 February, 2014. As at the date of drafting this report terms have been agreed for the sale of 11 lots at the asking prices, of which contracts have been exchanged on nine lots. A summary of lot sales to date is as follows and a layout plan is **attached**:

Lot #	Site Area	Price	Status	Sale Price
1	861m <sup>2</sup>		Contracts exchanged 7-07-2014	205,000
2	817m <sup>2</sup>		Contracts exchanged 24-07-2014	205,000
3	809m <sup>2</sup>		Contracts exchanged 18-07-2014	205,000
4 C	780m <sup>2</sup>		Contracts exchanged 18-08-2014	205,000
5 o m	1,458m <sup>2</sup>		On hold until Council resolves otherwise.	
6 m	837m <sup>2</sup>	200,000	Available	200,000
7 e	775m <sup>2</sup>	210,000	Available	
8 n	680m <sup>2</sup>		Contracts exchanged 15-09-2014	220,000
9 t	666m <sup>2</sup>		Contract issued	230,000
10 s	626m <sup>2</sup>		Contracts exchanged 16-10-2014	230,000
11 j	627m <sup>2</sup>		Contracts exchanged 20-10-2014	230,000
12 n	650m <sup>2</sup>		Contracts exchanged ---11-2014	230,000
13 r	890m <sup>2</sup>		Contract issued	230,000
14 e	879m <sup>2</sup>		Contracts exchanged 25-06-2014	195,000
15 g	798m <sup>2</sup>	215,000	Available	
		<b>625,000</b>		<b>2,375,000</b>

## 4.2 Wollongbar Residential Estate - Stage 1 Update

Details of the unsold lots are as follows:

- Lot 5 (teak tree lot) – good level of enquiry from people seeking to purchase this lot “as is” with the teak tree on it. In February 2015, HTW assessed the asking price of this lot to be \$255,000.
- Lots 6 & 7 – terms and conditions had been agreed for the sale of these lots at the asking prices however the sales fell over due to finance and the triangular battle axe configuration of each lot which deters many purchasers.
- Lot 15 – the feedback received from agents was that the slope on this lot was a real deterrent to the majority of purchasers who are seeking level lots. Given the civil contractor was on site it was decided to undertake cut and fill works and construct retaining walls on this lot to reduce the slope to approximately 1.00%. All up these works will cost approximately \$30,000. Prior to the works being undertaken HTW assessed the market value of this lot at \$180,000 and the asking price at \$195,000. HTW has reassessed the asking price of Lot 15 to be \$215,000 upon completion of cut and fill works.

To date asking prices have been achieved on all sales. Details are summarized as follows:

Sales to date	2,375,000
Lots for sale at HTW's asking price	625,000
<b>Sub-total</b>	<b>3,000,000</b>
Lot 5 (HTW's asking price)	255,000
<b>Total</b>	<b>3,255,000</b>

Purchasers are keen to settle as soon as possible and commence construction of houses. As noted earlier project consultants NDC are now in the process of finalizing plans and documentation to lodge same with Council to apply a subdivision certificate by 21 November, 2014. Upon release of a subdivision certificate and linen plan by Council, application for registration of title will be made with LPI. Settlement will hopefully occur in December or January.

### 3. Financial Overview

The financial performance of the project to date is summarised as follows:

Projected Revenue		3,255,000
Less GST		296,000
<b>Revenue Ex GST</b>		<b>2,959,000</b>
Less selling expenses		120,000
<b>Net Revenue</b>		<b>2,839,000</b>
<b>Less Costs</b>		
	Costs incurred 2012/2013	49,000
	Costs incurred 2013/2014	256,000
	Costs incurred 2014/2015 (to date)	468,000
	Estimated costs to complete project	354,000
	Council Contributions	616,000
		1,743,000
<b>Forecast Development Margin (Net Profit)</b>		<b>1,096,000</b>

Please note that the costs quoted above are exclusive of GST. In the report presented to Council in October 2013, the forecast development margin or profit was forecast to be \$1,050,000 (before interest).

### 4. Lot 5

In its current form Lot 5 comprises an area of 1,458m<sup>2</sup>, is level and has a brick wall, approximately 1.8 metres high, constructed along its rear boundary to Rifle Range Road. The brick wall was constructed as an acoustic barrier as per Condition 29 of DA 2013/302.

As noted above, at the Commercial Services Meeting of 18 February, 2014, Council resolved to accept an arborist's report that the teak tree on Lot 5 be retained and that Council receive a further report on options for the proposed lot.

The teak tree on the lot was pruned by an arborist earlier this year and appears to be in good health, presents well and provides a landmark feature for Stage 1.

In terms of marketing, this lot has been placed on hold (as per Council's February resolution). Feedback from real estate agents indicate there is a good level of enquiry from people seeking to purchase this lot "as is" with the teak tree on it. Purchasers are attracted by the size of the lot, 1,458m<sup>2</sup>, and the ambience and appeal the teak tree brings to it.

No doubt some purchasers are attracted to Lot 5 by its potential for subdivision if the teak tree were removed. However, removal would require the consent of Council.

Council has the option of placing Lot 5 on the market for sale by private treaty at an asking price of \$255,000 (as assessed by HTW) in February this year or at a price as assessed by HTW in the current market.

If Council is concerned about preserving the teak tree once it is sold as the owner of the land we can impose a restriction requiring the retention of the tree by successors in title. This will not guarantee its retention however, as any person can apply for development consent to have it removed or lopped/pruned in the future, but nevertheless it will assist in protecting the tree as much as practically possible.

Retaining the teak tree component of Lot 5 as a public park of some form is not recommended. Council would be responsible for the cost of managing and maintaining the tree and the land pertaining to the lot.

The only other option would be to remove the teak tree and split the lot into two lots. This could possibly generate Council an additional \$130,000 after payment of additional developer contributions, agent's commission, GST and removal costs. However Council has an arborist's report confirming the tree is healthy, we need to be mindful of any precedent being set with this type of action, approval would still need to be obtained and Council should be setting the standard when undertaking any form of development.

Therefore this course of action is not recommended.

**5. Street Naming**

There is one street within Stage 1 that requires a name. Council staff have lodged five proposed names with Land and Property Information (“LPI”) who manage the naming of roads within New South Wales, these names being:

<b>Proposed Name</b>	<b>Meaning</b>
Tectona Place	Tectona is derived from the teak tree species name. Teak is a tropical hardwood tree of species <i>Tectona grandis</i> . This name was considered appropriate due to the teak tree currently located on Lot 5 within the Estate
Genoa Place	Is a native species identified in Council's Ballina Shire Urban Garden Guide
Geebung	Is a native species identified in Council's Ballina Shire Urban Garden Guide
Hakea	Is a native species identified in Council's Ballina Shire Urban Garden Guide
Ironwood Place	Is a native species identified in Council's Ballina Shire Urban Garden Guide

As part of the process in ensuring the name is suitable, the name is sent to the relevant government agencies such as ambulance, police and Australia Post to determine if they concur with the proposed name put forward. At this stage Council has received notification that Tectona Place is on exhibition to the agencies with no responses received to date. The other four names are yet to be exhibited. It is hoped that one of these names is acceptable to the LPI so that registration of title can proceed and lot sales settled as soon as possible. Attempting to introduce new names will delay this process.

**Legal / Resource / Financial Implications**

Council currently has \$1.343 million in funds allocated to this project in the 2014/15 budget. The estimated cost to complete the project will result in a shortfall of approximately \$96,000 in the funds allocated as per the following table.

<b>Funds allocated in 2014/2015 Budget</b>		<b>1,343,000</b>
<b>Less</b>		
Funds expended 31 October 2014	468,000	
Funds already committed	277,000	
<b>Sub Total</b>	<b>745,000</b>	
Estimated cost to complete Project	78,000	
Council contributions	616,000	
<b>Total Estimated Expenditure 2014/15</b>		<b>1,439,000</b>
<b>Shortfall in Funding Allocated</b>		<b>96,000</b>

The reason for the shortfall in funding allocated is due to an increase in the Council contributions payable escalating by \$148,905 from \$466,590 to \$615,495. There have been savings in other expenditure areas in the project, such as the contract, which has resulted in there being a need to only adjust the expenditure budget by \$96,000. Council currently has \$2m in sales revenue included in the 2014/15 and with gross sales currently at \$2.375m, once GST and sales expenses are deducted it is considered that there is currently no need to further adjust the current income budget.

### **Consultation**

This report is provided for public information.

### **Options**

The matters requiring a decision are:

#### ***Future of Lot 5***

- a) Council can place Lot 5 (teak tree lot) on the market for sale at an asking price of \$255,000 (or as assessed by HTW), with as much legal restriction as practically possible to protect the tree. This option is recommended as there is a reasonable level of enquiry for the lot as is with the teak tree on it. Selling Lot 5 with the teak tree on it will absolve Council of further responsibility of maintaining the tree.
- b) Council could subdivide Lot 5 into two lots and retain a separate lot with the teak tree on it. The residential lot to be placed on the market for sale at a price assessed by HTW. This option is not recommended as there is a reasonable level of enquiry to purchase Lot 5 with the teak tree on it and Council would be encumbered with the ongoing responsibility and cost of maintaining the teak tree.
- c) Council resolves to subdivide Lot 5 into two lots, remove the teak and place both lots on the market for sale at prices assessed by HTW. This option is not recommended as Council previously resolved at the Commercial Services Meeting of 18 February, 2014, to accept an aborist's report that the teak tree on Lot 5 be retained and even though there is a potential reasonable financial gain, the other non tangible issues such as the message this sends to other developers and the inconsistency with Council not approving the removal of a similar tree for another development in this locality, makes it difficult to justify such a course of action.

#### ***Street Name***

- a) Council resolves to accept the street names nominated in the report for the street in Stage 1. This option is recommended as the names selected have been done so accordance with Council's "Naming of Roads, Bridges and Footpaths" Policy. To select an alternate street name may delay the street naming process, registration of titles and settlement of sales contracts.
- b) Council could seek alternative names. This is not recommended as the proposed names are consistent with Council Policy

#### ***Funding***

- a) Council resolves to allocate funds of \$96,000 from the Property Development Reserve to meet the costs of finalising the project. This course of action is recommended as this funding is needed to finalise the construction of the lots for sale.

## **4.2 Wollongbar Residential Estate - Stage 1 Update**

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### **RECOMMENDATIONS**

1. That Council notes the contents of this report providing an update on the status of the Wollongbar Residential Estate development.
2. That Council authorises Lot 5 to be placed on the market for sale, inclusive of the teak tree, with the sale price to be within the reserve identified by HWT Valuers. The contract for sale of Lot 5 is to include any legal restrictions available to protect the removal of the tree.
3. That Council endorses street names identified in this report for the naming of the road created as part of this development
4. That Council approves an allocation of \$96,000 from the Property Development Reserve to allow the finalization of the construction and development of Stage 1 of the Wollongbar Residential Estate.

### **Attachment(s)**

1. Current Price List & Layout Plan



issued: 31 October 2014



## wollongbar estate stage 1 - price list

lot no.	site area	price	status
1	861m2		Under Contract
2	817m2		Under Contract
3	809m2		Under Contract
4	780m2		Under Contract
5	1,458m2		On hold
6	837m2	\$200,000	Available
7	775m2	\$210,000	Available
8	680m2		Under Contract
9	666m2		Under Contract
10	626m2		Under Contract
11	627m2		Under Contract
12	650m2		Under Contract
13	890m2		Under Contract
14	879m2		Under Contract
15	798m2	\$215,000	see note 7 below

### Notes

1. Prices are current as at 27 February 2014. Ballina Shire Council reserves the right to amend prices and lot sizes without notice.
2. Deposit of 10.00% of purchase price is payable upon exchange, or as negotiated.
3. Settlement date for contracts is anticipated to be October 2014.
4. All lots are fully serviced.
5. First home buyers grants of \$15,000 and free stamp duty to eligible applicants
6. Land Buyers Subsidy Scheme grants of \$25,000 available to eligible low to middle income earners.
7. Price of \$215,000 for Lot 15 assumes completion of cut and fill work to reduce slope on site to approximately 1.00%

lot plan - wollongbar estate stage 1  
overleaf 

wollongbar estate  
stage 1 - lot plan

issued: 31 October 2014



**General enquiries:** commercial services • ballina shire council • 71 tamar street • po box 450 ballina nsw 2478 t 02 6686 1200 • w [ballina.nsw.gov.au](http://ballina.nsw.gov.au)

**Sales enquiries:** please contact any local real estate agent.



### **4.3 Southern Cross Industrial Estate - 54 North Creek Road, Ballina**

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### **4.3 Southern Cross Industrial Estate - 54 North Creek Road, Ballina**

**Delivery Program** Commercial Services

**Objective** To determine if Council wish to expend funds to investigate the development potential and value of 54 North Creek Road, Southern Cross Industrial Estate.

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#### **Background**

On 27 October 2011, Council considered a report inviting it to support an application for a Community Building Partnership grant to establish a Men's Shed in Ballina. As part of its consideration, Council was asked to determine if it wished to nominate a parcel of Council owned or controlled land on which the shed might be constructed.

At that time, the report identified a parcel of land at 54 North Creek Road, Ballina as being potentially suitable for the proposal, subject to the outcome of mandatory application and assessment procedures. The site had been identified in consultation with Council's Commercial Services Section.

The Ballina Men's Shed is a community project proposed as a ministry of the Ballina Baptist Church. A representative of the proponent group, Mr Graham Eggins addressed the Council Meeting at the time this matter was being considered. A brief overview of the project, as provided by the proponent organization is attached to this discussion paper.

Following its deliberations, Council resolved as follows:

- 1 *That this matter be deferred for a report to be obtained in order to ascertain the suitability of land able to accommodate the Men's Shed within Ballina and Councillors to meet with the General Manager and staff to identify and examine their current site and alternative Council owned property that may be considered suitable;*
- 2 *That Council provide in-principle support for Council land to be identified as a possible option for locating the Men's Shed as part of the grant application;*
- 3 *That as part of the discussions with the General Manager, Council also consider building its own shed and leasing such a facility to the Men's Shed to preserve full Council ownership.*

In May 2012 a discussion paper was prepared by Strategic and Community Services and presented at a Councillor workshop on the matter. The paper presented the following sites as options:

- a) 54 North Creek Road, Ballina.
- b) Lot 1 DP 1085094 Southern Cross Drive Ballina (residue industrial land with limited development potential).
- c) Part Lot 114 DP 755684 Gallans Road, North Ballina (peripheral site).
- d) Lot 47 DP 1148641 Elkhorn Parade, Ballina (part of Fern Grove residential estate dedicated to Council as recreational space).

### **4.3 Southern Cross Industrial Estate - 54 North Creek Road, Ballina**

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- e) Part Lot 11 DP 1031554, Southern Cross Industrial Estate (rural zoned land now the subject of a rezoning proposal by Council).
- f) 44 Fishery Creek Road, West Ballina, (portion of land and house adjoining waste water treatment facility).
- g) Lots 2 & 3 Tamarind Drive North Ballina (two old houses since sold to NSW Fire & Rescue).
- h) 580 Pimlico Road, Pimlico (old Pimlico Hall).

Following on from the Councilor workshop, Council resolved at the meeting of 26 July 2012 to offer 44 Fishery Creek Road, West Ballina to the Men's Shed for a maximum lease term of 20 years at a rental of \$1.00 p.a.

In recent times representations have been made by the Men's Shed that the Site at 44 Fishery Creek Road is not suitable for their organisation due to its isolated location. The Men's Shed advise they may have access to capital and wish to acquire and develop a site closer to town to suit their specific needs.

The Men's Shed now believe that Council's property at 54 North Creek Road site is suitable for their requirements and have enquired as to whether Council is interested in selling a portion of the site, and if so at what price.

This report provides background to discussions with the Men's Shed and the 54 North Creek Road site.

#### **Key Issues**

- Sale of surplus operational industrial land.

#### **Information**

Council own a portion of residue industrial land located at 54 North Creek Road, Ballina, described as Part Lot 98 DP 1194043.

The property comprises an area of approximately 1.346 h.a., and is zoned industrial and classified as operational land. The property is bounded by North Creek Road and De-Havilland Crescent. A site plan is **attached**. Erected on the property is:

- An old weatherboard house currently let at \$16,640 p.a. (\$320 per week);
- A Council sewer pump station; and
- A large acoustic berm constructed in accordance with development consent conditions pertaining to subdivision of part of the Southern Cross Industrial Estate.

The balance of the property is heavily vegetated and is becoming infested with noxious plants.

The Men's Shed would like to acquire a portion of the 1.346 h.a. site (excluding the Council pump station site) remove the house and construct an industrial building where they could:

### **4.3 Southern Cross Industrial Estate - 54 North Creek Road, Ballina**

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- Meet socially
- Manufacture and sell goods
- Conduct trade and craft classes for people of all ages and
- Remediate and manage the balance of the site which is overgrown and a maintenance burden to Council.

Initial discussions with the Men's Shed indicate their concept for the site would include an industrial/retail building, car park area on North Creek Road and landscaped grounds integrated with the rehabilitated vegetated areas.

This property is considered to be well suited to the requirements of the Men's Shed for a number of reasons including:

- Accessibility to public transport
- Close proximity to Sovereign Gardens Retirement Village & the BUPA aged care facility
- Close proximity to the residential areas of North Lakes, Ferngrove and Riveroaks
- Being located on the industrial estate provides scope for mentoring of apprentices by members of the Men's Shed as well as interaction with businesses on the industrial estate.

Council staff have advised the Men's Shed that Council would need to approve the sale of any part of the subject property, and if it did so, conditions may be imposed upon the sale including:

- Retention of the sewer pump station site
- Creation of easements for services to the sewer pump station site
- Retention of a portion of land along North Creek Road as road reserve in case North Creek Road needs to be widened at some point in the future.

This situation is somewhat similar to sale of surplus Council land to the Ballina Bridge Club who purchased the site that they had occupied for a number of years under lease. That site, further to the south on North Creek Road, was encumbered by a sewer pump station which Council retained and created easements for services to and from same.

If Council were to consider a sale of 54 North Creek Road, an independent valuation would be required to determine the market value of the property.

However prior to assessing the market value of 54 North Creek Road, investigations are required to determine the development potential of the site. Such investigations may include:

1. Site survey to determine site levels, location of services, location and size of acoustic berm.
2. Preparation of proposed easements for services (this will be required for valuation).
3. Flora and fauna investigations.
4. Town planning report on development constraints including traffic, acoustic issues etc.

### **4.3 Southern Cross Industrial Estate - 54 North Creek Road, Ballina**

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5. Area of road required as road reserve for the potential future upgrade of North Creek Road.

Approximately \$20,000 may be needed to undertake these investigations including an independent valuation of the Property.

Once such investigations are completed, the Men's Shed can prepare a concept plan for the areas of the Property and present same to Council.

Council then has the option of placing the property on the market for sale, negotiating with the Men's Shed or retaining the site.

#### **Legal / Resource / Financial Implications**

##### **Legal**

The Site is classified as operational land and as such Council is able to sell the land should it resolve to do so.

##### **Resource**

Council resources are required to maintain the vegetation on the subject property.

##### **Financial Implications**

The old house on the Site is currently is being rented out at \$16,640 p.a. (\$320 per week). This dwelling requires ongoing maintenance.

Funding would need to be sourced from Council's Property Development Reserve which has funds available for this level of this expenditure (i.e. \$20,000).

#### **Consultation**

Consultation has been with representatives of the Men's Shed and Council staff. Staff consultations indicate the subject property has no strategic value other than for easements for services to the sewer pump station portion of the property that would be retained by Council.

#### **Options**

1. Council resolves to allocate \$20,000 from the Property Development Reserve to undertake investigations to determine the development potential and market value of 54 North Creek Road, Southern Cross Industrial Estate (Part Lot 98 DP 1194043).

Upon completion of such investigations the matter be reported back to Council for consideration and determination.

This Option is recommended as the subject property is considered to be surplus to Council's requirements. The market value of the subject property cannot be determined until the site investigations are undertaken to determine its development potential.

### **4.3 Southern Cross Industrial Estate - 54 North Creek Road, Ballina**

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Even if for some reason the sale to the Men' Shed did not proceed, the information obtained from this assessment will allow Council to determine other long term options for this land.

2. Council resolves to do nothing.

This option is not recommended as the subject property is considered to be surplus to Council's requirements. The market value of the subject property cannot be determined until the site investigations are undertaken. Maintenance of the house and the residue of the site will be an ongoing cost to Council.

#### **RECOMMENDATIONS**

1. Council approves the allocation of up to \$20,000 from the Property Development Reserve to undertake investigations to determine the development potential and market value of 54 North Creek Road, Southern Cross Industrial Estate (Part Lot 98 DP 1194043).
2. Upon completion of these investigations the matter is to be reported back to Council to determine the merits of selling a portion of this land to the Men's Shed, along with consideration of a to determine the merits of selling a portion of this land to the Men's Shed, along with consideration of any other long term options for this site.

#### **Attachment(s)**

1. Locality Plan





#### **4.4 Land Acquisition - Road Widening**

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#### **4.4 Land Acquisition - Road Widening**

**Delivery Program** Commercial Services

**Objective** To obtain Council approval for a land acquisition for road widening, being Part Lot 360 DP 1189176 Cumbalum.

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#### **Background**

This report is presented to Council requesting approval to acquire land to formalise the road reserve area for a section of Cumbalum Road approaching Garney Koellner Bridge at Cumbalum. Currently the section in question is in private ownership.

#### **Key Issues**

- Formalise road reserve
- Determine compensation amount

#### **Information**

The most northern section of Cumbalum Road is not located on Council owned land and this issue was only identified in relatively recent times as part of negotiations / discussions associated with the construction of the Ballina Bypass. As part of those discussions it was identified that the section of Cumbalum Road that leads to Koellner Bridge from Tamarind Drive was still in private ownership, being the Roman Catholic Church.

Council has subsequently been in negotiations with the Church to acquire approximately 1,250m<sup>2</sup> of land to ensure that the entrance to Koellner Bridge is located on Council owned land.

The proposed area to be acquired is shown on the site plan as per attachment one to this report.

The second attachment is a more comprehensive plan of the various land parcels in this location with the land to be acquired highlighted in brown. This attachment also identifies an area of Council owned closed road, marked in green that is adjacent to this location.

Originally it was hoped that Council would undertake a land swap with the Catholic Church as the closed road area is actually not being used or planned to be used for a road. Despite these discussions the Church's preference is for Council to acquire the land required for Cumbalum Road.

The third attachment is an aerial map of this location that may assist in clarifying the layout and location of these parcels of land.

#### **4.4 Land Acquisition - Road Widening**

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The Church has now indicated their willingness for the land acquisition to occur based on an agreed valuation. The provisions of the Land Acquisition (Just Terms Compensation) Act 1991 require the land to be valued and an agreement reached with the landowners.

Valuations have now been undertaken by both the Church and Council. Council was advised by the Church that their valuer valued the property at \$20,000 + GST. Council's valuer attributed a value of \$12,500 + GST.

Subsequent discussions resulted in an agreed compensation value of \$15,000 + GST, subject to Council approval.

#### **Legal / Resource / Financial Implications**

Council has negotiated with the landowners regarding a compensation amount and the acquisition of the land will be under the provisions of the Land Acquisition (Just Terms Compensation) Act 1991. There will be additional costs involved in the acquisition including legal fees, surveying and registration charges and these will be at Council's cost. This means the total cost of the land acquisition will be around \$20,000 to \$25,000.

As this acquisition relates to a land acquisition for roads, it is recommended that the funding be sourced from the Roads Capital Expenditure budget. The specific budget to be applied to this expenditure has not yet been identified.

#### **Consultation**

Council has been in negotiation with the landowners of the property, being the Roman Catholic Church as well as their representatives.

#### **Options**

1. Council supports the request to proceed with the land acquisition to formalise the bridge approach for the Koellner Bridge at Cumbalum, with the funding estimated at up to \$25,000 to be sourced from the Roads Capital Expenditure budget.

This option is recommended as it enables Council to complete the road widening process for the approach to Garney Koellner Bridge at Cumbalum to ensure it is located on Council owned land.

2. Council does not support the request to proceed with the land acquisition. This option is not recommended as it leaves the matter unresolved and ultimately Council does need to ensure this infrastructure is located on Council owned land.

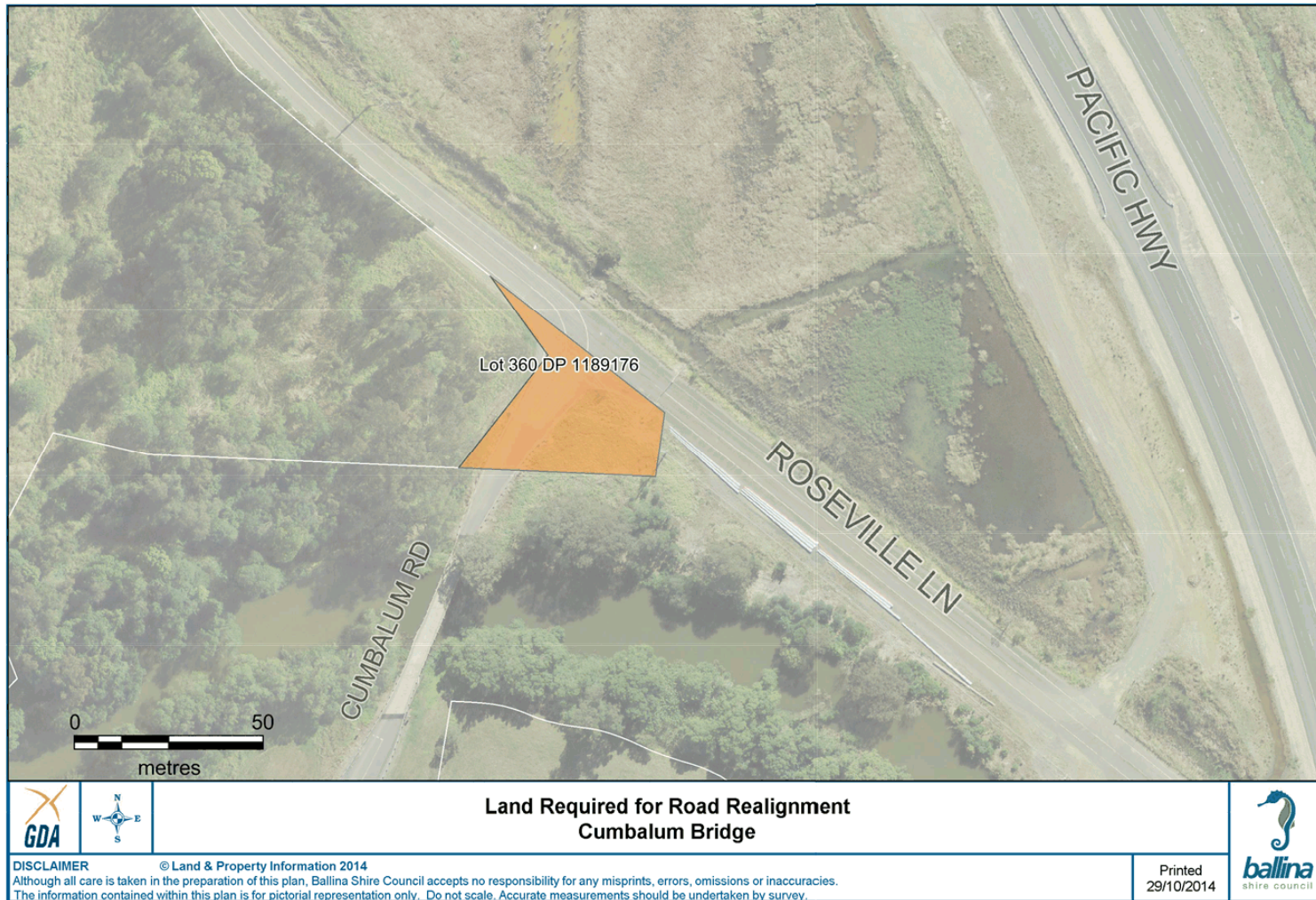
**RECOMMENDATIONS**

1. That Council approves the land acquisition of an area of approximately 1,250m<sup>2</sup> being portion of Part Lot 360 DP 1189176, Cumbalum for road widening, as identified within this report.
2. That Council approves a budget of up to \$25,000 for this acquisition with those funds to be sourced from the Roads Capital Expenditure budget.
3. That Council authorises the Council seal to be attached to any documents associated with the land acquisition.

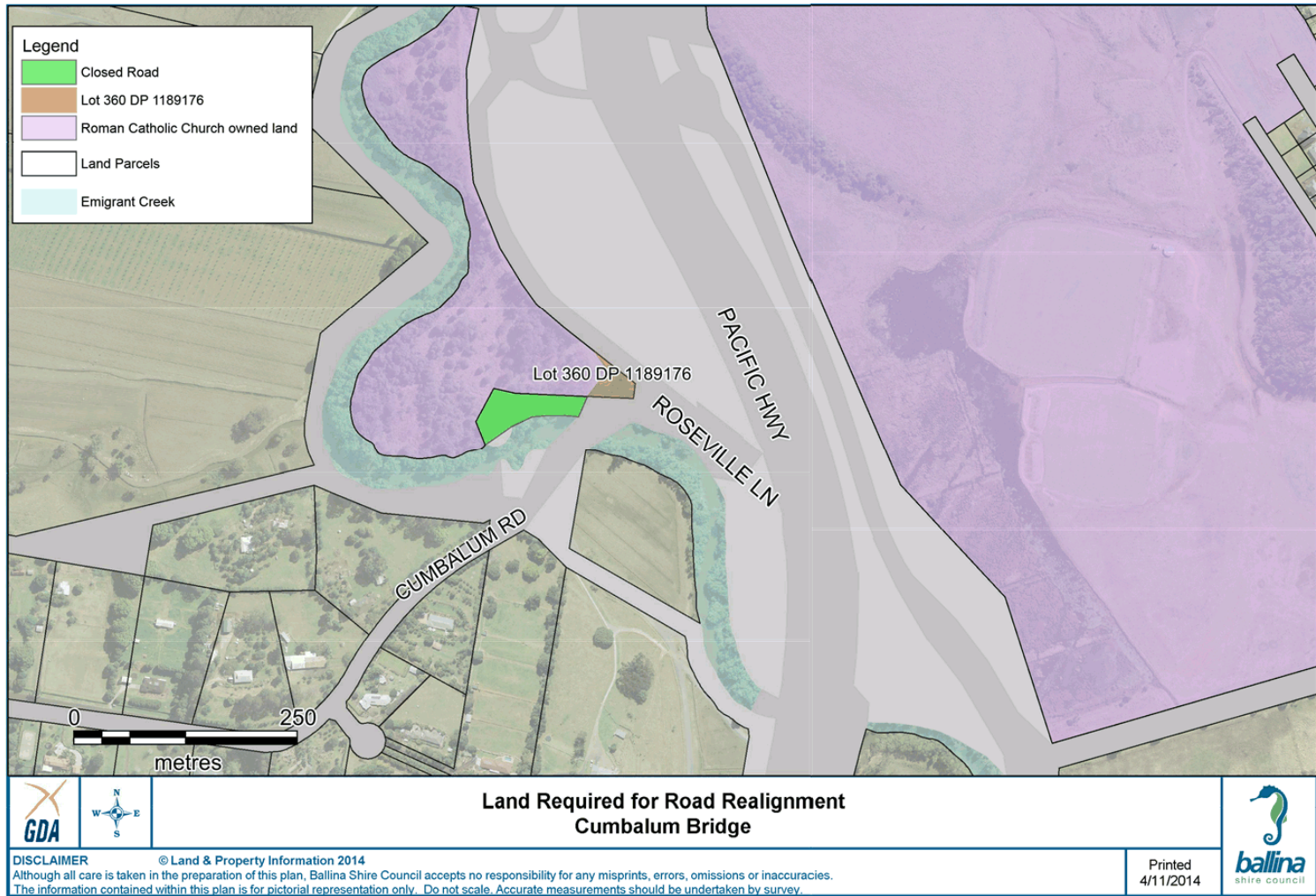
**Attachment(s)**

1. Locality Plan Showing Area of Acquisition
2. Locality Plan Showing various parcels of land
3. Aerial Map showing whole locality

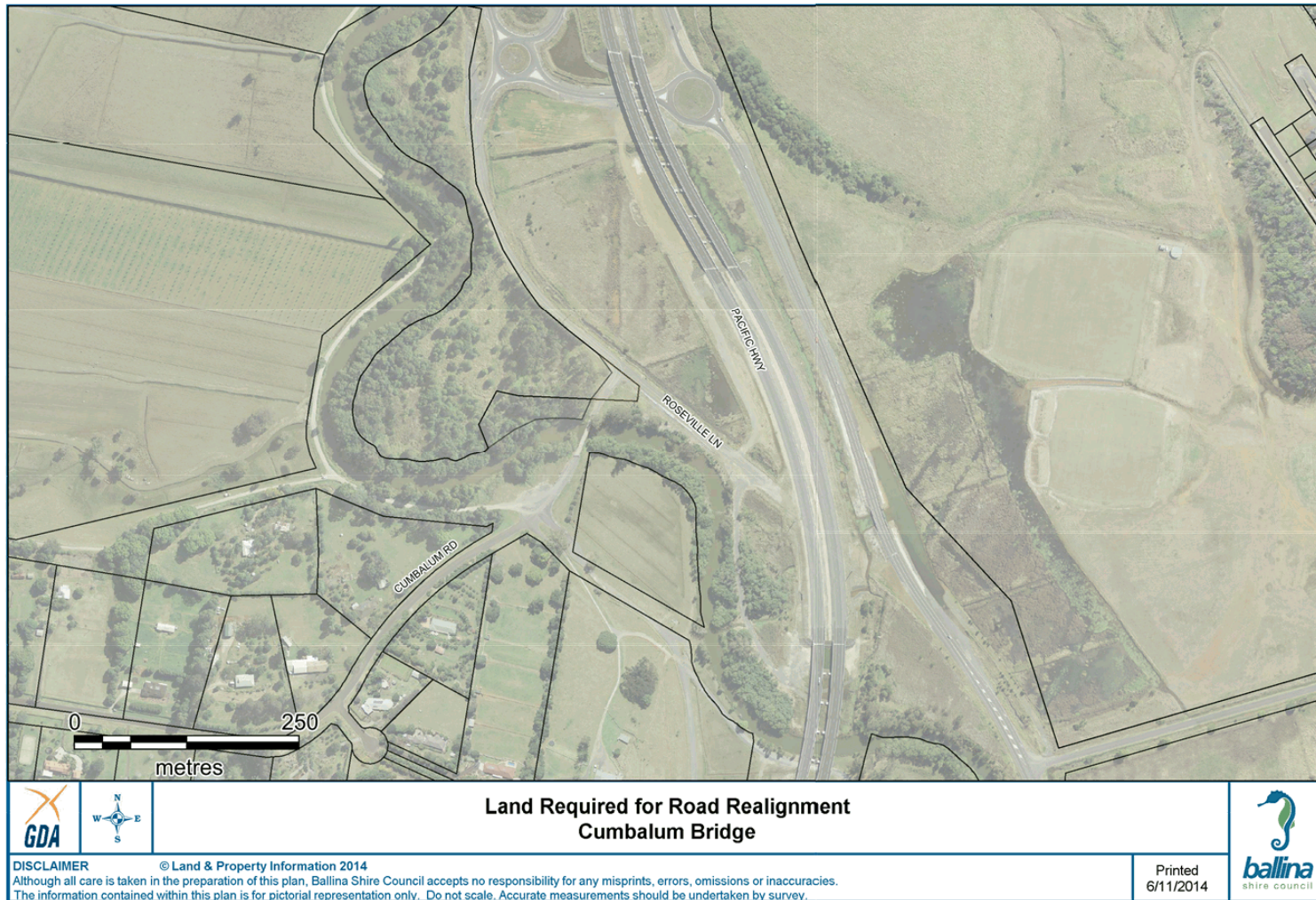
4.4 Land Acquisition - Road Widening



4.4 Land Acquisition - Road Widening



#### 4.4 Land Acquisition - Road Widening



#### 4.5 Land Sale - Southern Cross Industrial Estate

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#### 4.5 Land Sale - Southern Cross Industrial Estate

**Delivery Program** Commercial Services

**Objective** To obtain Council approval to sell a property at the Southern Cross Industrial Estate

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#### Background

Council owns a 3,964m<sup>2</sup> portion of land on the corner of Stinson Street and De Havilland Crescent in the Southern Cross Industrial Estate. This is a residue lot left over from the subdivisions to create the ARC and APN lots. Refer to locality plan **attached**.

Council staff have negotiated the sale of a portion of Part Lot 98 in DP 1194043 comprising an area of approximately 1,395m<sup>2</sup>. Details of the offer are contained in the confidential report elsewhere in this meeting.

#### Key Issues

- Sale of surplus operational land.

#### Information

The site is zoned industrial and will need to be subdivided from the parent Lot 98 DP 1194043.

The following summary provides details of recent land sales within Southern Cross Industrial Estate. Please also refer to plan **attached** detailing sales:

Lot/DP	Price (excl GST)	Area	Date of Sale	Purchaser	\$/m <sup>2</sup>
93/1161854	\$290,000	1,100m <sup>2</sup>	11/6/2010	Croft ANORS	\$264/m <sup>2</sup>
89/1161854	\$424,000	1,663m <sup>2</sup>	22/12/2010	Nasmyth P/L	\$254/m <sup>2</sup>
95/1184435	\$533,150	2,269m <sup>2</sup>	4/10/2012	Nasmyth P/L	\$235/m <sup>2</sup>
97/1194043	\$570,058	2,429m <sup>2</sup>	2/8/2012	Nasmyth P/L	\$235/m <sup>2</sup>
92/1161854	\$270,000	1,100m <sup>2</sup>	7/2014	Croft ANORS	\$245/m <sup>2</sup>

Council has previously sold three parcels of land to the purchaser who has an excellent track record of acquiring and developing Council land in the Southern Cross Industrial Estate

The agreed price is considered fair and reasonable in the current market, with details of that price in the confidential report.

## **4.5 Land Sale - Southern Cross Industrial Estate**

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### **Legal / Resource / Financial Implications**

The subject land is classified as operational land pursuant to the Local Government Act 1993. There is no impediment to the sale of the land as proposed.

### **Consultation**

This report has been listed in open Council to inform the community of the proposed sale. The sale price is listed in the confidential report to allow Council to negotiate a commercial sale price.

### **Options**

The purpose of this report is to obtain Council approval to sell the subject site. The proposed selling price is subject to a separate report.

In respect of the sale of the land the options are to approve or not approve the sale. The recommendation is to approve the sale.

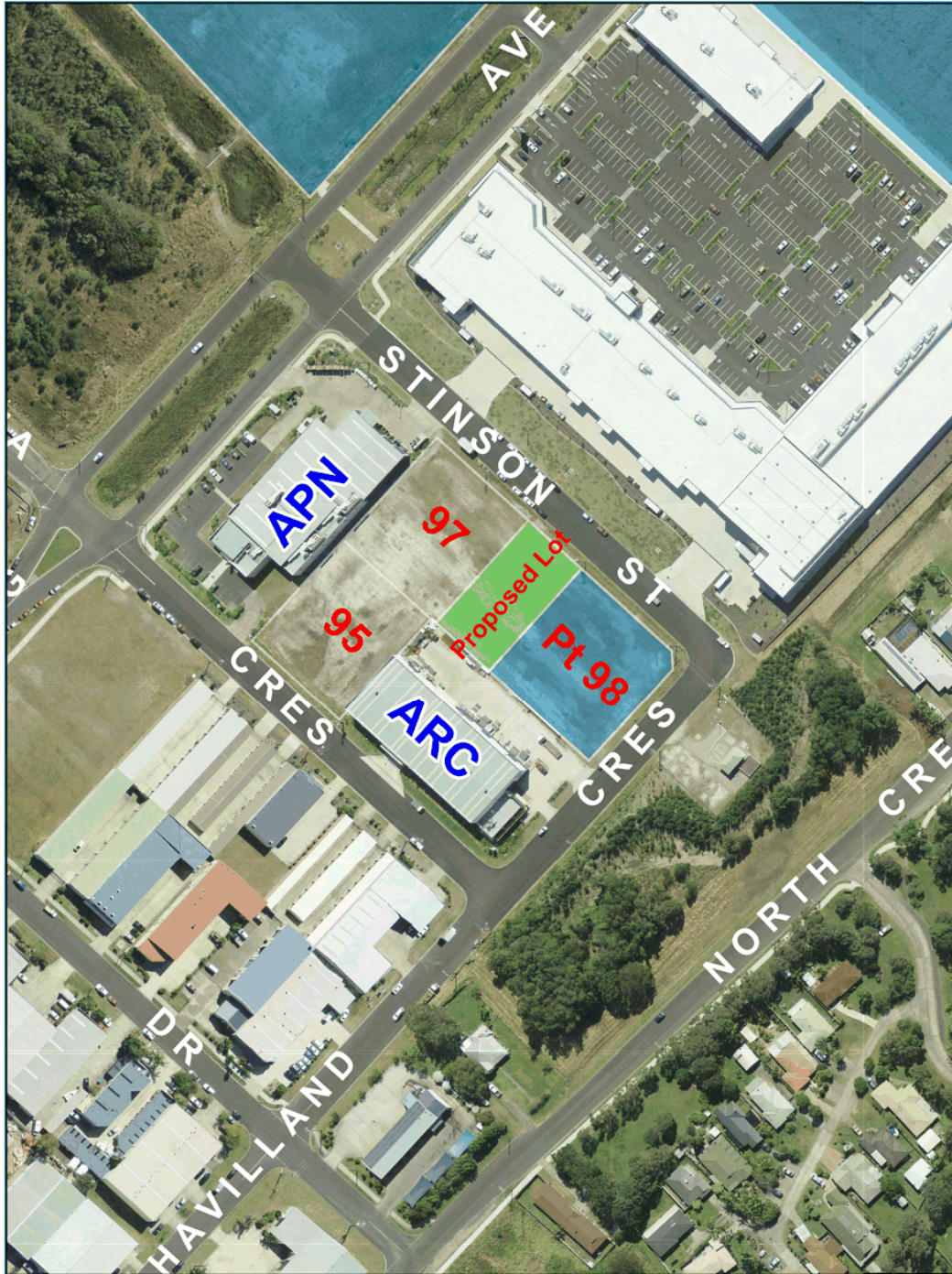
### **RECOMMENDATIONS**

1. That Council approves the sale of approximately 1,395m<sup>2</sup> of Southern Cross industrial land, as detailed within this report, with the sale price to be determined as per the separate report elsewhere in this agenda.
2. That Council authorises the Council seal to be attached to the contract for sale and subdivision documentation required as well as any other related documents.

### **Attachment(s)**

1. Locality Plan
2. Southern Cross Industrial Estate - Lots current available





		<p><b>Locality Plan</b>  <b>Proposed Lot to be purchased - Nasmyth</b></p>	
<p><small>DISCLAIMER © Land &amp; Property Information 2014          Although all care is taken in the preparation of this plan, Ballina Shire Council accepts no responsibility for any misprints, errors, omissions or inaccuracies.          The information contained within this plan is for pictorial representation only. Do not scale. Accurate measurements should be undertaken by survey.</small></p>		<p>Printed          31/10/2014</p>	

4.5 Land Sale - Southern Cross Industrial Estate






**Industrial Land Supply**  
Southern Cross Industrial Estate, Ballina



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## **4.6 Wigmore Arcade Complex - Update Report & Lease Agreements**

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### **4.6 Wigmore Arcade Complex - Update Report & Lease Agreements**

**Delivery Program** Commercial Services

**Objective** To seek Council's concurrence to six recently negotiated lease agreements and provide an update on refurbishment of the Wigmore Arcade Complex.

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#### **Background**

At the Extraordinary Council Meeting held on 6 August, 2014, reports were presented at open and confidential sessions to provide Councilors with:

- a) An update on leasing premises to incumbent and prospective tenants in the Wigmore Arcade Complex; and
- b) To alert Council to the fact that some sitting tenants will suffer disturbance and incur relocation costs.

At that stage the costs of disturbance and relocation were still to be determined or unknown, and that depending upon the speed and nature of works to be undertaken, disturbance could be less or greater than anticipated. Once such costs were determined a report would be put to Council accordingly.

Council resolved at that meeting to authorise the General Manager to continue negotiations with tenants seeking rental relief as compensation for disturbance and a downturn in trade during the refurbishment works proposed for the Wigmore Arcade Complex.

The purpose of this report is to provide updates on the progress of refurbishment works, relocation and disturbance costs and seek concurrence on lease agreements negotiated. A confidential report on this matter has been included in the agenda for this meeting and should be read in conjunction with this report.

A leasing plan is also **attached** to this report.

#### **Key Issues**

- Ratification of lease agreements negotiated.
- Fair and reasonable compensation for tenant relocation and disturbance costs.
- Rental relief

### Information

#### 1. Progress of Refurbishment Works

Greg Clark Building (“GCB”) commenced refurbishment works in the Wigmore Arcade Complex on 25 August, 2014 with an anticipated completion date of 5 December, 2014.

Works are generally progressing well, however as with any renovation and refurbishment project problems are unearthed that require redesign and rectification. In many instances these items are termed “variations” but could be better described as “scope creep”. Such works for the Wigmore Arcade Complex include:

- Replacement of tenancy electrical sub-boards where asbestos was present.
- Replacement and relocation of main electrical switchboard to a safer and more practical location.
- Repairs to damaged and leaking sewer pipes.
- Replace timber skirtings with tiles to improve maintenance.
- Upgrade stormwater pipes.
- Upgrade water and fire services.

These items add to the budgeted cost of the project, but will result in a better long term result for the building as an asset. Changes have also been made to the original scope of works resulting in costs savings for Council.

A variation that has added additional time and cost to the project is due to changes to the glass shopfronts that are being installed. A breakdown in communication or misunderstanding of what had been priced by the supplier and what was specified by the architect has resulted in remanufacturing of window frames and glazing. An agreement between the parties has been reached where the builder is paying at least \$18,000 towards the cost of rectifying the problem as well as incurring time delays. The supplier is also contributing towards the cost of rectifying the problem, whilst Council will incur a variation of \$13,250.

This problem relating to the shopfronts had the potential to substantially delay the project and prolong the period of inconvenience to tenants and shoppers whilst works are in progress.

A pragmatic approach was adopted by Council staff in settling this matter in that the revised shopfronts being installed are substantially better for retailers/tenants and the overall look of the building.

Council is getting a superior standard of shopfront over and above what the builder had tendered for the project.

The alternative to reaching a pragmatic and expedient resolution to this matter would have been to delay a critical path element of the project for an unknown period of time and uncertainty as to the cost of reaching a settlement.

## **4.6 Wigmore Arcade Complex - Update Report & Lease Agreements**

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The revised completion date for the project due to extensions of time granted for variations (other than delays associated with the shopfronts) is anticipated to be late December or early January, however it is anticipated the critical path elements such as installation of new shopfronts and tiling of the arcade will be completed in early December at minimal inconvenience to tenants and shoppers.

A reconciliation of budget to actual costs and variations will be provided in another report at a later date once more detailed information is available.

### **2. Rental Relief and Compensation for Disturbance**

Details in regards to rental relief negotiated with tenants are contained within the confidential report on this matter.

It is noted that all tenants directly affected by the refurbishment works have been co-operative and reasonable in their requests for assistance and compensation for disturbance. Management of tenants during this difficult time has also been assisted by the positive and co-operative attitude taken by Greg Clark Building to minimise disruption.

### **3. Lease Agreements Negotiated**

Lease agreements have been negotiated with tenants for 141 and 145-147 River Street, Shops 1, 2, 9-10 and 11 as detailed in the confidential report.

The level of enquiry for the remaining vacant shops has been subdued, possibly due to potential tenants taking a wait and see approach as to the completion date and standard of refurbishment works.

It is also worth noting that local leasing agents report a subdued level of enquiry for shops in the CBD. The lease agreements negotiated are considered to be reflective of current market conditions.

## **Legal / Resource / Financial Implications**

As noted on in the report to the Extraordinary Council Meeting held on 6 August, 2014, the NSW Retail Leases Act 1994 places an onus on landlords to act reasonably when undertaking construction works that temporarily inconvenience tenants resulting in disturbance and relocation. Compensation in the form of rent relief and or a payment towards costs incurred by tenants as result of construction works may be payable by the lessor. The Act does not prescribe specific amounts or formulas for determining such compensation other than what is reasonable.

Failure to act reasonably may result in Council being taken to the NSW Civil & Administrative Tribunal ("NCAT") which can be a lengthy and costly process. Given the long term nature and quality of tenants seeking rental relief and compensation for disturbance, having the matter dealt with by NCAT would not be a preferred outcome.

## 4.6 Wigmore Arcade Complex - Update Report & Lease Agreements

A five year estimated cash flow projection has been prepared factoring in:

- The cost of rental relief outlined above.
- Rent free periods for new leases (including those to incumbent tenants); and
- Vacancy periods.

Details of the cash flow projections are as follows.

Please note that the gross rental income projections are estimated and as such are subject to fluctuations depending upon a number of factors including market conditions and the outcome of negotiations yet to be finalized.

Year	1	2	3	4	5
<b>Gross Income</b>	\$364,221	\$523,136	\$580,166	\$637,442	\$648,785
<b>Less Outgoings</b>	\$139,256	\$142,737	\$149,963	\$154,462	\$159,096
<b>Net Income</b>	\$224,965	\$380,399	\$430,203	\$483,730	\$491,230

The figures previously reported Council at the August 2014 Extraordinary Council Meeting were as follows.

Year	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Gross Income</b>	\$321,756	\$521,165	\$588,109	\$651,481	\$665,378
<b>Less Outgoings</b>	\$111,774	\$142,737	\$149,963	\$154,462	\$159,096
<b>Net Income</b>	\$209,982	\$378,428	\$438,146	\$497,019	\$506,282

Due to the timing of this project it will be necessary to review the cash flows for the Wigmore Arcade once the works are completed to ensure that Council's long term financial plan reflects the correct revenues.

### Consultation

Negotiations have been conducted with tenants on an ongoing basis.

### Options

This report is for noting purposes only with details of the tenancy agreements listed in the confidential report.

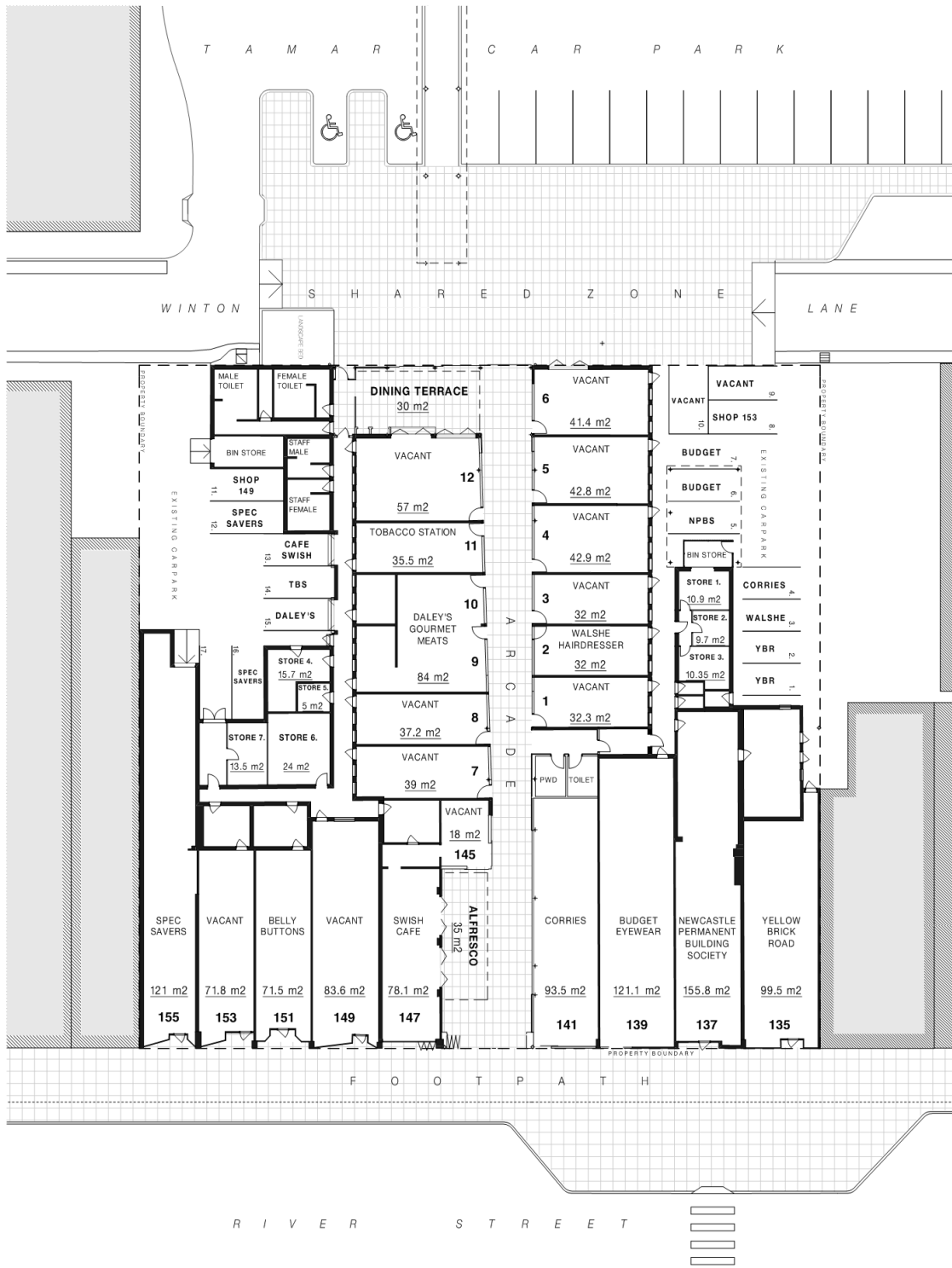
### RECOMMENDATION

That Council notes the contents of this report in regards to the progress of the Wigmore Arcade Complex refurbishment project.

### Attachment(s)

1. Leasing Plan

4.6 Wigmore Arcade Complex - Update Report & Lease Agreements



**WIGMORE ARCADE - COMPLEX LEASING PLAN**

NOTE: NOT TO SCALE - AREAS ARE APPROXIMATE ONLY



**4.7 Russellton Industrial Estate - Update Report**

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**4.7 Russellton Industrial Estate - Update Report**

**Delivery Program** Commercial Services

**Objective** To provide Council with an update the Russellton Industrial Estate

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This report has not been completed by Commercial Services prior to the distribution of this agenda, therefore the report will be distributed as a late report prior to the meeting.



**5. Confidential Session**

In accordance with Section 9 (2A) of the Local Government Act 1993, the General Manager is of the opinion that the matters included in the Confidential Business Paper, and detailed below are likely to be considered when the meeting is closed to the public.

Section 10A(4) of the Local Government Act, 1993 provides that members of the public are allowed to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.

A brief summary of each of the reports recommended for consideration in confidential session follows:

**5.1 Land Sale Price - Southern Cross Industrial Estate**

Refer to Item 4.5 of this agenda.

**5.2 Wigmore Arcade Complex - Update Report and Lease Agreements**

Refer to Item 4.6 of this agenda.

**RECOMMENDATION**

That Council moves into committee of the whole with the meeting closed to the public, to consider the following items in accordance with Section 10A (2) of the Local Government Act 1993.

**5.1 Land Sale Price - Southern Cross Industrial Estate**

**Reason for Confidentiality**

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest as Council is in the process of negotiating a sale for the property in question and without the ability to have these discussions in confidential session Council may not be in a position to maximise the return on the sale of this land to the community.

**5.2 Wigmore Arcade Complex - Update Report and Lease Agreements**

**Reason for Confidentiality**

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest as Council is currently negotiating with the tenants and the discussion of this information in an open Council meeting may restrict Council's ability to maximise the return to the community.