



Notice of Commercial Services Committee Meeting

a Commercial Services Committee Meeting will be held in the Ballina Shire Council Chambers, Cnr Cherry & Tamar Streets, Ballina on **Wednesday 15 July 2015 commencing at 4.00pm.**

Business

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

A handwritten signature in black ink that reads 'Paul Hickey' with a long horizontal flourish underneath.

Paul Hickey
General Manager

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

1. Apologies

2. Declarations of Interest

3. Deputations

4.1 Richmond Christian College Cycleway

4. Committee Reports

4.1 Richmond Christian College Cycleway

Delivery Program Commercial Services

Objective To examine the preferred cycleway route for the Richmond Christian College and the impact on Council owned operational land.

Background

Ballina Christian Education Association as landowners of the Richmond Christian College received development consent in 1999 (DA 1999/758) on land at Gallans Road, Ballina to:

“subdivide the Subject Land into Two Allotments and to Construct an Educational Establishment comprising a Primary and Secondary School on a Staged Basis.”

Condition 17 of the development consent stated:

“The applicant shall design and construct a cycleway connecting the school with the Ballina Urban area. The cycleway shall extend from the school to the Ballina Gardens Caravan Park adjacent to North Creek Road. The cycleway shall be constructed of a minimum 200mm compacted thickness of roadbase quality material, be a minimum of 2.7m wide and be sealed with a minimum of 25mm asphalt (AC10). Engineering drawings for the cycleway construction shall be furnished to and approved by the Roads and Traffic Authority where the cycleway is proposed to be located within the road reserve of the Pacific Highway.

NB Council has agreed to allow deferment of the cycleway construction for a maximum period of five (5) years from the operation of this consent.”

To date the cycleway is still not constructed and the School maybe in breach of their Development Consent.

The applicant has now requested Council to consider permitting the construction of the cycleway on Council's operational land at Gallans Road, Ballina.

Key Issues

- Complying with development consent conditions
- Safety of users of cycleway
- Use of Council's operational land for private use

Information

Richmond Christian College received development consent in 1999 to construct a school on land they owned at Gallans Road, Ballina. Condition 17 relating to the construction of a cycleway was a deferred development condition that permitted the school to be built and operational prior to completing the cycleway.

Whilst the original condition requested the cycleway be connected adjacent to the Ballina Gardens Caravan Park, this condition was subsequently amended on 3 February 2012 by way of a Section 96 amendment to now be:

To delete condition 17 and replace with the following:

“The applicant shall design and construct a cycleway that connects the educational establishment with the existing cycleway to the north of the site. The cycleway shall be constructed of a minimum 200mm compacted thickness of road base quality material, be a minimum 2.7m wide and be sealed with a minimum 25mm asphalt (AC10). Design plans are to be submitted to and approved by Council prior to the issue of an approval under Section 138 of the Roads Act 1993.”

This amendment was to recognise that the Ballina Heights Cycleway was now constructed and operational and the applicants were given an undertaking that they may be able to connect to the cycleway using the Ballina Equestrian Club land on Gallans Road (see plan **attached**).

To date the school cycleway has not been constructed. Council's compliance section served a formal Notice of Intention to Serve an Order on the school to comply with relevant conditions of consent relating to the cycleway. This was then followed up with a formal Notice on 25 March 2015.

Following on from the action by the Compliance Section, the School requested an extension to enable them to lodge a development application for works that included the cycleway and a pre-lodgement meeting was held.

The School has now formally requested permission for the cycleway to traverse across Council's operational land at Gallans Road, Ballina (see **attached** plan). As Councillors would be aware this land has been earmarked as a potential site for the proposed indoor sports facility.

Legal / Resource / Financial Implications

Legal

The land that the cycleway would traverse is operational land and as such Council can permit the construction of the cycleway on this land if they so wish.

Financial

The costs for installing the cycleway would be borne by the Ballina Christian Education Association.

Consultation

Staff have consulted with the Ballina Christian Education Association and their appointed town planner.

Options

1. Approve the request from Ballina Christian Education Association to construct a cycleway as per Development Consent 1999/758 across Council's operational land at Lot 386 DP 414615 and Part Lot 114 DP 755684, Gallans Road Ballina.

This option is recommended as it allows the School to construct the cycleway and comply with relevant conditions of development consent and also utilises existing infrastructure, being the Ballina Heights Cycleway.

However as noted, the Gallans Road Site is once again the subject of a feasibility assessment for the indoor sports facility and Council may not wish the cycleway to compromise the use of the land.

2. Refuse the request from Ballina Christian Education Association and advise them to seek Roads Act approval to construct the cycleway within the road reserve along Tamarind Drive, Ballina.

Council could consider this option, however as development consent was granted to the Ballina Christian Education Association to construct a link to the existing cycleway, it may be considered unreasonable to now require them to contribute to constructing a new cycleway along Tamarind Drive connecting with the existing Ballina Heights Cycleway at Bicentennial Gardens, which inevitably Council would need to contribute funds to.

RECOMMENDATION

That Council approves the request from Ballina Christian Education Association to construct a cycleway as per Development Consent 1999/758 across Council's operational land at Lot 386 DP 414615 and Part Lot 114 DP 755684, Gallans Road Ballina with the route to be determined by the Council General Manager or nominated delegate.

Attachment(s)

1. Applicant's Letter 2 June 2015
2. Section 96 cycleway plan
3. Proposed Cycleway Route
4. Locality Plan

MALCOLM SCOTT B.A. & D.U.R.P. (UNE) M.P.I.A.
CONSULTANT TOWN PLANNER

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General Manager
Ballina Shire Council
PO Box 450
Ballina NSW 2478

2 June 2015

Att Ms Leanne Harding
Commercial Services

RECORDS
SCANNED

Dear Ms Harding

09 JUN 2015

Re **Richmond Christian College – Lot 7 DP 1018431**
Development Application No. 1999/758
Condition No. 17 - cycleway

Doc No.....
Batch No.....

I act on behalf of the Landowners, Ballina Christian Education Association and Applicants Richmond Christian College C/- Mr Garry Binks, Principal, 7 Gallans Rd, Ballina, NSW.

Further to the discussions in regard the cycleway at the DA pre-lodgement meeting with Council on 25 May 2015, the School has instructed me to instigate negotiation with Council in regard the final location of and its requirements for the cycleway.

As advised by Mr Neville Smith (representing the School), the School wishes to finalise the location and get the cycleway built.

As you would be aware Condition No. 17 of DA 1999/758, that permitted the School on the land, required the provision of the cycleway. The School sometime later prepared and lodged a Section 96 Application to amend (perhaps indicatively show would be a better description) the location of the cycleway. I have attached copy of the Council's Evaluation Report for the application.

The plan lodged with the Section 96 Application showed in highlighter on an aerial image a location for a cycleway immediately to the west of the stand of trees east of the equestrian facility on land owned by Council.

As discussed at the meeting it appears this route may not be feasible nor practical due to the low lying nature of the land and poor drainage.

At the meeting an alternative location for a cycleway (east of the stand of trees) was presented. I have attached copy of the plans with amendments suggested by Council's engineering staff at the meeting.

Both routes are located in a manner (close to the stand of trees) which minimises potential for sterilisation of land which maybe used by Council (or others) for the various purposes discussed at the meeting (i.e. equestrian use, sportsfields or grazing).

Page 1

Placing the cycleway in the former Pacific Highway (Tamarind Dr) road reserve appears not to be a feasible option given the construction of the road and table drains.

I note that Condition No. 17 does not specify where the cycleway should be located.

On behalf of the School I respectfully request Council's:

- formal feedback on the Schools preferred route (east of the trees) connecting to the existing Council cycleway between Ballina and Ballina Heights and
- advice as to its requirements (applications and details) so it may happen concurrent with the proposed development at the School.

Should you have any queries please in the first instance contact Mr Smith (ph 0429 660383) or me.

Yours faithfully

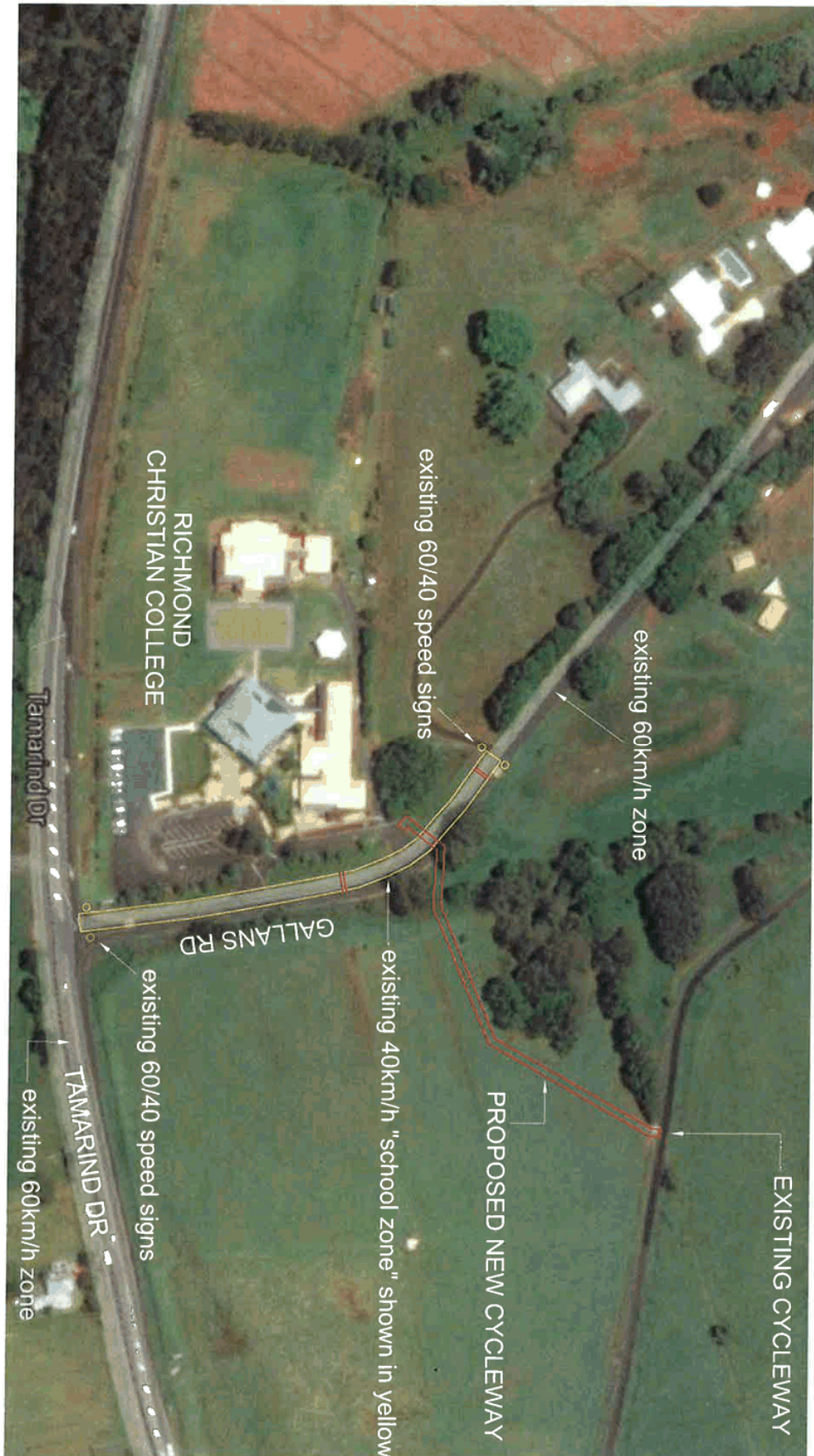


Malcolm Scott M.P.I.A.

Encl

Cc Richmond Christian College





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4.1 Richmond Christian College Cycleway



4.2 Acquisition of Unformed Crown Roads - Ballina Byron Gateway Airport

4.2 Acquisition of Unformed Crown Roads - Ballina Byron Gateway Airport

Delivery Program Commercial Services

Objective To determine if Council wishes to acquire unformed Crown roads that traverse Ballina Byron Gateway Airport Land

Background

Council has been negotiating with Crown Lands to close and acquire unformed crown roads within and adjacent to the Ballina Byron Gateway Airport ("BBGA"). It is considered appropriate to close these sections of road and acquire the land pertaining to same as they are within the BBGA's restricted access area (see **attached** plan).

Key Issues

- Remove encumbrances from land pertaining to the BBGA precinct
- Remove any potential for adjoining landowners seeking access across restricted areas
- Funding

Information

The site pertaining to the BBGA sits has a number of unformed crown roads that traverse over it. The Crown has approached Council with a view to closing the roads and Council acquiring the land.

The subject lands comprise a total area of 6.604 hectares. The Valuer General has assessed the value of the subject lands for acquisition purposes at \$48,070 + GST. This value is considered reasonable in the current market.

Legal / Resource / Financial Implications

The closure and acquisition of the unformed Crown roads will remove these encumbrances, allow for consolidation of all land titles pertaining to the BBGA and remove the potential for any party seeking access through what is a restricted area of the airport precinct.

The BBGA does not have a specific budget for this proposed acquisition however this an opportune time to purchase and funds could be allocated from the BBGA's capital budget or the Property Development Reserve.

The capital budget for the BBGA for 2015/16 is \$75,000 for miscellaneous expenditure and \$15,000 for works related to the provision of art from the Northern Rivers Gallery in the BBGA terminal.

4.2 Acquisition of Unformed Crown Roads - Ballina Byron Gateway Airport

Consultation

Council staff have been negotiating with Department of Trade and Investment, Crown Lands Division.

Options

1. Make application to Department of Trade and Investment Crown Lands Division for the closure and acquisition of 6.604 ha of unformed Crown roads that traverse Ballina Byron Gateway Airport land at the agreed price of \$48,070 + GST.

Funds could be allocated from the BBGA's capital budget or the Property Development Reserve.

This option is recommended as it will allow for consolidation of all land titles pertaining to the BBGA and remove the potential for any party seeking access through what is a restricted area of the airport precinct.

The recommended funding source is from the \$75,000 miscellaneous capital expenditure budget for the BBGA as this is an airport related purchase.

2. Advise the Department of Trade and Investment Crown Lands Division that it does not wish to make application to close and acquire the unformed Crown roads.

This option is not recommended as the acquisition price is considered fair and reasonable and the Crown is a willing vendor at this point in time. Circumstances could change in the future.

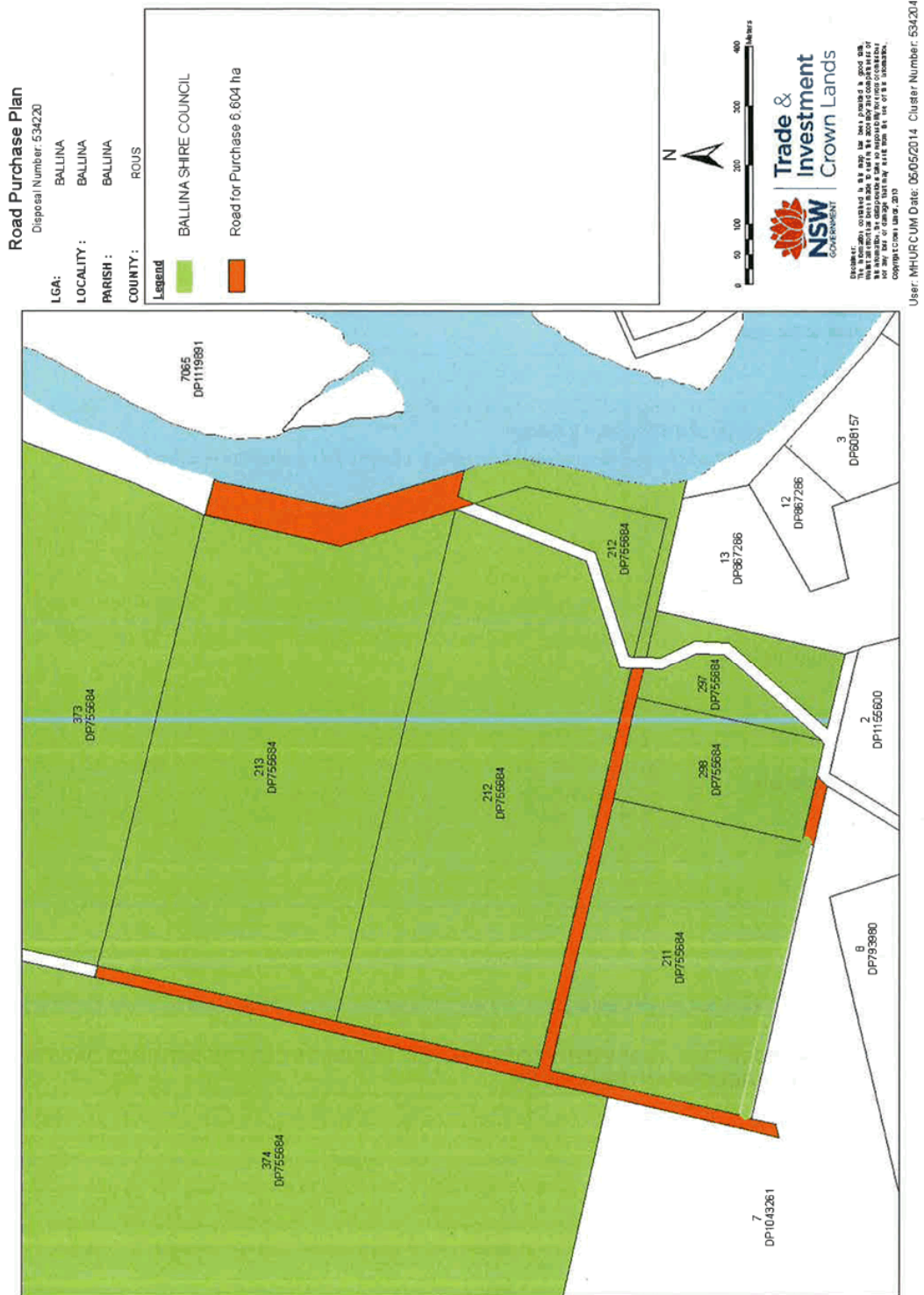
RECOMMENDATIONS

1. That Council authorises the General Manager to make application to the Department of Trade and Investment Crown Lands to formally close and acquire the 6.604ha of unformed Crown roads at the agreed price, as per the attached plan.
2. The Council's seal is authorised to be placed on any documents pertaining to the closure and acquisition of the unformed crown roads.
3. This expenditure is to be funded from the Airport Miscellaneous Capital Expenditure budget.
4. The land is to be classified as operational land under the Local Government Act, 1993.

Attachment(s)

1. Plan of Unformed Crown Roads for acquisition

4.2 Acquisition of Unformed Crown Roads - Ballina Byron Gateway Airport



4.3 Compulsory Acquisition - Crown Land Ballina Byron Gateway Airport

4.3 Compulsory Acquisition - Crown Land Ballina Byron Gateway Airport

Delivery Program Commercial Services

Objective To determine if Council wishes to compulsorily acquire Crown Land at the end of the Ballina Byron Gateway Airport

Background

Council has been negotiating with Department of Trade and Investment Crown Lands regarding a parcel of land at the end of the Ballina Byron Gateway Airport (“BBGA”) runway (see **attached** plan). This parcel of land is currently under Licence with the Crown with the purpose of the licence being “*Site Investigation for Acquisition Purposes*”.

Key Issues

- Compulsory acquisition of Crown Land for BBGA
- Funding

Information

Council has been in negotiations with Department of Trade and Investment Crown Lands over a parcel of reclaimed land at the end of the BBGA. This parcel of land is currently under Licence with the Crown due to expire on 1 June 2017.

The purpose for which the premises may be used is “*Site Investigation for Acquisition Purposes*”. One of the conditions of the Licence is:

“The holder shall use his best endeavours to undertake to finalise within the term of this licence, the acquisition of the reclaimed land within the premises pursuant to the provisions of the Land Acquisition (Just Terms Compensation) Act 1991. Upon finalization of the acquisition this licence will be revoked.”

The purpose of this report is to obtain formal approval to commence the compulsory acquisition process under the Land Acquisition (Just Terms Compensation) Act 1991 (NSW) and Local Government Act (NSW) 1993.

Legal / Resource / Financial Implications

The conditions of the Licence Agreement require Council to use its best endeavours to finalise acquisition of the subject land and that no renewal of the licence agreement will be offered.

Council does not currently have a figure for the acquisition of this land as the the Valuer General has not yet been instructed to assess the value of the land for acquisition purposes.

Based on the previous report in this agenda, which had a Valuer General valuation of \$48,070 for approximately six hectares, an indicative estimate is \$18,000 for the 2.3 hectares.

4.3 Compulsory Acquisition - Crown Land Ballina Byron Gateway Airport

Also as per the previous report the recommended funding source is the BBGA's capital budget.

Consultation

Council has been in consultation with Department of Trade and Investment Crown Lands Division.

Options

1. Make application to commence the compulsory process application by requesting formal approval from the Minister for Local Government and the Governor to compulsory acquire the land.

This Option is recommended as it complies with the terms of the Crown licence that Council currently hold over the subject land and also ensures the integrity of security is maintained from North Creek.

2. Advise the Department of Trade and Investment Crown Lands that it does not wish to acquire the land.

This is Option is not recommended as it is contrary to what Council has agreed to do as per the terms and conditions of the licence pertaining to the subject property.

RECOMMENDATIONS

1. That Council proceed with the compulsory acquisition of the land described as Crown land adjoining lot 3 DP 1147805 and adjoining the southernmost part Crown public road east of Lot 213 DP 755684 (see attached plan) for public purposes in accordance with the requirements of the Land Acquisition (Just Terms Compensation) Act 1991.
2. That Council make application to the Minister for Local Government and/or the Governor for approval to acquire Crown land adjoining Lot 3 DP 1147805 and adjoining the southernmost part Crown public road east of Lot 213 DP 755684 by compulsory acquisition process under the Local Government Act, 1993.
3. The Council's seal is authorised to be attached to any documents relating to this proposed acquisition.
4. This expenditure is to be funded from the Airport Miscellaneous Capital Expenditure budget.
5. The land is to be classified as operational land under the Local Government Act, 1993.

Attachment(s)

1. Crown Licence Plan

Licence No.: LI 397412
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SCHEDULE 3



Licence Area: 2.342 ha

<u>Diagram Showing</u>		Parish:	Ballina
Licence No:	397412	County:	Rous
Holder:	Ballina Shire Council	Council:	Ballina Shire
Location:	Ballina	District Office:	Grafton
REDUCTION RATIO Not to Scale Lengths in metres		File No:	GF07H156
		Date Drawn:	25 May 2012

4.4 Land Sale - Lot 90 Cessna Crescent, Ballina

4.4 Land Sale - Lot 90 Cessna Crescent, Ballina

Delivery Program Commercial Services

Objective To confirm the sale price negotiated for Lot 90 Cessna Crescent, Southern Cross Industrial Estate.

Background

Council staff have negotiated the sale of Lot 90 in DP 1161854, a vacant industrial site comprising an area of 1,100m². Details of the sale negotiated are contained in the confidential report elsewhere in this meeting agenda. Refer to locality plan **attached**. The purchaser was introduced by LJ Hooker Real Estate Ballina.

Key Issues

- Selling price

Information

The price negotiated is considered to be in line with recent land sales on Southern Cross Industrial Estate, as detailed in the summary schedule below, which should be read in conjunction with the aerial photo plan **attached**.

Lot/DP	Price (excl GST)	Area	Date of Sale	Purchaser	\$/m²
93/1161854	\$290,000	1,100m ²	11/6/2010	Croft ANORS	\$264/m ²
89/1161854	\$424,000	1,663m ²	22/12/2010	Nasmyth P/L	\$254/m ²
95/1184435	\$533,150	2,269m ²	4/10/2012	Nasmyth P/L	\$235/m ²
97/1194043	\$570,058	2,429m ²	2/08/2012	Nasmyth P/L	\$235/m ²
92/1161854	\$270,000	1,100m ²	10/2014	Croft ANORS	\$245/m ²
Pt Lot 98 DP1194043	\$910,000	3,964m ²	2/2015	Nasmyth P/L	\$230/m ²
87/1161854	\$500,000	1,995m ²	5/2015	Walker	\$250/m ²

Legal / Resource / Financial Implications

Proceeds from the sale of this land will be directed to Council's Property Development Reserve and Community Infrastructure Reserve as per Council's Long Term Financial Plan.

Consultation

All lots have been publicly listed for sale.

Options

1. Council can resolve to sell the portion of operational land described as Lot 90 DP 1161854, Cessna Crescent, Ballina on the terms negotiated.

4.4 Land Sale - Lot 90 Cessna Crescent, Ballina

This is the preferred option as the sale is considered to be in line with recent sales of vacant industrial land on the Southern Cross Industrial Estate.

2. Council can resolve to vary the proposed sale terms and price for Lot 90 DP 1161854 however this option is not recommended.

The recommendation is to approve the sale with the price to be determined as per the confidential report.

RECOMMENDATIONS

1. That Council approves the sale of Lot 90 DP 1161854 Cessna Crescent, Ballina, as detailed within this report.
2. That Council authorises the Council seal to be attached to the contract for sale and any other related documents including sale transfers.

Attachment(s)

1. Locality Plan

4.4 Land Sale - Lot 90 Cessna Crescent, Ballina



Lot No.	Street	Area m ²	Rate \$/m ²	\$ Price
91	Cessna Crescent	1100	\$270	\$297,000
90	Cessna Crescent	1100	\$270	\$297,000
88	Cessna Crescent	1841	\$265	\$488,000
87	Cessna Crescent	1995	\$260	\$519,000
2	Boeing Ave	23170	\$200	\$4,634,000
3	Boeing Ave	34976	\$200	\$6,995,000

Notes:
 1. All prices are exclusive of GST.
 2. Prices for Lots 2 & 3 Boeing Ave assume Council completes all development works.




BSC Industrial Land For Sale
Southern Cross Industrial Estate, Ballina



DISCLAIMER © Land & Property Information 2015
 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.

Printed
23/03/2015

4.5 Wigmore Arcade Complex - Leasing Update and Roof Replacement

4.5 Wigmore Arcade Complex - Leasing Update and Roof Replacement

Delivery Program Commercial Services

Objective To seek Council's concurrence to finalise a lease proposal negotiated for Shop 3 Wigmore Arcade, provide a leasing update and seek concurrence to call tenders to replace the roof pertaining to the Complex.

Background

Council staff have been progressing negotiations with a number of prospective new tenants for shops in the Wigmore Arcade Complex. The purpose of this report is to seek Council's concurrence to a lease proposal negotiated and also seek Council's concurrence to call for tenders to replace the roof pertaining to the Complex.

The purpose of this report is to provide an overview of the confidential report included later in this agenda which deals with the actual lease details.

Key Issues

- Ratification of lease proposal negotiated
- Roof replacement

Information

Negotiations have concluded with a prospective tenant for Shop 3 and are ongoing for Shops 4, 5, 6 and 12. Specific details are contained in a confidential report also included in this agenda. A leasing plan is **attached** to this report.

Council is also currently drafting documents with a view to calling tenders to replace the roof and River Street awning pertaining to the Wigmore Arcade Complex. A structural engineer's report obtained on the River Street awning indicates urgent repairs are required to ensure structural integrity is maintained and it is made water tight to prevent further damage being caused to the building fabric.

The roof over the balance of the Complex (excluding the vaulted roof area above the Arcade) is in need of replacement due to deterioration resulting in numerous leaks causing ongoing damage to the building fabric and tenants' fitouts.

These proposed works were excluded from the building contract for the recently completed building works to minimise disruption to tenants. They also represent a separate contract to the nature of the other works undertaken in the redevelopment.

Initial estimates for the proposed works are in excess of \$200,000.

4.5 Wigmore Arcade Complex - Leasing Update and Roof Replacement

If these works are to proceed they would need to be funded from the Property Development Reserve.

Legal / Resource / Financial Implications

Lease documentation will be prepared and executed in accordance with the NSW Retail Leases Act (1994). A revised cash flow forecast will be included in a report to Council at the conclusion of negotiations with prospective tenants for Shops 4, 5, 6 and 12.

The latest forecast cash flows for the property development reserve are as follows.

Item	2014/15	2015/16	2016/17	2017/18
Opening Balance	3,777,600	2,229,100	1,412,800	2,600,100
Cash Inflows				
Interest Earned on Reserve	103,000	56,000	35,000	65,000
Sales – Wollongbar Residential	2,500,000	3,000,000	3,000,000	3,000,000
Sales – Southern Cross	262,000	705,000	250,000	250,000
Sales – Russellton	0	0	150,000	150,000
Sale – Russellton Major Sales	0	0	1,500,000	0
Sale – Alstonville Tennis Courts	0	0	1,500,000	0
Sales – Miscellaneous	229,000	0	0	0
ARC Rental (50%)	171,000	176,000	181,300	186,800
Norfolk Homes Rental	145,000	150,000	154,500	159,200
Sub Total Inflows	3,410,000	4,087,000	6,770,800	3,811,000
Cash Outflows				
Community Infrastructure Dividend	0	0	2,000,000	1,700,000
Wollongbar Residential Expenses	1,523,000	2,396,000	3,098,900	101,900
Wollongbar Sports Fields	400,000	0	0	0
Southern Cross Expenses	330,000	204,000	107,200	1,710,500
Russellton Expenses	131,500	1,866,000	68,100	70,300
Airport Management Evaluation	110,000	0	0	0
Airport Boulevard Road Approval	0	50,000	0	0
Wigmore Arcade Redevelopment	1,875,000	0	0	0
Wigmore Arcade Leases	104,000	0	0	0
Miscellaneous Expenses	24,500	4,500	4,700	4,800
Dividend to General Fund	460,500	382,800	304,600	336,200
Sub Total Outflows	4,958,500	4,903,300	5,583,500	3,923,700
Closing Balance	2,229,100	1,412,800	2,600,100	2,487,400

For 2014/15 the final results should be close to the estimates with all income sales realized and the expenditure items generally on budget.

The concern with sourcing another \$200,000 from the Property Development Reserve is that for 2015/16 we have assumed sale proceeds of \$4.087m.

The sales income for Southern Cross should be achieved with a sale approved in 2014/15, which is to be settled in 2015/16, and a separate report in this agenda also seeking approval for another sale.

The real risk is with the Wollongbar Residential sales, with that land still to receive planning approval and construction of the lots yet to commence. If timing wise those sales did not occur this financial year and all other expenditure was incurred, the reserve would be overdrawn by \$1.587m (i.e. \$1,412,800 less \$3m) at year end.

4.5 Wigmore Arcade Complex - Leasing Update and Roof Replacement

In order to manage this cash flow it would be proposed not to expend any monies on the development of the Russellton Estate industrial Estate Lots, with the budget for that work being \$1.8m (the balance of the \$1,866,000 in the cash flow, being \$66,000, is holding costs such as Council rates and charges), until we were confident on the income from the Wollongbar sales.

The deferral of this \$1.8m for Russellton would then result in the reserve having a positive balance of \$212,800 at year end, assuming no sales income is received from Wollongbar this year. There is a real risk that timing wise we will not achieve any Wollongbar sales this year due to the timing needed for planning approval and construction. If sales do eventuate they will be very close to the end of the financial year.

Council could also be in a position where we need to undertake the Russellton works to assist in resolving the various planning approval and zoning matters that exist at the southern end of that Estate. The overall cash flows will need to be considered if that matter comes before Council again in the near future.

Consultation

Negotiations have been conducted with prospective tenants on an ongoing basis.

Options

The tenancy matters in this report are for noting purposes only with details of tenancy agreements noted in the confidential report contained elsewhere in this agenda.

In respect to the roofing issues even though it would be ideal to undertake the works this year the overall cash flows are not of sufficient certainty to fund those works.

Ideally it was hoped that the roofing and River Street awning could be undertaken as one contract, however based on the forecast cash flows it may be preferable to just undertake the awning works. A separate costing has not been obtained for that item and a very rough estimate would be \$40,000.

This being the case the recommendation is to only provide funding for the critical works at this point in time.

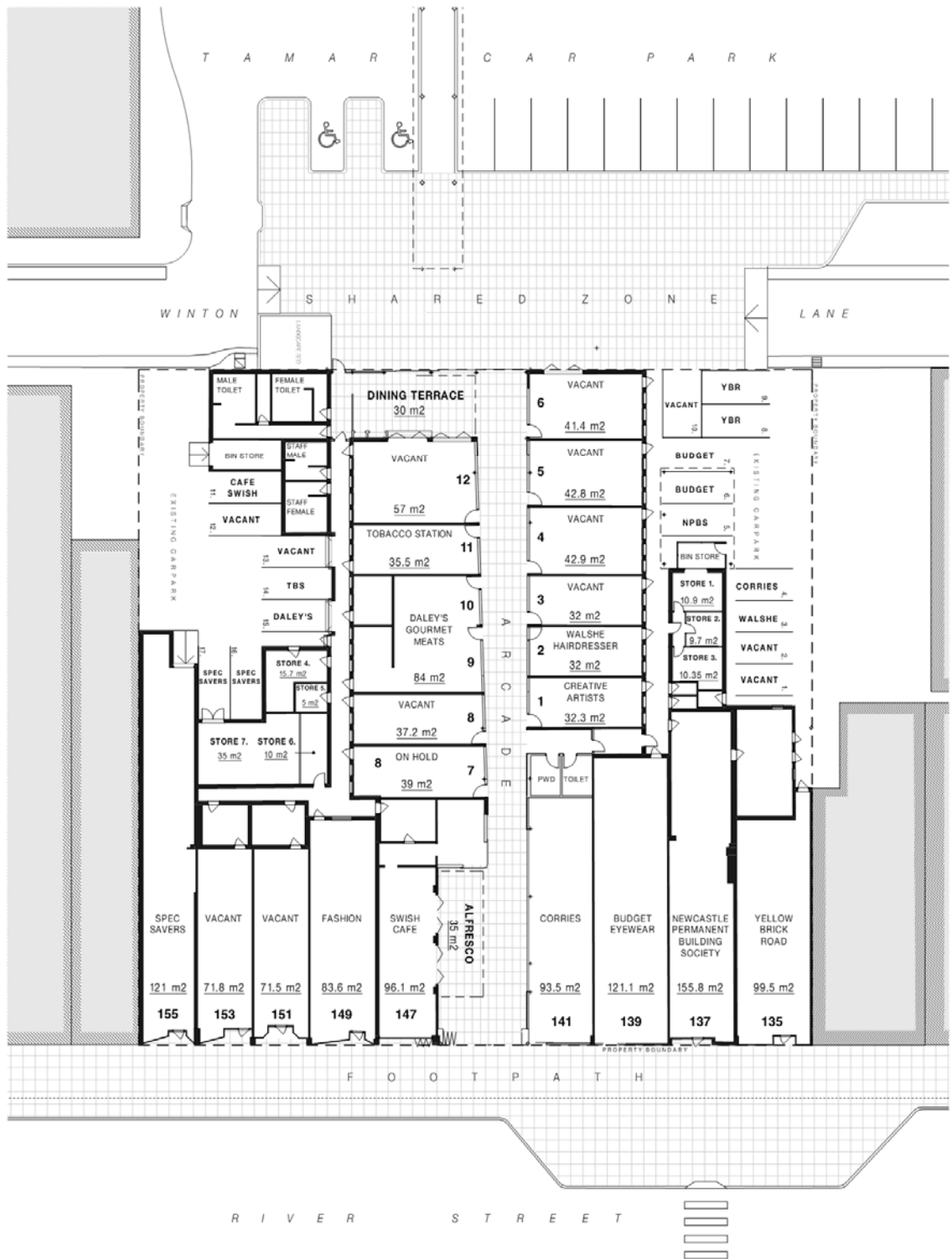
RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the current lease negotiations.
2. That Council authorises the General Manager to call quotations for repairs to the River Street awning for the Wigmore Arcade Complex with \$40,000 to be allocated from the Property Development Reserve to fund this work.

Attachment(s)

1. Wigmore Arcade - Leasing Plan

4.5 Wigmore Arcade Complex - Leasing Update and Roof Replacement



WIGMORE ARCADE - COMPLEX LEASING PLAN

NOTE: NOT TO SCALE - AREAS ARE APPROXIMATE ONLY



4.6 Land Acquisition

4.6 Land Acquisition

Delivery Program Commercial Services

Objective To provide background information in respect to the possible acquisition of a strategic land parcel.

Background

At various times there may be opportunities for Council to acquire land in the Shire of a strategic nature. Those discussions must be held on a confidential basis to ensure that if Council does wish to acquire any such parcel the land is purchased on the most favourable terms.

The purpose of this report is to confirm that a confidential report has been included in this agenda in respect to the purchase of land that may be of a strategic nature.

Key Issues

- Nature of property
- Benefit
- Price
- funding

Information

As per the background information.

Legal / Resource / Financial Implications

Any purchase will have financial implications.

Consultation

This report confirms for the public that a confidential report has been included elsewhere in this agenda.

Options

This report is for noting only.

RECOMMENDATION

That Council notes that a confidential report has been included in this agenda in respect to a strategic land purchase.

Attachment(s)

Nil

4.7 Commercial Projects - Year in Review and Work in Progress

4.7 Commercial Projects - Year in Review and Work in Progress

Delivery Program Commercial Services

Objective To provide an overview of the commercial projects completed for the financial year ending 30 June 2015 and works currently in progress.

Background

This report has been prepared to provide Council with an overview of the work program for the financial year ending 30 June 2015 and work currently in progress. Council's commercial activities provide a significant benefit to our financial sustainability and this report provides a snapshot of the benefits derived.

Key Issues

- Achievements
- Work in progress
- Tasks for the year ending 30 June 2016

Information

Over the past twelve months the property market on the NSW Far North Coast has improved in all sectors including residential, retail, commercial and industrial property. This upswing has been beneficial to Council's property portfolio.

To capitalise on an upswing in any sector of the market a property investor or developer must be ready in terms of having property available to lease and or sell. The means having planning and construction approvals in place, land developed and buildings constructed. Over the past few years a lot of work has been undertaken to provide Council with the opportunity to compete in the market when an upswing occurs.

A brief overview of the activities in each sector of the market is provided as follows:

Residential Land

In the Ballina Shire there has been an upswing in the demand for serviced residential lots as evidenced by the number of sales in Wollongbar Urban Expansion Area ("WUEA") and Ballina Heights Estate ("BHE"). There is no doubt that the number of sales in these two areas has been greatly assisted by BBRC Land Buyers Subsidy Scheme. To date Council has issued 73 grants to successful applicants in the WUEA and 41 grants to successful applicants on BHE.

Development of Stage One of Council's Wollongbar Residential Estate commenced in June 2015 and was completed on time and under budget. 13 of the 15 lots have been sold and settled generating sales of \$2,775,000.

4.7 Commercial Projects - Year in Review and Work in Progress

A development application for Stage 2 has been completed and will be lodged by mid-July 2015. This stage will comprise 18 lots and is estimated to generate \$3,600,000 in sales assuming an average sale price of \$200,000 per lot.

Industrial Land

In the past 12 months one industrial lot was sold and settled for \$270,000 + GST, however during that same period contracts were exchanged for an additional five lots worth \$1,900,000 + GST (or \$2,175,000 + GST if the latest sale negotiated is included) with settlements due in the current financial year.

This upswing in demand leaves Council with only two serviced industrial lots for sale. To create additional supply for the short term a development application is being prepared to develop 1.346 hectares of industrial land at 54 North Creek Road as serviced lots. Subject to gaining development consent it is hoped development of this site will commence in late 2015.

In regards to increasing the long term supply of industrial land consultants have been engaged to prepare and lodge a planning proposal to rezone approximately 36.5 hectares of Council owned land to Industrial IN1 and Industrial IN2. It is anticipated this planning proposal will be submitted to Council within the next few months.

A grant application under the Federal Government's National Stronger Regions Fund is also being prepared to assist in funding construction of a link road between North Creek Road and the Ballina Byron Gateway Airport. Generally referred to as "Airport Boulevard", this proposed road is estimated to cost in the order of \$5m and will be the key to opening up development of the 36.5 hectares of land.

In regards to the Russellton Industrial Estate, negotiations are still in progress with the adjoining owners to resolve development consent issues and enable Council to proceed with development of the final stages of this estate. It is understood the adjoining owners have engaged planning consultants to prepare and lodge a development application for a boundary adjustment.

Miscellaneous Land Sales and Acquisitions

The sale of a portion of road to Alstonville Shopping Plaza settled in the financial year just concluded as did the sale of Old Tintenbar Quarry. These two sales equated to \$300,000.

Negotiations are still in progress with RMS for land pertaining to the Old Bagotville Quarry, the outcome of which will be reported to Council for consideration in due course.

The acquisition of the portion of Crown land pertaining to Shelly's on the Beach for \$240,000 also settled in the year ending 30 June 2015.

Compulsory acquisitions in progress include:

- Acquisition of Crown land for the recently completed section of Compton Drive

4.7 Commercial Projects - Year in Review and Work in Progress

- Acquisition of land pertaining to unformed roads on the Ballina Byron Gateway Airport (the subject of a report elsewhere on this agenda).
- Acquisition of Crown land at the northern end of the runway on the Ballina Byron Gateway Airport (the subject of a report elsewhere on this agenda).

Commercial, Industrial and Retail Leasing

In the past financial year negotiations have been concluded and leases finalised for rental income totaling \$437,000 p.a. including nine leases for new or sitting tenants in the Wigmore Arcade Complex and lease agreements for the Ballina Byron Gateway Airport.

Negotiations are in progress or about to commence for leases worth approximately \$800,000 p.a. to new or sitting tenants.

Negotiations are progressing well for premises in the Wigmore Arcade Complex, which if completed will only leave two out of twenty shops vacant by the end of August 2015.

Development Projects

Development projects completed in the past financial year include refurbishment of the Wigmore Arcade Complex and construction of Stage 1 of Council's Wollongbar Residential Estate.

Ballina Byron Gateway Airport

The past twelve months have seen another great result for the Airport as evidenced by the increase in passenger numbers rising from 398,000 for the year ending 30 June 2014 to 434,000 for the year ending 30 June 2014.

The Airport's marketing strategy and positive relationship with the airlines has given them confidence to trial new services with a focus on early morning jet services into and out of Ballina and an increase in the frequency of services to and from Melbourne.

The importance of the Airport to the local and regional economies cannot be understated. Tourism is one of the largest industries in the region, and has no doubt been assisted by passenger numbers increasing over the past five years from 287,000 to 434,000.

The Airport has also proceeded to the next stage of assessment for its grant application of \$7,450,000 under the Regional Tourism Infrastructure Fund. If successful these funds will be applied to expanding the existing terminal and undertaking apron upgrade works.

The Scoping Study for future management options for the Airport is also currently underway.

Flat Rock Tent Park

Occupancy rates and revenue for this business continues to improve due to proactive positive marketing by the onsite managers and the pride they take to ensure the Park presents at its best at all times of the year.

4.7 Commercial Projects - Year in Review and Work in Progress

The cash surplus has risen from \$70,000 in 2012/2013, to \$121,000 in 2013/2014 and \$173,000 for the year ending 30 June, 2015.

BBRC Land Buyers Subsidy Scheme

To date Council has processed and issued 73 grants to successful applicants in the WUEA and 41 grants to successful applicants in the BHE, totaling \$2,850,000.

Ballina Shire Council has proven to be one of the most successful councils in Australia in formulating, implementing and administering the scheme under the BBRC program. It is understood some councils may be in the awkward position of having to hand back grants and others have not even implemented schemes or projects they had proposed.

Deferral of Developer Contributions

Council granted the developer of Ferngrove Estate, Rayshield Pty Ltd permission to defer payment of developer contributions on lots for Stage 1 and 2 until lots were sold. This scheme assisted the developer in managing its cash flow through what were difficult financial times. This scheme has now concluded and the developer is paying development contributions in the normal manner for Stage 3.

The broader economic benefit of this scheme was that it enabled lots to be sold, houses to be built etc., and enabled a business/developer to survive difficult financial times.

Legal / Resource / Financial Implications

Commercial activities contribute to the finances of Council.

Consultation

Provided for public information.

Options

This report has been provided for information purposes only

RECOMMENDATION

That Council notes the contents of this report in respect to commercial projects completed during 2014/15 and in progress for 2015/16.

Attachment(s)

Nil

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 - Lot 90 Cessna Crescent, Ballina

As per report 4.4.

5.2 Wigmore Arcade Complex - Leasing Update Terms

As per report 4.5

5.3 Land Acquisition - Details

As per report 4.6

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 - Lot 90 Cessna Crescent, Ballina

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 due to the ongoing commercial negotiations.

5.2 Wigmore Arcade Complex - Leasing Update Terms

Reason for Confidentiality

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

- d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret

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 due to the ongoing commercial negotiations and the release of any information could prejudice those negotiations.

5.3 Land Acquisition - Details

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 due to the ongoing commercial negotiations.