

12.6 PROPERTY SALES**Author:** Warwick Bennett, General Manager**Authoriser:** Warwick Bennett, General Manager**Attachments:** Nil

Link to Community Strategic Plan:	CL4 Actively investigate and communicate funding sources and collaboration opportunities that can strengthen the region.
Cost to Council:	Nil at this stage until Council decides if any property is sold or re-categorisations and rezonings need to happen. Council will need to fund the public hearing process and a separate report with costs will be presented to Council. The preparation of documentation for land to be re-zoned and re-categorisation will be prepared using staff resources.
Use of Reserve Funds:	Nil

RECOMMENDATION

That:

1. The report from the General Manager on Property Sales be received.
2. The sale proceeds from 24 Ross Street, Goulburn be held in a Community Facilities Capital reserve Account for the redevelopment of the Goulburn Aquatic Centre
3. Council sell Lot 2 DP702080 at 1 Portland Avenue Marulan to the adjoining land owner at no less than a registered valuer's valuation with any proceeds being put into the Marulan Village Discretionary Fund reserve for the implementation of the Marulan Village Plan.
4. Council prepares a Plan of Subdivision to split the existing property at 30 Albert Street into two lots. Council also commence a public consultation process and public hearing process to re-categorise one of the newly created lots (approximately 900sqm) to Operational Land and, once categorised as Operational Land, rezone it to R1 Residential. If this process receives community support and is approved through the necessary processes then the part of the land that is rezoned be sold by way of public auction. The proceeds for this sale – should it proceed – be used to create a neighbourhood park and playground on the retained Community Land and any balance used for the implementation of capital improvements identified in the Victoria Park Master Plan.
5. Council sell by public auction Lot 156 DP248976 (10 Ben Bullen Place) at a price no less than determined by resolution of Council upon the receipt of a registered valuer's valuation recommendation. Prior to this property being sold at public auction Council register an easement on the property for the water main. Any proceeds of this sale be set aside in a Community Facilities Capital Reserve account for the redevelopment of the Goulburn Aquatic Centre
6. Council sell by public auction Lot 2 DP40807 and Lot 2 DP712914 (8 Lanigan Lane) at a price no less than determined by resolution of Council upon the receipt of a registered valuer's valuation recommendation. The proceeds from the sale of this property be held in a Community Facilities Capital Reserve Account for the redevelopment of the Goulburn Aquatic Centre.
7. Council agrees in principle that the property at 56 Clinton Street and 4 Lanigan Lane (legal description being Lots 1 and 3 DP 883423) is surplus to strategic requirements and commence a process of disposal no earlier than 1 July 2020 or when the Community Centre development at Bourke Street is completed. In the time being Council discuss options with

Community Plus and notify Property NSW of Council's intentions.

8. Council rezone Lot 1 DP1034565 and Lot 3 DP1008818 (Dossie Street Goulburn) to IN 1 – General Industrial and the General Manager prepare a master plan for Council's consideration that will maximise the land's sale potential. The property then be sold by way of public auction with the proceeds from the sale being used to offset the capital cost of the consolidation of the Depots at Hetherington Street Goulburn.
9. Council commence a Road Closure Application for the portion of road reserve between Hovell Street and Finlay Road adjacent to 43 Finlay Road (Lot 1 DP 832816) and once closed consolidate in the same title as 43 Finlay Road.
10. Council commence a public consultation process and public hearing process to re-categorise 59-61 Hovell Street (Lot 8 DP 832816) as Operational Land and subsequently rezone the land to R1 Residential.
11. Once the categorisation of 59-61 Hovell Street to Operational Land is complete and the said land zoned residential as per point 10 of this resolution then the General Manager prepare a master plan for Council's consideration that will maximise the land's sale potential for 49-57 and 59-61 Hovell Street (being Lot 8 and 9 DP 832816).
12. Council commence discussions with Anglicare to determine whether they wish to pursue the ownership of 38 George Street, Marulan (Lot 1 DP 23030 – Marulan Child Care facility) and, if so, Council undertake a public consultation process before any sale process commences.
13. Council commence a public consultation process and public hearing process to re-categorise 20 Hercules Street Goulburn (Lot 2 Section 9 DP979849) as Operational Land. The property then be sold by way of public auction and the sale proceeds of this property be held in a Community Facilities Capital Reserve Account for the redevelopment of the Goulburn Aquatic Centre
14. The property at 23 Hercules Street Goulburn (Lot 11 Section 15 DP 979849) be sold by way of public auction and the sale proceeds of this property be held in a Community Facilities Capital Reserve Account for the redevelopment of the Goulburn Aquatic Centre
15. Council continue to negotiate with the Office of Environment and Heritage to allow Council to sell the property at 163-167 Hume Street (Lot 3 DP1082075) without having to purchase any additional offset land.
16. Council commence a discussion with the Goulburn Swans AFL Club to obtain their views on the option of their club relocating to Prell Oval (Victoria Park) and, if that feedback is supportive of a relocation, Council commence a public consultation process on future potential residential and reserve uses of the area commonly known at Goodhew Park at 15 Neville Street, Goulburn (Lot 14 DP 38855 and Lot 6 DP 37890).
17. The General Manager report quarterly to update Council on the actions taken and progress made for the implementation of the property sales.
18. The General Manager report to Council separately with recommendations on the appropriate person and/or organisation to undertake the Public Hearing process for the re-categorisation of land from community to operational.

BACKGROUND

Council owns a number of properties around the region that have no strategic or operational requirements into the future but if sold the sale proceeds could be used to fund much needed community capital projects.

REPORT

Council does have a number of properties in the region that are of no strategic or operational value to the future growth or liveability of this region. However they are valuable assets and could be used to fund future capital projects that are of strategic community importance or will make this

region an even more liveable for our community. The questions for Council to ask in relation to each individual property should be:-

1. Is there any strategic value in retaining this land (part or all) for the current use?
2. Are the funds currently spent on this property for maintenance the best use of Council resources?
3. Would the community as a whole see the region a more liveable and better place to live if the value of the asset could be transferred into a more useable community asset?

Management can see no value in retaining the properties or part thereof as listed in this report and recommend that Council commence a process for their disposal. This report also recommends where the proceeds from the sales of the properties are allocated for specific capital projects. It would be inappropriate if Council sold a capital asset then used the proceeds to offset maintenance or operational costs. The report recommends the funds be used for offsetting loan borrowings or meeting the funding gap that all new developments are facing at this time with the increased construction costs and lack of competitive tendering.

Council has proposed a number of new community facilities to be developed over the next few years where funds are not fully allocated including the Aquatic Centre which has a budget of \$21 million (over the next 3 years) with proposed funding in the form of \$5 million in grant funding and the remainder through borrowings.

Council is currently in the process of seeking additional grant funding for this project, however if additional funds are required then any proceeds from the sale of surplus Council owned properties could be allocated to make up any funding shortfall or reduce loan costs.

The other project often discussed is the Regional Hockey facility. A budget allocation of \$8 million has been included for this project however this has been made on the basis that the project is fully grant funded. Again, proceeds from the sale of surplus properties could assist Council in attracting grant funding through the ability for Council to provide some level of matching funding.

Land owned by Council must be categorised as either Operational or Community Land under the Local Government Act 1993.

The categories of land can be defined as follows:

"Operational land" refers to land which Council may hold as a temporary asset or as an investment, or land on which it is necessary for Council to carry out its functions eg: a works depot.

"Community land" is land that Council generally retains for public use eg: recreation areas such as parks, sporting fields etc.

Council can only reclassify land through a public consultation/exhibition and public hearing process.

Public Hearings are required for any reclassification of land under the Local Government Act, 1993. Public hearings must be held 21 days after the public exhibition period has closed. The reason for this is to provide advice to anyone who made a submission during the exhibition period that the hearing will be held. So the 21 days give adequate notice that the hearing will take effect and source and appoint the mediator.

Public Hearings are defined in the Local Government Act as

"Public hearing" means any public hearing required to be arranged under this Part.

(2) The person presiding at a public hearing must not be:

(a) a Councillor or employee of the council holding the public hearing, or

(b) a person who has been a Councillor or employee of that council at any time during the 5 years before the date of his or her appointment.

(3) Not later than 4 days after it has received a report from the person presiding at the public hearing as to the result of the hearing, the council must make a copy of the report available for inspection by the public at a location within the area of the council.

Where land (including surplus areas of public road) is capable of being sold on the open market and able to be developed independently of any other property, the sale shall be by competitive process involving public auction, tender or expression of interest unless circumstances warrant sale by direct negotiation. If Council chooses the latter then it can so decide by resolution with reasons included in that resolution.

When considering the disposal of any land, Council shall weigh-up social, community, environmental, engineering and economic considerations versus a range of divestment options as part of its considerations.

The following lands are being recommended to Council to either:-

- Sell immediately
- Change zoning and/or categorisation
- Undertake full consultation with key stakeholders and wider community

1. 24 Ross Street, Goulburn

Legal Description - Lot 9 DP 874248

Area – 6,810sqm

Action Required – No further action required. Council has previously resolved to sell this property at a public auction.

Comments – Auction is scheduled for Friday 16 November 2018.

Recommendation – The only recommendation in this report is that the sale proceeds from this property be set aside in a reserve fund for the development of the Aquatic Centre



2. 1 Portland Avenue, Marulan

Legal Description - Lot 2 DP 702080

Area – 255sqm

Action Required – the land is classified as operational and can be sold immediately.

Comment – As can be seen from the photo below, this property is not saleable as a separate parcel for any form of development purposes other than to the adjoining land owner(s). The land to the immediate right of this parcel of land is road reserve so there is only one adjoining land owner.

Recommendation - Proceed with the disposal of this land by way of private treaty to the adjoining land owner with the net proceeds of sale being transferred to the Marulan Village Discretionary Fund for the implementation of the Marulan Village Plan.



3. 30 Albert Street, Goulburn

Legal Description – Lot 45 DP32090

Area - 1,826sqm

Comment – This parcel of land is currently used as a park. Part of this land should be retained for its existing use but it is considered that at least half of it could be subdivided and sold as residential land. Council currently maintains and mows all of this land, a cost that could be reduced. Taking into account that other public reserves such as Victoria Park are in very close proximity, management is of the opinion that all of this land for a neighbourhood park is not required.

The photo below shows a portion of this land hatched in red colour. This is the portion that should be retained as a neighbourhood park with the balance (approximately 900sqm) sold as residential land.

Action Required – A Plan of Subdivision needs to be prepared for this proposal, creating two separate lots. Council would be required to undertake public hearing process (including public consultation) to reclassify one of these lots from Community Land to Operational Land and then rezone this lot to R1 Residential.

Recommendation – That Council prepares a Plan of Subdivision to split the existing property into two lots. Council commence a public hearing/consultation process to reclassify one of these proposed lots (approximately 900sqm) as Operational Land and rezone it to R1 Residential. If that process receives public support and a positive determination from Council then the land be sold by public auction. Any proceeds of the sale be used to upgrade the portion of the neighbourhood park proposed to be retained with any balance of the proceeds to be used for capital upgrade works as part of the Victoria Park master plan.



4. 10 Ben Bullen Place, Goulburn

Legal Description – Lot 156 DP248976

Area – 2,090sqm

Comment – This land is classified Operational and zoned residential. To sell the property no further action is required. Please note that a water main traverses directly through the property and this will limit development and thus the sale price. This will need to be disclosed as part of any sale process.

The land has no strategic value to any future plans of Council and is currently used by adjoining land owners for a variety of storage and access issues.

Action – As this land is already classified Operational and zoned residential Council can proceed directly to the sale of this land.

Recommendation – That the property be sold by way of public auction and the proceeds be set aside in a reserve fund for the development of the Aquatic Centre



5. 56 Clinton Street and 4 & 8 Lanigan Lane, Goulburn

Legal Description – Lots 1 & 3 DP883423, Lot 2 DP40807 and Lot 2 DP712914

Comment – These properties are held in three separate titles with the main building (56 Clinton Street) currently partially tenanted in two lease agreements. The middle portion of land (4 Lanigan Lane) is encumbered as part of the lease to the main building for car parking purposes. One of the lease agreements is with Property NSW on behalf of Justice NSW. The other agreement is with Community Plus Inc. A separate report to Council on the future of Community Plus in this building was discussed in a closed session of Council on 7 November 2018. Council needs to determine if the retention of this building would be financially prudent or would a better option be to provide similar facilities in the proposed community centre site in Bourke Street and sell these properties. Retaining the commercial tenant paying market rental may assist Council in obtaining a better sale price.

Council should be aware that this building was the former office of the Mulwaree Shire Council and under the gazette notice published 7 September 2006, 24.22% of the net profit of the sale of 56 Clinton Street is to be transferred to the Upper Lachlan Shire Council.

Action - The land is categorised as Operational and zoned mixed use. As a result no action is required to enable the properties to be sold.

Recommendation – The land be sold through the real estate market in two stages. The property known as 8 Lanigan Lane be sold immediately by way of public auction with any proceeds being set aside in a reserve fund for the development of the Aquatic Centre.

The building and associated car park (56 Clinton Street and 4 Lanigan Lane) be sold no earlier than 1 July 2020. Prior to the main building being marketed and/or sold Council complete the development of the new Community Centre in Bourke Street with the provision for relocating the operations of Community Plus Inc. This would allow the main building to be marketed and/or sold with just one commercial tenant.



6. 1/1 Dossie Street, Goulburn

Legal Description – Lot 1 DP1034565, Lot 3 DP1008818 & Lot 1 DP157664

Area – 18.4286ha

Comment – This land is the former Dossie Street Depot which was vacated by Council following the consolidation of all former depots at Hetherington Street. The land is classified as Operational and it has been identified in the endorsed Employment Lands Strategy as requiring rezoning to IN1 – General Industrial (currently Lot 1 DP157664 is already zoned this way). Management does not believe that this property has any strategic value to the community and the ongoing operations of Council.

Action Required – In accordance with recommendations of the Employment Lands Strategy the areas marked 2 and 3 in the map below are to be rezoned to IN1 – General Industrial. This rezoning is to take place before any sale of the land is undertaken.

Recommendation – That the three parcels of land be rezoned to IN1 – General Industrial and then sold by public auction. The proceeds from the sale of this site be used to offset the capital cost of the consolidation of the works operation depot at Hetherington Street Goulburn. This is confirmation of a previous Council resolution.



7. 43 Finlay Road, 49-57 & 59-61 Hovell Street, Goulburn

Legal Description – Lots 1, 8 & 9 DP832816 & part road reserve

Area – 4.7277ha

Comment – The area of the road reserve is shaded blue and the area that is currently Community Land is shaded in yellow. All other land is Operational Land.

Action Required – Council will be required to prepare a Road Closure Application for the red shaded area and through a public consultation and hearing process reclassify the Community Land (yellow shaded area) to Operational. If Council was of the view to proceed with these changes and to sell this land a development proposal would be presented to Council creating a light industrial block fronting Finlay Road with the balance to be developed as residential land. The proceeds from the sale of this land could assist in funding the Aquatic Centre redevelopment.

Recommendations –

1. That Council commence the preparation of a Road Closure Application on the red shaded area, consolidate this into same title as the blue shaded area and zone industrial.
2. Council undertake a public consultation and public hearing process to reclassify the yellow shaded Community Land to Operational and rezone to residential consistent with the adjoining block.
3. Following the rezoning of this land to residential, Council obtains consent on a Plan of Subdivision for a residential subdivision with the land to be sold by way of public auction prior to any physical works commencing.



8. 38 George Street, Marulan

Legal Description – Lot 1 DP23030

Area – 1,043sqm

Comment – This property located in George Street Marulan is the Marulan Preschool leased to Anglicare. Although the property is important to the social needs of Marulan it does not necessarily need to be retained in Council's ownership. The property is leased to Anglicare who have expressed an interest in purchasing the property. The land is classified as Operational Land so no action would need to be taken to enable any sale to take place.

Action Required – The General Manager would have discussions with Anglicare to establish a sale price.

Recommendation – That Council discuss ownership issues with Anglicare and report back to Council. If Anglicare are interested in purchasing the property then Council undertake a community consultation prior to proceeding with the sale.



9. 20 Hercules Street, Goulburn

Legal Description – Lot 2 Section 9DP979849

Area – 1,012sqm

Comment – This land is flood prone and contains storm water drainage infrastructure. The land is classified as Community Land and is of no strategic value to Council. The adjoining land owner has expressed an interest in the purchase of this property as they currently have an informal use of the property which is fenced off. However Council should abide by the public accountability and transparent process and sell the land by way of public auction. The other adjoining land fronting onto Glenelg Street is owned by Council and contains water pumping station. The land currently sits within the 1:100 year flood zone.

Action Required – Council is required to undertake public hearing process (including public consultation) to reclassify this land from Community Land as Operational Land. Any proceeding sale should be by way of public auction.

Recommendation – That Council commence the public consultation and hearing process to reclassify the land as Operational, register an easement to carry storm water and sell the property by way of public auction with any proceeds being set aside in a reserve fund for the development of the Aquatic Centre.



10. 23 Hercules Street, Goulburn

Legal Description – Lot 11 Section 15 DP979849

Area – 1,012sqm

Comment – This land is zoned residential and classified Operational. The land currently sits within the 1:100 year flood zone.

Action Required - Nil

Recommendation – That Council sell the property at 23 Hercules Street by way of public auction and the proceeds from the sale be used to fund the redevelopment of the Goulburn Aquatic Centre.



11. 163-167 Hume Street

Legal Description – Lot 3 DP1082075

Area – 4,647sqm

Comment – This land formally formed part of the adjacent camping ground sites that Council sold in 2004 (the remainder of the Caravan Park was sold in 2014). The property contains a very small number of trees which the office of Environment and Heritage (OEH) have deemed as significantly important. OEH have ruled that if Council wishes to dispose of this land it must purchase at least 6ha of land with significant trees elsewhere in the region as a waiver of biodiversity offset requirements. We are firmly of the opinion that there position is unreasonable and have asked for a review of this decision. The integrity of the group of trees in this area has long been lost with the commercial development adjacent and opposite this site. The vacant land adjacent to this site does not have the same OEH requirements.

Action Required – Council has commenced discussions and negotiations with OEH and if those discussions are successful the property can then be sold if Council is of that opinion. We will keep Council informed and will make a recommendation once those discussions have been completed.



12. 15 Neville Street, Goulburn - Goodhew Park

Legal Description – Lot 14 DP38855 & Lot 6 DP37890

Area – 4.5050ha

Comment – This land is known as Goodhew Park and is the home to Goulburn Swans AFL. Management is of the opinion that a portion of this land could be retained for open space and reserve area and the balance be sold for residential development. It is proposed in this report that Council commence consultation with the Goulburn Swans AFL Club to relocate their sporting facility and amenities to an enlarged Prell Oval. Prell Oval can be upgraded to not only cater for AFL home games but also community events with the design including some form of amphitheatre. A cricket oval should also be considered as part of the redevelopment of Prell Oval if Council was of a mind to support this proposal. If Council was supportive of this proposal the upgrade of Prell Oval would be funded from the proceeds of the sale of residential land developed from this site.

The land is classified as Community Land so, before any sale is contemplated, the land would be required to be reclassified as Operational and rezoned as residential.

Action Required – Staff would be required to prepare a concept plan of how Prell Oval could be redeveloped to include a full size AFL field plus other amenities to cater for large community events such as Carols in the Park & Pictures and Popcorn.

Recommendation – That the General Manager prepare a draft concept plan to commence discussions with the Goulburn Swans AFL Club to relocate to Prell Oval and, if this proposal is supported in principal by the Swans, a development plan of Goodhew Park be prepared for Council's consideration showing a good mix of residential and park land. An indication on the attached photo shows the minimum land that should be kept for reserve purposes.

As part of the consultation with Goulburn Swans AFL Club a plan of Prell Oval be prepared showing how a full size AFL ground can be developed. This plan should include the ability for Prell Oval to be used for public events and other potential sport options such as cricket.

The sale proceeds from the Neville Street property development (Goodhew Park) to fund the redevelopment of Prell Oval and the balance used for the redevelopment of the Aquatic Centre.



13. Gorman Road/Taralga Road – Wastewater Farm

A separate report will be presented to Council in regard to this property.