



Notice of Commercial Services Committee Meeting

Notice is hereby given that a Commercial Services Committee Meeting will be held in the Ballina Shire Council Chambers, Cnr Cherry & Tamar Streets, Ballina on **Monday 18 June 2012 commencing at 4.30pm.**

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

4.1 Henderson Farm Development

4. Committee Reports

4.1 Henderson Farm Development

Delivery Program Commercial Services

Objective To obtain Council authorisation to prepare and lodge a joint Development Application for residential subdivision of the Henderson Farm

Background

Council owns a portion of land in Lennox Head that forms part of what is generally known as the "Henderson Farm". Council's land holding is described as Lot 2 in DP 1070446 and comprises an area of 14.52 hectares. The land is currently zoned "Rural 1(d) – Urban Investigation" under Ballina LEP 1987. Council initially owned the whole of the Henderson Farm however in 2002 it sold approximately 78 hectares to Lennox Developments Pty Ltd.

Since 2007 Lennox Developments Pty Ltd and Council (as landowner) jointly funded the preparation and lodgement of a proposal to have approximately 30 hectares of the Henderson Farm rezoned for residential development. The cost of preparing and lodging the rezoning proposal were shared between Lennox Developments Pty Ltd and Council on a pro-rata basis based upon land areas to be rezoned for residential development.

An agreement between the parties dated 16 July 2007 noted that the costs would be shared 75.00% by Lennox Developments and 25.00% by Council. Council's portion of the 30 hectares proposed to be rezoned for residential development equates to approximately 7 hectares.

At the Ordinary Meeting held on 22 March, 2012, Council resolved:-

1. That Council amend the Draft Henderson Farm Planning Proposal as exhibited with respect to approximately 7,000m² of land from proposed 7(l) Environmental Protection (Habitat) Zone to 2(a) Living Area Zone under the terms of the Ballina LEP 1987 (from E2 Environmental Conservation to R2 Medium Density Residential under the terms of the draft shire-wide LEP).
2. That Council submit the revised Henderson Farm Planning Proposal to the Department of Planning & Infrastructure and request that the plan be finalised for implementation in accordance with the terms of the *Environmental Planning and Assessment Act* and associated Regulation.
3. That the Minister for Planning be requested to defer the portion of the land identified with cross hatching on the recommended zoning plan, in accordance with the Environmental Planning and Assessment Act.
4. That the General Manager be authorized to sign the Voluntary Planning Agreement which supports this planning proposal.

4.1 Henderson Farm Development

Attachment 1 contains a copy of the proposed Planning Amendment No. 103.

Lennox Developments Pty Ltd have advised Council (as landowner) that they now wish to proceed with the preparation and lodgement of a development application for the land proposed to be rezoned for residential development as per the resolution noted above. Lennox Developments have requested that Council contribute to the costs of preparing and lodging a development application on a pro-rata basis similar to the cost sharing arrangement for the rezoning proposal.

Key Issues

- Value adding to Council's assets.
- Achieving better planning outcomes through co-ordinated development
- Funding

Information

On 22 March 2012, Council resolved to rezone approximately 30 hectares of the Henderson Farm to 2(a) Living Area Zone (residential development) as per Proposed Amendment No. 103, Ballina LEP 1987.

Council's portion of the 30 hectares to be rezoned for residential development equates to approximately 7 hectares. Assuming a residential density of 10 lots per hectare, this portion of land could yield approximately 70 lots.

Lennox Developments Pty Ltd has obtained a quote of \$243,150 + GST from planning consultant SJ Connelly to prepare and lodge a development application for the 30 hectares of land, including Council's seven hectares. In support of this a detailed cost estimate has been provided to Council supported by fee proposals from the various sub-consultants. A summarised copy of the quote is contained in **Attachment 2**.

Lennox Developments Pty Ltd have requested Council contribute to this cost estimate on a pro-rata basis, based upon each party's respective land holdings proposed to be rezoned for residential development. Council's seven hectare land holding equates to approximately 23.00% of the total 30 hectares.

On this pro-rata basis Council's share of SJ Connelly's quote equates to approximately \$55,924 + GST, say \$60,000 + GST.

The benefit to Council agreeing to this proposal is two fold:-

- 1) Council, as a planning authority, generally encourages adjoining land owners to work together to create better co-ordinated residential developments in terms road and lot layouts, infrastructures works, etc.; and
- 2) Council, as a minority land owner in this instance, should benefit from the economies scale in terms of cost savings. If Council were to "go it alone" and engage consultants to prepare and lodge a development application for residential development it is likely the costs would be higher as both parties, Council and Lennox Developments, would be paying for similar ,if not the same studies, reports etc.

4.1 Henderson Farm Development

There is no doubt the local residential property market is flat at present, however the process of obtaining development consent for residential subdivisions can, in some instances, take a considerable degree of time depending upon the complexity of the proposal.

In this instance the benefit of proceeding with a joint development application for residential development of the Henderson Farm is that the reports and material utilised in the rezoning proposal may be suitable for the development application. If this opportunity is not taken up now this material may need to be revised or redone in the future, all of which will add time and cost to the process.

Legal / Resource / Financial Implications

This proposal for cost sharing would be a commercial arrangement between adjoining land owners. If endorsed by Council, a formal agreement would be drawn up executed prior to any costs being incurred.

The cost of this proposal, estimated to be in the order of \$60,000 + GST, would be funded out of Council's Commercial Opportunities Reserve. The most recent cash flow summary for this reserve, as presented to Council in March 2012 was as per the following table.

Commercial Opportunities Reserve - 2011/12 to 2014/15

Item	2011/12 (Estimate)	2012/13 (Estimate)	2013/14 (Estimate)	2014/15 (Estimate)
Opening Balance	3,536,500	2,466,200	2,747,100	3,267,100
Add: Revenues				
Interest Accrued	290,000	120,000	120,000	120,000
Sale - Balance Skennars Hd	0	0	400,000	0
Int Loan Repaid - St Lighting	58,000	104,000	0	0
Int Loan Repaid - Flat Rock	49,500	23,100	0	0
Int Loan Repaid – Airport	68,700	0	0	0
Int Loan Repaid – Plant	33,500	33,800	0	0
Sub Total	499,700	280,900	520,000	120,000
Less: Expenditure				
Field - Wollongbar – Purchase	1,520,000	0	0	0
Field - Skennars – Approvals	50,000	0	0	0
Sub Total	1,570,000	0	0	0
Closing Balance	2,466,200	2,747,100	3,267,100	3,387,100

This means there are adequate funds in this reserve, although Council will receive a report in the near future in respect to our application for grant funding under the Building Better Regional Cities Program, for the Wollongbar Sports Fields, as the outcomes from that application will result in significant variations in the above cash flows.

The Federal Government is currently not allowing Council to release the commercial details of that agreement, but it is reasonable to state that even though the Sports Fields will impact on this reserve's cash flows, there are still adequate funds to finance the \$60,000 identified in this report.

Consultation

Lennox Developments Pty Ltd have been in consultation with Commercial Services staff regarding this cost sharing proposal for preparation and lodgement of a development application for a residential subdivision of the Henderson Farm. Any development application will be subject to Council's normal consultation processes.

Council's development assessment section may also engage an external firm to review the assessment process to ensure transparency in the process.

Options

1. The Committee recommend that Council:-
 - a. Agree to the request made by Lennox Developments Pty Ltd that Council contribute to cost of preparing and lodging a development application for a residential subdivision of estimate on a pro-rata basis, based upon each party's respective land holdings proposed to be rezoned for residential development. The proposal is that Lennox Developments Contribute 77.00% and Council contribute 23.00%; and
 - b. Authorise the General Manager to finalise negotiations Lennox Developments Pty Ltd for a joint development application funding agreement and execute the relevant documentation.

This Option is recommended as Council will benefit from the economies of scale of funding a joint development application and in doing so achieve a better planning outcome for the Henderson Farm.

Once development consent for residential development subdivision is approved, the value of Council's land holding on the Henderson Farm will improve and be far more saleable than it is at present.

2. The Committee recommend that Council not agree to the request made by Lennox Developments Pty Ltd as noted above.

This Option is not recommended as Council will not benefit from the economies of scale of funding a joint development application, nor is it considered to be in the best interest of achieving better planning outcomes.

RECOMMENDATIONS

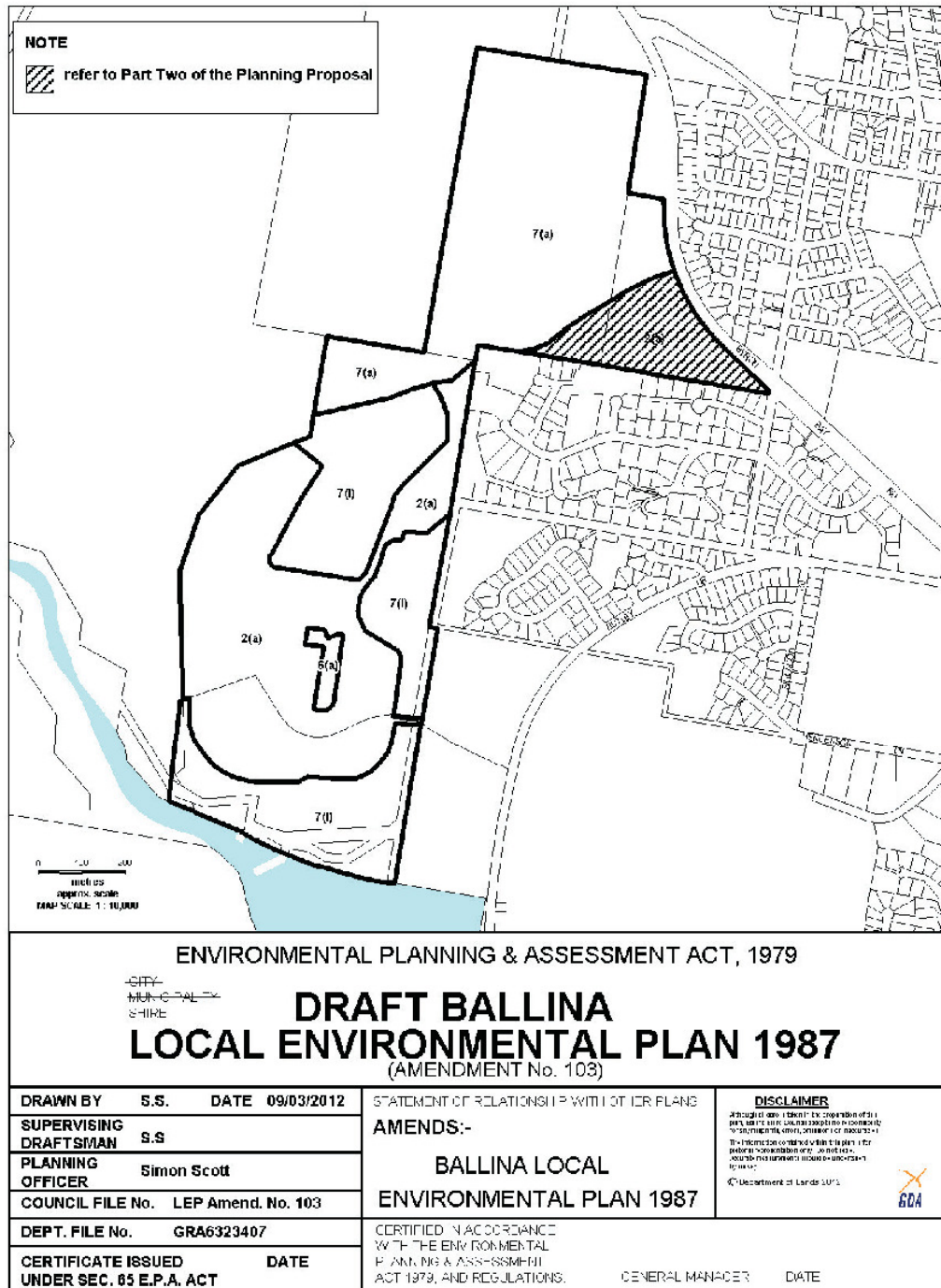
1. The Council approves funding of up to \$60,000 from the Commercial Opportunities Reserve to finance the cost of preparing and lodging a development application for a residential subdivision on a pro-rata basis, for Council's portion of the Henderson Farm land, with Lennox Developments Pty. Ltd., based upon each party's respective land holdings proposed to be rezoned for residential development. The proposal is that Lennox Developments contribute 77% and Council contribute 23%
2. That Council authorise the General Manager to finalise negotiations with Lennox Developments Pty Ltd for a joint development application funding agreement and to execute the relevant documentation.

Attachment(s)

1. Rezoning Map
2. Budget Estimates

4.1 Henderson Farm Development

Attachment 5 - Recommended zoning plan



4.1 Henderson Farm Development

DA preparation fee estimate - Henderson Farm, Lemnox Head
 PROJECT ESTIMATE

17/05/2017

work item	candidate consultant	estimate	notes
environmental assessment			
additional survey	NDC	\$ 18,000	Complete site survey
ecology	peter parker	\$ 12,000	
civil engineering	NDC	\$ 79,000	Refer NDC outline (design, stormwater management plan)
noise	geolink??	\$ -	not sure who did this work at geolink, but not warranted for this DA
landscape architecture	design-team inc	\$ 9,945	
archaeology	davies heritage consultants	\$ 1,500	assume only short letter to accompany previous report.
project planning	SILCONNELLY CPP PTY LTD	\$ 10,000	assume 4 months @ \$2500/ month
social impact assessment	na	\$ -	nil anticipated
traffic	roadnet	\$ 3,000	assume only short letter to accompany previous report.
town planning	NDC	\$ 16,500	
urban design	PRS	\$ 11,000	
contamination	coffey	\$ 1,000	assume only short letter to accompany previous report.
on-site disposal	na	\$ -	nil anticipated
LUCRA assessment	NDC	\$ 2,000	
geotech	coffey	\$ 1,000	assume only short letter to accompany previous report.
mosquito assessment	darryl mcginn	\$ 3,000	assume only short letter to accompany previous report.
bushfire	peter thornson	\$ 1,000	assume only short letter to accompany previous report.
RP consultant	caroline desmond	\$ 5,000	assume 2 months @ \$2500/ month
web site	digital mitchell	\$ 3,000	
GIS estimate	na	\$ -	
DA fees	council	\$ 25,000	assumption of 321 lots plus and early 1/4 lot subdivision to excise enviro & RFS land
fresh aerial photography	nearmap	\$ 100	
printing costs	na	\$ 2,500	estimate only
	sub total	\$ 186,545	plus GST
post exhibition responding to council RFI's etc			
additional survey	NDC	\$ 500	unlikely to be require, minimum provision only
ecology	peter parker	\$ 3,000	assume further work require following up on silly RFI's
civil engineering	NDC	\$ 3,000	assume further work require following up on silly RFI's
noise	geolink??	\$ 500	unlikely to be require, minimum provision only
landscape architecture	design-team inc	\$ 1,500	assume further work require following up on silly RFI's
archaeology	davies heritage consultants	\$ 500	unlikely to be require, minimum provision only
project planning	SILCONNELLY CPP PTY LTD	\$ 12,000	assume 4 months @ \$3000/ month
social impact assessment	na	\$ -	nil anticipated
traffic	roadnet	\$ 1,500	assume further work require following up on silly RFI's
urban planning	NDC	\$ 4,000	
urban design	na	\$ 1,500	assume further work require following up on silly RFI's
contamination	coffey	\$ 500	unlikely to be require, minimum provision only
on-site disposal	na	\$ -	nil anticipated
LUCRA assessment	NDC	\$ 500	assume further work require following up on silly RFI's
geotech	coffey	\$ 500	assume further work require following up on silly RFI's
mosquito assessment	darryl mcginn	\$ 1,000	assume further work require following up on silly RFI's
bushfire	peter thornson	\$ 1,000	assume further work require following up on silly RFI's
RP consultant	caroline desmond	\$ 2,000	assume 1 month @ \$2000/ month
web site	digital mitchell	\$ 1,000	assume updates only for the period exhibition to DA approval
	sub total	\$ 34,500	plus GST
contingencies 10%		\$ 22,105	plus GST
total project estimate		\$ 243,150	plus GST

The following items are not included in this estimate

1. GST is not included

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 Wigmore Arcade Redevelopment

This report contains information relating to as this would adversely impact on Council's ability to negotiate with the existing tenants and any potential developers of the complex.

5.2 Land Sale - North Creek Road, Ballina

This report contains information that may prejudice negotiations.

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 Wigmore Arcade Redevelopment

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 as this would adversely impact on Council's ability to negotiate with the existing tenants and any potential developers of the complex.

5.2 Land Sale - North Creek Road, 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 as the information may prejudice negotiations.