

CITY OF MOUNT GAMBIER

Meeting to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier
on Tuesday 18th June, 2013 at 6.00 p.m.

AGENDA

CONSIDERATION FOR EXCLUSION OF PUBLIC

moved that the following Items be received, discussed and considered in confidence by excluding the public pursuant to Section 90 (2) of the Local Government Act 1999, and an order be made that the public (with the exception of other Council Members and Council Officers now present) be excluded from the meeting in order for the items to be considered in confidence as the Council is satisfied that the item is a matter that can be considered in confidence pursuant to the grounds referenced in Section 90 (3) of the said Act:

<u>Item No.</u>	<u>Subject Matter</u>	<u>S90 (3) Grounds</u>
Operational Services Committee		
15	<u>EQUIPMENT, PLANT AND STORES</u> - Fuel Tenders - Local Government Procurement	(k)
Corporate and Community Services Committee		
20	<u>SOCIAL, CULTURAL AND COMMUNITY SERVICES</u> - Committees - City of Mount Gambier Junior Sports Assistance Fund (Section 41) Committee - Minutes of Meeting held 22nd May, 2013	(a)
21	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013</u> - Sale of Council Properties	(b)
CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL		

seconded

CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013 – Sale of Council Properties – Ref. AF11/1400

Goal: Securing Economic Prosperity

Strategic Objective: Support the development of our local economy, our unique local experiences and our capacity to grow visitation to our City.

In March and April 2013 Council considered the possible sale of Council properties at 38 and 40 James Street, with the April resolution as follows:

- “(a) *Corporate and Community Services Report No. 14/2013 be received;*
- (b) *The matter be left lie on the table pending further negotiation with Malseed Real Estate on the sale of 38 and 40 James Street by the Mayor and the Chief Executive Officer;*
- (c) *The outcomes of these further negotiations be reported back to Council via the Corporate and Community Services Committee.”*

Cr Smith moved it be recommended:

- (a) Corporate and Community Services Report No. 23/2013 be received.**
- (b) Council in principle accepts the offer as presented by Malseed Real Estate for the sale of 38 and 40 James Street and authorise the Mayor and Chief Executive Officer to negotiate the final terms and conditions of sale within the following parameters:**

Purchase Price \$500,000 (plus GST)

Deposit 10%

Settlement in 24 months once conditions are met

Lease \$56,250 (plus GST) per year – 2 years to commence once conditions are met during which time development is anticipated to commence.

Total due \$612,500

Conditional upon development approval for Dental Surgery with associated car parks and carparks and shedding.

Limited access to be granted by way of a licence contained in the sale contract documentation for soil testing purposes only.

- (c) The Mayor and Chief Executive Officer be authorised to have prepared and to sign and seal any documents necessary to give effect to the lease and sale of 38 and 40 James Street as negotiated in accordance with part (b) of this recommendation.
- (d) Should the potential sale deviate materially from the conditions as noted in part (b) of this recommendation a further report be presented to Corporate and Community Services.

Cr Lee seconded

Carried

CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL

moved that an order be made pursuant to Section 91 (7) of the Local Government Act 1999 that the documents in relation to the following items, which have been considered by Council on a confidential basis pursuant to Section 90 (3) be kept confidential as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
Operational Services Committee			
15	EQUIPMENT, PLANT AND STORES – Fuel Tenders – Local Government Procurement	All details	18 th June 2013
Corporate and Community Services Committee			
20	<u>SOCIAL, CULTURAL AND COMMUNITY SERVICES</u> - Committees - City of Mount Gambier Junior Sports Assistance Fund (Section 41) Committee - Minutes of Meeting held 22nd May, 2013	All Details	6 months
21	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013</u> - Sale of Council Properties	All Details	To be reviewed in 12 months

seconded

Meeting closed at

LD

IN CONFIDENCE

CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013

SUBJECT: SALE OF COUNCIL PROPERTIES

REF: AF11/1400

Goal: Securing Economic Prosperity

Strategic Objective: Support the development of our local economy, our unique local experiences and our capacity to grow visitation to our City.

In March and April 2013 Council considered the possible sale of Council properties at 38 and 40 James Street, with the April resolution as follows:

- “(a) Corporate and Community Services Report No. 14/2013 be received;*
- (b) The matter be left lie on the table pending further negotiation with Malseed Real Estate on the sale of 38 and 40 James Street by the Mayor and the Chief Executive Officer;*
- (c) The outcomes of these further negotiations be reported back to Council via the Corporate and Community Services Committee.”*

A copy of the March and April 2013 Corporate and Community Services reports are attached.

The Mayor and Chief Executive Officer have conducted further discussion with Malseed Real Estate who in turn have negotiated with the potential purchaser.

Councillors will recall that a number of purchase conditions were originally placed on the sale and these were noted in the April report to Corporate and Community Services. Following the most recent negotiation the following proposal was presented to Malseed Real Estate:

- 38 and 40 James Street to be leased for two years at \$56,250 (plus GST) per annum. Lease to commence once conditions are met and will include development of the proposed building.
- Purchase of 38 and 40 James Street at \$500,000 (plus GST). 10% deposit when conditions are met. Settlement in 24 months once conditions met.

Total return \$612,500.

- Conditional upon development approval for Dental Surgery with associated car parks, carparks and shedding. The purchaser also seeks initial site access to carry out soil tests.

Due to the nature of the transaction the Chief Executive Officer has now sought preliminary legal advice from Norman Waterhouse Lawyers. In brief, their comments note the need to protect Council's interests (as with any sale) however they did not consider the proposed conditional settlement arrangements (lease for 2 years pending settlement) to be unreasonable or legally complex. Should Council proceed to negotiate the sale then Council's lawyers will manage the legal process and documentation to ensure Council's interests are protected.

Given the above sale conditions and the key issues presented to Corporate and Community Services in April 2013 the recommendation below suggests that negotiations proceed toward the sale of 38 and 40 James Street. It should be noted however that situations change and other factors/issues may arise during the sale or negotiation process that may result in the sale contract conditions not being fulfilled.

RECOMMENDATION:

- (a) Corporate and Community Services report No 23/2013 be received.
- (b) Council in principle accepts the offer as presented by Malseed Real Estate for the sale of 38 and 40 James Street and authorise the Mayor and Chief Executive Officer to negotiate the final terms and conditions of sale within the following parameters:

Purchase Price	\$500,000 (plus GST)
Deposit	10%
Settlement in 24 months once conditions are met	

Lease	\$56,250 (plus GST) per year – 2 years to commence once conditions are met during which time development is anticipated to commence.
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Total due	\$612,500
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Conditional upon development approval for Dental Surgery with associated car parks and carparks and shedding.

Limited access to be granted by way of a licence contained in the sale contract documentation for soil testing purposes only.

- (c) The Mayor and Chief Executive Officer be authorised to have prepared and to sign and seal any documents necessary to give effect to the lease and sale of 38 and 40 James Street as negotiated in accordance with part (b) of this recommendation.
- (d) Should the potential sale deviate materially from the conditions as noted in part (b) of this recommendation a further report be presented to Corporate and Community Services.



Mark McSHANE
CHIEF EXECUTIVE OFFICER

28th May, 2013
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(Refer Item of Corporate and Community Services Minutes)

MINUTES OF THE MEETING OF THE CITY OF MOUNT GAMBIER HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT GAMBIER ON TUESDAY, 18th JUNE, 2013 AT 6.00 P.M.

CONSIDERATION FOR EXCLUSION OF PUBLIC

Cr Smith moved that the following Items be received, discussed and considered in confidence by excluding the public pursuant to Section 90 (2) of the Local Government Act 1999, and an order be made that the public (with the exception of other Council Members and Council Officers now present) be excluded from the meeting in order for the items to be considered in confidence as the Council is satisfied that the item is a matter that can be considered in confidence pursuant to the grounds referenced in Section 90 (3) of the said Act:

<u>Item No.</u>	<u>Subject Matter</u>	<u>S90 (3) Grounds</u>
Operational Services Committee		
15	<u>EQUIPMENT, PLANT AND STORES</u> - Fuel Tenders - Local Government Procurement	(k)
Corporate and Community Services Committee		
20	<u>SOCIAL, CULTURAL AND COMMUNITY SERVICES</u> - Committees - City of Mount Gambier Junior Sports Assistance Fund (Section 41) Committee - Minutes of Meeting held 22nd May, 2013	(a)
21	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013</u> - Sale of Council Properties	(b)
	CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL	

Cr White seconded

Carried

21. **CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013 – Sale of Council Properties – Ref. AF11/1400**

Goal: Securing Economic Prosperity

Strategic Objective: Support the development of our local economy, our unique local experiences and our capacity to grow visitation to our City.

In March and April 2013 Council considered the possible sale of Council properties at 38 and 40 James Street, with the April resolution as follows:

“(a) Corporate and Community Services Report No. 14/2013 be received;

- (b) *The matter be left lie on the table pending further negotiation with Malseed Real Estate on the sale of 38 and 40 James Street by the Mayor and the Chief Executive Officer;*
- (c) *The outcomes of these further negotiations be reported back to Council via the Corporate and Community Services Committee.”*

Cr Smith moved it be recommended:

- (a) Corporate and Community Services Report No. 23/2013 be received.
- (b) Council in principle accepts the offer as presented by Malseed Real Estate for the sale of 38 and 40 James Street and authorise the Mayor and Chief Executive Officer to negotiate the final terms and conditions of sale within the following parameters:

Purchase Price \$500,000 (plus GST)
Deposit 10%
Settlement in 24 months once conditions are met

Lease \$56,250 (plus GST) per year – 2 years to commence once conditions are met during which time development is anticipated to commence.

Total due \$612,500

Conditional upon development approval for Dental Surgery with associated car parks and carports and shedding.

Limited access to be granted by way of a licence contained in the sale contract documentation for soil testing purposes only.

- (c) The Mayor and Chief Executive Officer be authorised to have prepared and to sign and seal any documents necessary to give effect to the lease and sale of 38 and 40 James Street as negotiated in accordance with part (b) of this recommendation.
- (d) Should the potential sale deviate materially from the conditions as noted in part (b) of this recommendation a further report be presented to Corporate and Community Services.

Cr Lee seconded

Carried

Cr Maher moved the recommendation of the Corporate and Community Services Committee as contained in item 21 be adopted.

Cr Smith seconded

Carried

CONSIDERATION FOR KEEPING MATTERS CONFIDENTIAL

Cr Maher moved that an order be made pursuant to Section 91 (7) of the Local Government Act 1999 that the documents in relation to the following items, which have been considered by Council on a confidential basis pursuant to Section 90 (3) be kept confidential as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
Corporate and Community Services Committee			
20	<u>SOCIAL, CULTURAL AND COMMUNITY SERVICES - Committees - City of Mount Gambier Junior Sports Assistance Fund (Section 41) Committee - Minutes of Meeting held 22nd May, 2013</u>	All Details	6 months

Cr Von Stanke seconded

Carried

Cr Maher moved that an order be made pursuant to Section 91 (7) of the Local Government Act 1999 that the documents in relation to the following items, which have been considered by Council on a confidential basis pursuant to Section 90 (3) be kept confidential as follows:

<u>Item No.</u>	<u>Subject Matter</u>	<u>Element To Be Kept Confidential</u>	<u>Duration</u>
Corporate and Community Services Committee			
21	<u>CORPORATE AND COMMUNITY SERVICES REPORT NO. 23/2013 - Sale of Council Properties</u>	All Details	Until all sale conditions have been met and the sale contract has become unconditional, to be reviewed within 12 months.
		Financial and Contractual Terms and Conditions information	Until settlement of the sale contract has occurred, to be reviewed every 12 months.

Cr Smith seconded

Carried