

# SHIRE OF JERRAMUNGUP



## MINUTES

### SPECIAL MEETING OF COUNCIL

8<sup>th</sup> June 2011

## SHIRE OF JERRAMUNGUP

**SPECIAL MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBERS, VASEY STREET, JERRAMUNGUP ON WEDNESDAY 8<sup>th</sup> JUNE 2011, COMMENCING AT 8.30 AM.**

### **1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The President declared the meeting open at 8.30am.

### **2. RECORD OF ATTENDANCE**

Cr B Trevaskis	President
Cr J Iffla	Member
Cr T Barrett	Member
Cr C Hobbs	Member
Cr B Atkin	Member
Cr R Lester	Member
Mr W Parker	Chief Executive Officer
Mr B Bailey	Deputy Chief Executive Officer
Mr G Edwards	Executive Manager Infrastructure Services
Mr G Felesina	Member of the public

### **3. APOLOGIES**

Cr W Bailey Deputy President

### **4. LEAVE OF ABSENCE PREVIOUSLY APPROVED**

Nil

### **5. PUBLIC QUESTION TIME**

Nil

### **6. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

### **7. PETITIONS / DEPUTATIONS / PRESENTATIONS**

Mr Felesina presented to Council his request to lease a portion of the old depot site and highlighted the lack of industrial land in Jerramungup suitable to carry out his concrete business.

**8. DECLARATIONS OF FINANCIAL INTEREST**

Cr Atkin declared a financial interest in Item 9.1. The nature of the interest is he owns a competing farm mechanical business.

**9. OFFICERS REPORT**

**9.1** Council is to consider offers to lease 2 Bennett Street Jerramungup.

<b>SUBMISSION TO:</b>	<b>Administration</b>
<b>AGENDA REFERENCE:</b>	9.1
<b>SUBJECT:</b>	Consideration of Offers to Lease Council's Old Depot Site
<b>LOCATION/ADDRESS:</b>	2 Bennett Street Jerramungup
<b>NAME OF APPLICANT:</b>	
<b>AUTHOR:</b>	Bill Parker
<b>DISCLOSURE OF ANY INTEREST:</b>	Nil
<b>DATE OF REPORT:</b>	31 May 2011

**SUMMARY**

This item considers offers to lease the Old Depot Site on 2 Bennett Street Jerramungup. The recommendation is to accept the offer from David Campbell Transport for a 5 year term subject to a statutory public notice period.

**ATTACHMENT**

Map showing portion of lot offers.

**BACKGROUND**

The 7241sqm lot is zoned industrial and includes the use of a number of sheds and a caretakers dwelling. The annual rental market valuation for the lot has been valued at \$13,500 per annum by Albany Valuation Services.

Interested businesses were asked to submit either an offer on the entire site or portions depending on their requirements. Three submissions were received.

This disposal of land is not exempt under the provisions of the Local Government (Functions and General) Regulations 1996, Regulation 30 (3) and following the acceptance of an offer Council will be required to give local public notice and consider any submissions pertaining to the disposal of land via lease.

**CONSULTATION**

David Campbell Transport  
Dale Harris  
Giovanni Felesina

**COMMENT**

Council received three offers as listed below:

Business Owner	Portion / Full Site	Business Type	Estimated # Employees	Amount \$
Dale Harris	Portion – Shed space on Western Boundary	Mechanical Services, Light and Heavy Machinery	3	\$7,280
Giovanni	Portion – Sheds on	Concrete	3	\$6,720

Felesina, Aaron Martin	South and South West boundary, site space on southern side of lot	services and depot, car panel restoration		
David Campbell	Full Site	Freight Depot and associated workshop	5	\$14,000

The previous formal lease which was assigned to Dale Harris on Farm Service and Field Support was terminated on 15<sup>th</sup> May 2011 due to non-payment of rent. The rent in arrears (\$1,540) is yet to be paid and thus a further term / lease is not recommended for this business.

Under previous arrangements Mr Felesina and Mr Martin were subletting the same areas from Mr Harris they have nominated for in this offer. Mr Felesina used the depot space to store machinery, equipment and supplies for a concrete business and Mr Martin was performing mechanical and panel beating services from his sub-leased portion.

The proposal from David Campbell Transport seeks to locate approximately five trucks, drivers and associated trailers to Jerramungup. The business is currently operating from a rural property and basing the operation from Jerramungup has the potential to bring additional residents to the townsite while resolving housing issues for the proprietor.

In evaluating the offers for ease of account collection, preparation of lease documents and the development of new business within the Jerramungup townsite it is recommended that Council enter into a lease arrangement with David Campbell Transport for the depot site on 2 Bennett Street. It is also recommended that the lease be drawn up with a provision to sublet portions of the site which will allow the owner to maximise the usage of the property and utilise vacant sheds for other businesses which may have previously used the site.

The demand for this lease highlights again a shortage in available industrial land within the Shire. Within the townsite of Jerramungup there are appropriately zoned undeveloped industrial lots however they are not under the control of the Shire to develop and release. The Shire has commenced the process of acquiring management orders over the UCL lots zoned for industrial use and State Land Services has sought comment from the various departments with interests.

The Water Corporation have raised concerns over the delivery of potable water to industrial lots which has slowed progress until a full review of the Jerramungup water supply has been carried out. It is expected that a limited release of an industrial lot may be available in approximately 18-24 months subject to a favourable solution being reached with the Water Corporation.

***(Note: Mr Dale Harris paid his outstanding account of \$1540 in full as of the 7th June 2011)***

## **STATUTORY REQUIREMENTS**

### **3.58. Disposing of property**

- (1) In this section —
  - dispose** includes to sell, lease, or otherwise dispose of, whether absolutely or not;
  - property** includes the whole or any part of the interest of a local government in property, but does not include money.
  
- (2) Except as stated in this section, a local government can only dispose of property to —
  - (a) the highest bidder at public auction; or
  - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.
  
- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —
  - (a) it gives local public notice of the proposed disposition —
    - (i) describing the property concerned; and
    - (ii) giving details of the proposed disposition; and
    - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;
 and
  - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.
  
- (4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include —
  - (a) the names of all other parties concerned; and
  - (b) the consideration to be received by the local government for the disposition; and
  - (c) the market value of the disposition —
    - (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
    - (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.
  
- (5) This section does not apply to —
  - (a) a disposition of an interest in land under the *Land Administration Act 1997* section 189 or 190; or
  - (b) a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or
  - (c) anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or
  - (d) any other disposition that is excluded by regulations from the application of this section.

## **STRATEGIC IMPLICATIONS**

Key Focus Area One: Ongoing Social, Economic and Financial Viability

1.4 Ensuring that the availability of residential, industrial and commercial land meets demand.

## **FINANCIAL IMPLICATIONS**

Costs associated with preparation of lease documents and income associated with rent received.

## **POLICY IMPLICATIONS**

Nil

## **VOTING REQUIREMENTS**

Simple Majority

## **RECOMMENDATION**

That Council:

- 1) Accept the offer from David Campbell Transport for the lease of 2 Bennett Street Jerramungup for \$14,000 per annum indexed to CPI subject to statutory advertising and review of submissions as required by Section 3.58(3) of the Local Government Act 1995.
- 2) In accordance with 3.58(3)(ii) of the Local Government Act 1995, authorise the Chief Executive Officer to give local public notice of the Shire's intention to dispose of 2 Bennett Street Jerramungup via a five year lease
- 3) That the notice of proposed disposition is to include
  - a. The proposed lessee to be David Campbell Transport
  - b. The consideration to be received by the local government for this disposition is \$14,000 per annum
  - c. The market valuation as ascertained by Albany Valuation Services is \$13,500

8.35am Cr Atkin left the meeting after declaring a financial interest Item 9.1 – Consideration of Offers to lease Council's Old Depot Site – 2 Bennett Street, Jerramungup.

**SC061101 Moved Cr Hobbs / Seconded Cr Iffla**

**That Council:**

- 1) Accept the offer from David Campbell Transport for the lease of 2 Bennett Street Jerramungup for \$14,000 per annum indexed to CPI subject to statutory advertising and review of submissions as required by Section 3.58(3) of the Local Government Act 1995.**

- 2) In accordance with 3.58(3)(ii) of the Local Government Act 1995, authorise the Chief Executive Officer to give local public notice of the Shire's intention to dispose of 2 Bennett Street Jerramungup via a five year lease
- 3) That the notice of proposed disposition is to include
  - a. The proposed lessee to be David Campbell Transport
  - b. The consideration to be received by the local government for this disposition is \$14,000 per annum
  - c. The market valuation as ascertained by Albany Valuation Services is \$13,500

**Carried 5-0**

9.00am Cr Atkin returned to the meeting.

10. **NEXT MEETING/S**

Ordinary Meeting of Council – 21<sup>st</sup> June 2011 to be held in the Council Chambers, Jerramungup.

11. **CLOSURE**

The President declared the meeting closed at 9.05am.