12. CONFIDENTIAL

12.1 COLONEL LIGHT GARDENS RSL & COMMUNITY CLUB – CAR PARK
Wade Reynolds / George Forbes (Prepared: 31/10/11)

MOVED Cr Fisher that pursuant to Section 90(2) and (3)(c) and (d)(i)(ii) of the Local Government Act 1999, the Council orders the public excluded, with the exception of staff present [Chief Executive Officer, Director Customers and Corporate, Director Planning Development and Compliance, Strategic Planner, Manager Property and Contracts and Minute Secretary (LY)] on the basis that the Council considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss or consider in confidence the information in this report and that the Council is satisfied with the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to the matter under consideration because:

- The information is of the nature specified in Subsections 90(3)(c) and (d)(i)(ii) of the Local Government Act 1999, being:

  (c) information the disclosure of which would reveal a trade secret;

  (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which -

     (i) 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; and

     (ii) would, on balance, be contrary to the public interest.

SECONDED Cr Sanderson

THE GALLERY LEFT THE MEETING SO CONFIDENTIAL MATTERS COULD BE DISCUSSED.

MOVED Mayor Picton:

1. That the report be received for information only.

2. That having considered the said information or matter pursuant to Section 90(2) and 90(3)(c) and (d)(i)(ii) under Part 3 of Chapter 6 of the Local Government Act 1999, the Council orders pursuant to Section 91(7) of the Local Government Act 1999 that the discussion, report and attachments relating to Agenda Item 12.1 be kept confidential and released when the decision no longer confers a commercial advantage on the person with whom the council is conducting business.
(3) That the Chief Executive Officer be authorised to review the confidentiality order annually.

(4) That pursuant to Section 91(9)(c) of the Local Government Act 1999 the Chief Executive Officer be authorised to revoke this order.

SECONDED Cr Gellie

CARRIED UNANIMOUSLY

FOLLOWING DISCUSSION OF CONFIDENTIAL MATTERS, THE MEETING MOVED OUT OF CONFIDENCE.

CLOSE:

There being no further business the meeting closed at 10.08 pm.
CONFIDENTIAL

RECOMMENDED THAT THE FOLLOWING ITEM BE DEALT WITH IN CONFIDENCE – CORPORATE AND COMMUNITY SERVICES COMMITTEE – 8 NOVEMBER 2011:

12.1 COLONEL LIGHT GARDENS RSL & COMMUNITY CLUB – CAR PARK
Wade Reynolds / George Forbes (Prepared: 31/10/11)

PROPOSAL

To note the outcome of the investigations into the possible purchase of the Colonel Light Gardens RSL car park.

BACKGROUND

The following resolution of Corporate and Community Services Committee relating to the Colonel Light Gardens RSL car park was ratified by Full Council on 26 July 2011:

That a report be written regarding the potential purchase of the car park adjacent to the Colonel Light Gardens RSL on the corner of Dorset Avenue and Prince George Parade as soon as possible.

The Eastern Courier reported on 26 January 2011 that the Colonel Light Gardens RSL Club is experiencing financial difficulty and that it planned to dispose of the car park.

It was reported that with debt at $75,000, dwindling memberships and ongoing building repair and maintenance, the club claims that the only option to keep the club functioning is asset realisation.

The car park land was advertised for sale as residential land through agent Ray White, Colonel Light Gardens and priced from $380,000 to $415,000 refer attachment (C1-C2).

The allotment of 720m² is zoned residential, State Heritage Area (Colonel Light Gardens). The Valuer General’s valuation is $340,000.

There is no legal tie between this car park and the RSL building. The car park can be sold and developed independently of the community club facility.

The RSL may apply to develop the bowling greens adjoining to the clubrooms for member car parking following the sale of the existing car park which is located opposite the clubrooms (refer to map – C3).
Attachments:
- Advertisement from Ray White for sale of car park.
- Map showing car park and clubrooms and bowling greens.

STRATEGIC OBJECTIVES / POLICY POSITION

Objective 1.3 Ensure that the local business sector is valued and supported

Strategy 1.3.1 Active Business Networks: Engage with business and trading groups to address their policy and infrastructure needs

Strategy 1.3.2 Enhance the City as a Destination: Promote Mitcham’s image as a great place to shop, work, live, visit, discover and enjoy

Strategy 1.3.3 Community Employment: Collaborate with business, government and non-government organisations on employment opportunities and programs

DISCUSSION

Discussions were held with Mr Hank Dirksen, President of the RSL club, to ascertain the future of the club, the community hall and facilities. Presently the club is consolidating its loans and meeting financial commitments. Mr Dirksen is confident that the present turnover is healthy and has a strong member base.

The selling agent has contacted Council’s Planning Department on behalf of various vendors seeking to clarify zoning and building rules within the heritage suburb.

A conditional Contract for Sale and Purchase of the land has been accepted by the RSL and the property is currently “Under Contract” pending finance and development approval.

The RSL is to initiate a Site History Survey to identify any contamination issues as part of the approval process.

As part of the sale conditions the RSL sub-branch is also seeking a six month lease back of the car park for the Community Club whilst obtaining council approval to build a playground for children’s members, repair the clubrooms and pay off the debt.

It is Administration’s view that the debt owed by the club, $75,000, fails to warrant a land purchase investment by Council of $415,000 for a nil return, particularly as there is private interest in purchasing this property.

Community Implications

The goodwill of Council offering the RSL a financial rescue package by purchase of the car park may benchmark expectations by other service clubs, associations and sporting groups within Council.
Economic Implications

The asking price for the land purchase is at the upper end of $415,000. A prospective purchaser envisaging to build a residence would take into account the cost to remEDIATE bitumen, estimated at $15,000.

The life of the bitumen surface has deterioriated and requires replacement. The cost to resurface the car park and extend its life by 20 years has been estimated at $14,400 to complete the works.

Annual expenditure for repair, maintenance and statutory charges applicable to the land to be qualified.

Environmental / Heritage Implications

The suburb is entered on the State Heritage Register.

Cost Shifting Implications

Should Council purchase the car park, the public liability, repair and maintenance of the carpark would be shifted from the RSL and become the responsibility of Council. An annual maintenance fee for line marking, pothole repair, surface and grounds maintenance would need to be budgeted.

Legal fees would be incurred to implement a Land Management Agreement over the car park land ensuring the RSL maintain and repair, insure and possibly incur an annual lease fee for the use of Council property.

Impact on Budget

Funding a land acquisition of $415,000 was not been budgeted nor holding costs on an interest only loan.

Cost Involved in the Preparation of Producing the Report

Cost of staff time and other costs to compile the report is $1,620.

Life Cycle Costing

Annual maintenance to be budgeted including bitumen resurfacing that satisfies insurance and public liability requirements on public spaces.

Staffing Implications

Depot staff may be engaged to attend to site maintenance.

Risk Management / OHS Assessment

The location of the car park is not ideal being opposite the Community Hall over Dorset Avenue. Patrons are at risk crossing the road to enter the facility.
Engagement

Not applicable.

CONCLUSION

Discussions, undertaken with the RSL president, indicated a sound future and financial position for the RSL Community Club at Colonel Light Gardens.

A conditional Contract for Sale and Purchase of the land has been accepted by the RSL.

RECOMMENDATION TO COUNCIL

(1) That the report be received for information only.

(2) That having considered the said information or matter pursuant to Section 90(2) and 90(3)(c) and (d)(i)(ii) under Part 3 of Chapter 6 of the Local Government Act 1999, the Council orders pursuant to Section 91(7) of the Local Government Act 1999 that the discussion, report and attachments relating to Agenda Item 12.1 be kept confidential and released when the decision no longer confers a commercial advantage on the person with whom the council is conducting business.

(3) That the Chief Executive Officer be authorised to review the confidentiality order annually.

(4) That pursuant to Section 91(9)(c) of the Local Government Act 1999 the Chief Executive Officer be authorised to revoke this order.