

## 1.4: ALLOCATION OF FUNDS FOR PROPOSED ESPLANADE COMMUNITY PARK

**Proponent** : City of Albany  
**Owner** : WPC Plaza (Albany) Pty Ltd  
**Responsible Officer(s)** : Chief Executive Officer (F James)

### IN BRIEF

- Proposal to commit funds from the 2011-12 budget and support a further proposal for 2012-13 budget funds allocation which will enable the City to plan for and construct an Esplanade Community Park if the City is able to secure a lease of 1-7 Flinders Parade.

### ITEM 1.4: ALTERNATE MOTION BY COUNCILLOR GREGSON VOTING REQUIREMENT: SIMPLE MAJORITY

**MOVED: COUNCILLOR GREGSON**  
**SECONDED: COUNCILLOR HORTIN**

**THAT Council delay expending any funds on the proposed Esplanade Community Park until such time as:**

1. Council negotiates an agreement with the owners of the former Esplanade Hotel site, that will see all costs associated with the establishment of the Esplanade Community Park be reimbursed to Council at the time of either the sale of the property or the commencement of development should the current owner undertake such development.
2. That all going costs of maintenance of the Esplanade Community Park be reimbursed at the time of sale or redevelopment of the property.
3. That the CEO undertake further discussions with the current owner of the property of the former Esplanade to develop the possible lease of the property and the reimbursement of costs to the City of Albany.

**CARRIED 7-4**

### Record of Vote

Against the Motion: Councillors Hammond, Holden, Stocks and Sutton

### Councillor's Reasons:

1. It is not appropriate expending ratepayers money "dressing up" a privately owned property.
2. The owners of the property will benefit if this project goes ahead, as the finished park will ultimately make the area more appealing to prospective buyers, with no return to the City of Albany.
3. The officer reports quote \$60,000 to construct the Esplanade Community Park however ongoing maintenance is an unknown figure.
4. We all agree that the area is an eyesore, however, it is not the role of the City of Albany to undertake a beautification of private property.

**\*\*REFER DISCLAIMER\*\*****ITEM 1.4: RESPONSIBLE OFFICER RECOMMENDATION  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council:

APPROVE funds to the amount of \$30,000 from the 2011-2012 financial year budget and support a further \$30,000 in the 2012-13 financial year budget for the design and development of an Esplanade Community Park on 1-7 Flinders Parade, Middleton Beach (commonly known as the Middleton Beach Hotel site).

**BACKGROUND**

1. As a result of defective development condition approvals (where the last building on the site was demolished and no conditions applied to require subsequent development within a certain time period), the Middleton Beach Esplanade Hotel was demolished a few years ago, with no building being subsequently built on 1-7 Flinders Parade.
2. The resultant vacant block has had a security fence erected to prevent public access to the property (for insurance/liability purposes) and has been left by the private owners to “waste”, including becoming weed infested and more prone to sand drift, with detrimental visual, economic and social amenity impact.
3. This situation has distressed and angered community residents that use the Middleton Beach area.
4. The City currently manages up to 120 Developed Reserves at a total cost per year of approximately \$1.35 million.

**DISCUSSION**

5. The City’s CEO and the previous and current Mayor have approached the site owners agents to ascertain the possibility of the City leasing the site for use as a Public Open Space until the owner or investors are in a position to commercially develop the site. The response has been somewhat positive from the owners of the property.
6. Should the City lease the property from the owners to develop a low maintenance, low cost Park this would result in the removal of the security fence, make the site safe for public use of the area until the owner/s determine to invest in the site for development, and generally enhance the public amenity of the Middleton Beach area.
7. The owner/s requested the City to investigate other “incentives” such as a reduction in State land tax. The City has advised the owner/s it has no power to influence State taxes but may consider other incentives such as reduced City of Albany rates if the lease terms were suitable.
8. The City is interested in seeking a positive resolution to this situation which meets community expectations.

9. The City has had numerous offers of “in kind” labour and other support (such as supply of seedlings) from community members to offset the cost of developing the park.
10. For economic (amortisation) purposes, it is proposed to seek a lease agreement to cover an initial two to three years, with further options until development of the site commences.
11. If this proposal is successful, the City will be creating a parkland for use by the community, through community volunteer involvement and “ownership”.

#### **GOVERNMENT CONSULTATION**

12. Not applicable

#### **PUBLIC CONSULTATION/ENGAGEMENT**

13. Initial community engagement has occurred through the Middleton Beach Users Group and Frederickstown Progress Association, which has highlighted concerns about the lack of development on the site and the current “negative” visual impact of the site. Feedback also indicates that the precinct generally is suffering economically and any improvement in the area generally would be welcome.
14. While no formal surveying of community members support for this initiative has been undertaken, the Chief Executive Officer has spoken with many community groups over the last nine months and overwhelmingly community members believe the site should be beautified and be accessible public open space until further commercial development can occur there.

#### **STATUTORY IMPLICATIONS**

##### **15. Local Government Act 1995**

###### **6.8 Expenditure from municipal fund not included in annual budget**

(1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure-

- Is incurred in a financial year before the adoption of the annual budget by the local government;
- Is authorised in advance by resolution\*; or
- Is authorised in advance by the mayor or president in an emergency.

\* Absolute majority required

#### **STRATEGIC IMPLICATIONS**

16. This item directly relates to the following elements of the 2011 City of Albany Strategic Plan:

##### ***Community engagement***

*Maintain Albany’s uniqueness and preserve its heritage. This point has been highlighted by various community consultations.*

##### ***Lifestyle and environment***

*A built environment that includes parks and public areas to improve lifestyle quality.*

*Consulting with community to maintain a “community area” although it might be short term(2 years) for use by multiple groups.*

***Sustainability and Development***

*Adopting green city principals and support the community to make a tourist area more vibrant that will attract people and business. Preservation of Albany’s uniqueness by developing areas such as beach precincts to be more aesthetically pleasing.*

***Community Focussed Organisation***

*The City is in touch with the needs and wishes of the local community to reduce the negative impact of the vacant lot.*

**POLICY IMPLICATIONS**

17. The introduction of incentives regarding rate payment would require a Council resolution regarding the introduction of a further differential rate, applicable to related property type/group.

**RISK IDENTIFICATION & MITIGATION**

18. The risk identification and categorisation relies on the City’s Risk Management Framework.

<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Analysis</b>	<b>Mitigation</b>
1-7 Flinders Parade, Middleton Beach is private property and the owner may not lease	Possible	Medium	Medium	Secure lease agreement with terms suitable to the owner to maintain the site as public open space for as long as possible.
Inability to fund development beyond a certain amount	Possible	High	High	Allocate funds to suit low cost project with very defined scope.

**FINANCIAL IMPLICATIONS**

19. WCP Plaza (Albany) Pty Ltd were rated the following for 2011/12 for their vacant land at 1-7 Flinders Parade, Middleton Beach :

Rates	\$29,608.00
Emergency Services Levy	\$210.00
Waste Reserves Levy	\$50.00
<b>TOTAL 2011/12 RATES</b>	<b>\$29,868.00</b>

20. In addition to possible incentives to the owner of reduced rates in the 2012-13 financial years, a total value of \$60,000 (\$30,000 is proposed for this financial year from CEO discretionary funds). In the 2012-13 budget a further \$30,000 in project funds would be sought to allow finalisation of the project.
21. Earlier costing allowed almost \$42,000 for the project, but given price escalation and as there has not yet been any public consultation regarding the actual design, it is proposed a budget of \$60,000 be approved.

13/12/2011

\*\*REFER DISCLAIMER\*\*

22. The funds will be used to develop a park design and implement construction including community consultation sessions.
23. Any leasing payments to the owner should be peppercorn. If the owners expect more rental return than that, the project would not be financially viable. The legal costs of developing a lease document should be less than \$2,000, which the City will bear.
24. Funding will also be used for removal of the security fence, and remediating the hazards on the site such as steep embankments, protruding service connections, weed control and mitigation of sand drift by mulching and vegetating.
25. The current rates paid for this vacant site is \$29,868.00 per year.
26. Given the site is private land, other government (State or Federal) funding is unlikely to be provided for any beautification/amenity work on that site.

### LEGAL IMPLICATIONS

27. Should Council support the project, a lease agreement would be required to allow works to commence on the private property.

### ALTERNATE OPTIONS

28. Council can accept or reject this proposal.

### SUMMARY CONCLUSION

29. If the City of Albany can secure a lease agreement with the landowners for at least two years then the project can be justified economically and should go ahead to restore the visual and social amenity of the Middleton Beach area as a premier tourist destination.
30. Investment in this site by the City, even in the short term, would demonstrate the commitment of the City of Albany to this precinct and to addressing the concerns of resident community members.

<b>Consulted References</b>	Local Government (Functions and General) Regulations 1995
<b>File Number (Name of Ward)</b>	
<b>Previous Reference</b>	