



City of
Mount Gambier

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Mount Gambier SA 5290

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I hereby give notice that a Council Meeting will be held on:

Date: Tuesday, 20 July 2021

Time: 6.00 p.m.

**Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier**

CONFIDENTIAL AGENDA

**Council Meeting
20 July 2021**

**Sarah Philpott
Chief Executive Officer
15 July 2021**

28.2 STRATEGIC PROPERTY MANAGEMENT - LAND VALUATIONS – REPORT NO. AR21/38766

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Mayor L Martin, Councillors S Meziniec, K Amoroso, M Bruins, C Greco, B Hood, F Morello and S Perryman and Council Officers S Philpott, B Cernovskis, D Barber, T Coote, G Davison, M McCarthy and A Lavia be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 28.2 AR21/38766 Strategic Property Management - Land Valuations.

The Council is satisfied that, pursuant to section 90(3) (b) and (d) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
 - conducting business; or
 - proposing to conduct business; or
 - to prejudice the commercial position of the Council
- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
 - to prejudice the commercial position of the person who supplied the information, or
 - to confer a commercial advantage on a third party

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be considered includes property valuation information the disclosure of which could reasonably be considered would prejudice the commercial position of Council in the event of a potential land disposal and/or advantage a third party with whom Council proposed to enter into a contractual arrangement.

The public interest in the non-disclosure of this information is in ensuring best value is obtained for the property in the event that it is declared surplus and placed on the market for sale.

28.2 STRATEGIC PROPERTY MANAGEMENT - LAND VALUATIONS – REPORT NO. AR21/38766

Committee:	Council
Meeting Date:	20 July 2021
Report No.:	AR21/38766
CM9 Reference:	AF13/64
Author:	Michael McCarthy, Manager Governance and Property
Authoriser:	Darren Barber, General Manager Shared Services
Summary:	This report presents market valuations sought by Council for properties at 1/3 Lawrence Street and 9 Penola Road for consideration.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (b) information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business; or proposing to conduct business; or to prejudice the commercial position of the Council
- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected: to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

REPORT RECOMMENDATION

1. That Council Report No. AR21/38766 titled 'Strategic Property Management - Land Valuations' as presented on 20 July 2021 be noted.



TYPE OF REPORT

Corporate

BACKGROUND

At the ordinary meeting held on 15 June 2021 Council considered a Motion With Notice titled '*Surplus Land Declaration*' and resolved as follows

- "4. *In accordance with clause 8 of Council's Procurement and Disposal of Land and Assets Policy P420, an independent valuation be obtained to establish a reserve price (auction) or appropriate market value (open market sale) for the following properties:*
- *1 Lawrence Street, Mount Gambier*
 - *3 Lawrence Street, Mount Gambier*
 - *9 Penola Road, Mount Gambier*
5. *A further report be presented to Council for consideration of the above.*"

Updated market valuations have been obtained and are presented in this report.

PROPOSAL

The valuations previously obtained by Council for properties at 1 Penola Road and 1/3 Lawrence Street have been reviewed by the independent valuer who prepared them in 2019 and the resulting values (exclusive of GST) are as follows:

Market Valuation - All 3 properties combined	\$700,000
Market Valuation - 2 Vacant properties (combined)	\$340,000
Market Valuation - 1 Lawrence Street (Vacant Lot 399)	\$210,000
Market Valuation - 3 Lawrence Street (Vacant Lot 331)	\$220,000
Market Valuation - 9 Penola Road	\$360,000
Market Rental Assessment - 9 Penola Road	\$31,150 pa

The following should be noted that are not reflected in the determined values:

- The valuation of vacant allotment 399 (1 Lawrence Street) would be on the presumption of public road access,
- The valuation of 9 Penola Road would be on the presumption of vacant possession or tenanted on a market rental basis

The matter associated with declaring portion of Lawrence Street as public road is the subject of a separate report and process.

The property at 9 Penola Road is under a community tenancy to the Stand Like Stone Foundation on a 'peppercorn' annual rental of \$495.00 for the 2020/2021 financial year. Accordingly, a sale may not realise the full market value as determined during the term of the current tenancy.

As reported at the June Council meeting 1 Lawrence Street was acquired by Council in February 2017 for \$240,000+gst in exercise of a First Right of Refusal to purchase the land, and Council subsequently demolished a building on this land at a cost of approx. \$50,000.

LEGAL IMPLICATIONS

All three properties are excluded from classification as community land. Provided Council complies with the provisions in its [Procurement & Disposal of Land And Assets Policy P420](#) it may deal with these land parcels as it sees fit.

Policy P20 provides for selection of an appropriate disposal method for land with consideration being given to:



- the number of known potential purchasers of the Land;
- the original intention for the use of the Land;
- the current and possible preferred future use of the Land;
- the opportunity to promote local economic growth and development;
- delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
- the total estimated value of the disposal; and
- compliance with statutory and other obligations.

STRATEGIC PLAN

The strategic purpose of these properties is pending review by Council.

COUNCIL POLICY

Council's [Procurement & Disposal of Land And Assets Policy P420](#) relates to the disposal of land and provides for selection of an appropriate disposal method for land with consideration being given to:

- the number of known potential purchasers of the Land;
- the original intention for the use of the Land;
- the current and possible preferred future use of the Land;
- the opportunity to promote local economic growth and development;
- delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
- the total estimated value of the disposal; and
- compliance with statutory and other obligations.

ECONOMIC IMPLICATIONS

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

Council should note the acquisition and ownership costs relating to these properties.

RISK IMPLICATIONS

The greatest risk in relation to the potential disposal of these properties is considered to be loss of opportunity from consolidating land parcels in the Commerce Place and 9 Penola Road precinct.



EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

N/A

IMPLEMENTATION STRATEGY

N/A

CONCLUSION AND RECOMMENDATION

This report presents the market valuations sought by Council for properties at 1/3 Lawrence Street and 9 Penola Road for consideration.

ATTACHMENTS

1. Attachment 1 Report AR21/38766 1/3 Lawrence Street & 9 Penola Road

CONFIDENTIAL





CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 28.2 AR21/38766 Strategic Property Management - Land Valuations and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b) and (d) be kept confidential and not available for public inspection until a contract has been settled for each of the subject properties, to be reviewed every 12 months.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CONFIDENTIAL

**MINUTES OF CITY OF MOUNT GAMBIER COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON TUESDAY, 20 JULY 2021 AT 6.00 P.M.**

**VIRTUAL MEETING WAS AVAILABLE FOR LIVE STREAMING,
<https://www.youtube.com/user/cityofmountgambier/live>**

**PRESENT VIA
ELECTRONIC
MEANS:**

Mayor Lynette Martin (OAM), Cr Sonya Mezinec, Cr Kate Amoroso (entered at 6:03 pm), Cr Max Bruins, Cr Christian Greco, Cr Ben Hood, Cr Frank Morello (entered at 6:01 pm), Cr Steven Perryman

**OFFICERS IN
ATTENDANCE:**

Chief Executive Officer
General Manager Shared Services
General Manager City Growth
Acting General Manager City Infrastructure
Manager Governance and Property
iServices Systems Administrator
Executive Administration Officer

- Mrs S Philpott
- Mr D Barber
- Mr T Coote
- Ms B Cernovskis
- Mr M McCarthy
- Mr A Myers
- Ms A Lavia

28.2 STRATEGIC PROPERTY MANAGEMENT - LAND VALUATIONS – REPORT NO. AR21/38766

RESOLUTION 2021/191

Moved: Cr Max Bruins
Seconded: Cr Ben Hood

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CARRIED



RESOLUTION 2021/192

Moved: Cr Sonya Meziniec

Seconded: Cr Max Bruins

1. That Council Report No. AR21/38766 titled 'Strategic Property Management - Land Valuations' as presented on 20 July 2021 be noted.

CARRIED

Cr Kate Amoroso left the virtual meeting at 7:42 pm and did not return.

RESOLUTION 2021/193

Moved: Cr Max Bruins

Seconded: Cr Paul Jenner

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 28.2 AR21/38766 Strategic Property Management - Land Valuations and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b) and (d) be kept confidential and not available for public inspection until a contract has been settled for each of the subject properties, to be reviewed every 12 months.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED

