



BUSINESS PLAN FOR PUBLIC COMMENT

(In accordance with Section 3.59 of the *Local Government Act 1995*)

FOR THE

DISPOSAL OF THE OLD TENNIS COURTS AND RELOCATION OF THE WHEATBELT WOMEN'S HEALTH HUB INC



March 2017

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1. EXECUTIVE SUMMARY

The Shire of York is considering the following land transactions:

- Provide the Wheatbelt Women's Health Hub Inc (WVHH) with a lease of the unused Youth Centre adjacent to the Swimming Pool enabling them to relocate from the Old Tennis Court site. The details of the lease are explained further in this document.
- Dispose of the Old Tennis Court site (7 Glebe Street, York, WA, 6302) by public tender as part of the 2018/19 financial year. Funds from this disposal would be used to repay Shire debts associated with the construction of the York Recreation and Convention Centre and Forrest Oval Redevelopment.

Although a Business Plan of this nature is not required in accordance with the *Local Government Act 1995* given the value of the transition (i.e. less than \$ 2 million), the Shire wants to provide the community an opportunity to comment prior to deciding whether to progress or not. The Business Plan framework is considered best for describing the proposed land transaction and providing feedback. It is also considered this represents good governance of the organisation to undertake this process.

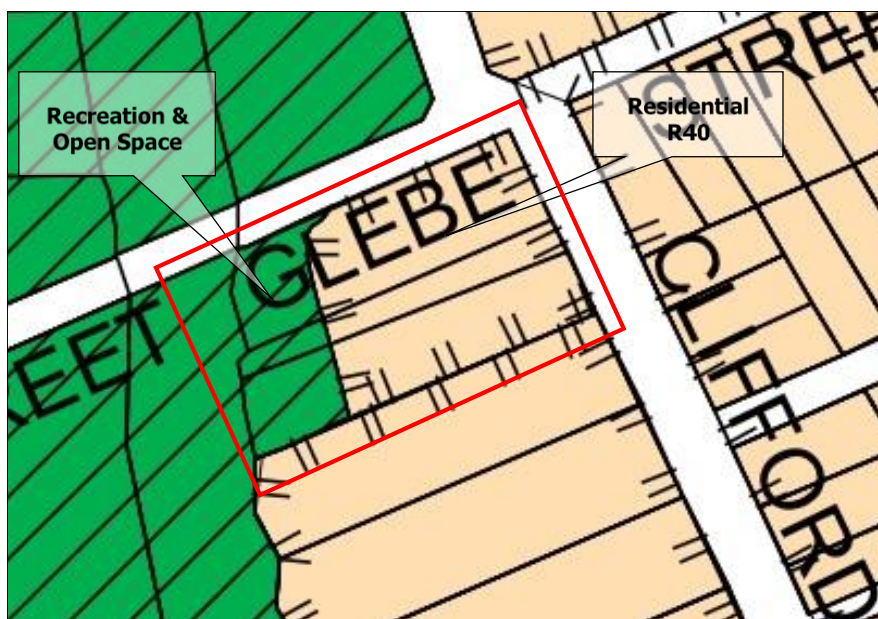
This Business Plan outlines the proposed land transaction, provides details of the sites concerned, addresses the issues required in accordance with the *Local Government Act 1995* and finally, provides details of how members of the community can make a submission.

2. BUILDING AND SITE INFORMATION

2.1. DESCRIPTION OLD TENNIS COURT SITE

The following are the details of the Old Tennis Court site:

Property Address	7 Glebe Street, York WA 6302
Title Details	Legal Identifier Lot 150 on Plan 33114 and Lot 31 on Diagram 2866 Certificate of Title Volume 539, Folio 12 Legal Identifier Lot 151 on Plan 33114 Certificate of Title Volume 540, Folio 69
Registered Proprietor	Municipality of York of Municipal Council Chambers, Avon Terrace, York.
Zoning	Residential R40/Recreation & Open Space Local Authority: Shire of York Scheme: Town Planning Scheme No 2



A portion of the land (estimated at approximately 2,000m²) along the Avon River frontage is zoned for "Recreation & Open Space". If the property is to be subdivided, this land will most likely be ceded to the Shire of York.

Heritage

A search of the State Register of Heritage Places indicates that the subject property is not currently registered. It is noted that the grape vine is of Heritage Value and it would be retained during clearing the site for sale. Council could if it wished investigate ways to register the grape vine on the municipal heritage inventory.

Native Title

Under the Native Title Act 1993, Native Title has been extinguished over land which is held in freehold.

Area

The property comprises three land parcels and their areas are summarised as follows.

Land Identifier	Lot Area
Lot 31	3,613 m ²
Lot 150	1,290
Lot 151	2,706
TOTAL	7,609 m²

Flood Risk The rear of the site is located within the Avon River flood plain.



Improvements

The site is currently improved with a brick and iron building previously utilised as the club room for the tennis courts.

Valuation Officers have recently engaged Independent Property Valuations to undertake a market valuation for the site. This valuation has been provided to Councillors for information as a confidential document.

2.2. DESCRIPTION YOUTH CENTRE

The following are the details of the Old Youth Centre:

Property Address **4 Gilford Street, York, 6302**

Title Details Lot 618 (Number 4) Gilford Street
Reserve No. 45657, Volume 3112, Folio 742.
Assessment Number A60692

Registered Proprietor Crown Land Vested in the Shire of York.
Purpose of Vesting "Hall Site"
The Shire has power to lease the whole or any portion of the site for a period not exceeding 21 years.

Zoning Recreation & Open Space
Local Authority: Shire of York
Scheme: Town Planning Scheme No 2

Area The entire lot is 4,143 m2.

Improvements The site currently has two building on the site. One is the Old Youth Centre and the second is the Scout Hall as can be seen on the site map below.



The old Youth Centre is a well appointed, modern building. The old Youth Centre is the building located closer to the Swimming Pool on the map above. The building includes office, open area, storage, kitchen and toilets.

The Scout Hall is the second building on the site. The building was constructed by the Scout Association of WA and was leased to them until 1 March 1996. Despite several Council resolutions regarding this building, no lease or use is currently in place (apart from limited casual hire).

3. PROPOSED LAND TRANSACTIONS

The Shire of York is proposing to undertake the following land transactions:

3.1. DISPOSE OF 7 GLEBE STREET (OLD TENNIS COURTS) BY PUBLIC TENDER IN THE 2018/19 FINANCIAL YEAR

Local Government, in accordance with the *Local Government Act 1995*, can dispose of property in three ways; by tender; at an Auction; or by private treaty.

It is proposed that the Shire of York sells the land by public tender during the 2018/19 financial year.

In the 2017/18 financial year, it is proposed the Shire would demolish the building on the site, remove fencing and generally prepare the site for sale as a clean site free from improvements.

Then in the 2018/19 financial year, Council could engage a Real Estate Agent to market the property and handle enquiries however this would be determined at the time.

Tenders would be called in accordance with the *Local Government Act 1995*. Any interested party would submit a tender to the Shire by the stipulated date and time. Tenders received would then be reviewed and a tender evaluation report presented to Council for consideration. The Council is not obliged to accept any tender and it would be expected to assess any tenders received against a current valuation of the site and then make a decision.

The Shire would include as part of the 2018/19 financial year budget proceeds from sale of this property.

If Council accepts a tender received funds would be used to offset Shire loans associated with the construction of the York Recreation and Convention Centre and Forrest Oval Redevelopment.

3.2. LEASE THE OLD YOUTH CENTRE TO THE WOMEN'S HEALTH HUB.

On 16 June 2014, following the relocation of the Tennis Club to the YRCC, Council resolved to allow the Wheatbelt Women's Health Hub to use the building on a short term basis until longer term planning was undertaken to determine a future use for the site. A lease has never been finalised between this group and the Shire.

At the November 2017 Council meeting when this matter was considered, Council resolved the following in relation to the Women's Health Hub:

(c) advise the Women's Health Hub that;

- (i) the Shire would like to explore other uses for the site;***
- (ii) they are provided with 6 months' notice to vacate the site before 30 June 2017.***

(iii) Officers will work with the Women’s Health Hub to explore the suitability of other Shire owned community facilities and report back to Council.

Following a review of options available to accommodate the Wheatbelt Women’s Health Hub Inc (WWHH) it is proposed to lease part of the Lot 618 (Number 4) Gilford Street Reserve No. 45657 with the following terms:

Proposed lease Terms

Term of Lease	5 years with a 5-year option
Rental Income	Peppercorn (\$1 pa)
WWHH Responsibilities	All outgoings including electricity, water, as Contents Insurance Public Liability Insurance Grounds maintenance
Shire of York Responsibilities	Building Insurance Preventative Maintenance
Proposed lease commencement	1 September 2017
Area of Lease	Part of lot as per site plan below



The above diagram is indicative only. The final area to be leased would be determined once a site survey was undertaken.

The above is designed to provide the WWHH maximum use of the old Youth Centre and the site including street access from both streets. The area of land will provide the WWHH with the ability to use the grounds.

It should be noted that the Department of Lands will also need to approve the lease. It is proposed to provide the Department an opportunity to comment on the proposed disposition during the advertising period.

Officers have been in liaison with the Scout Association of WA and it is proposed that this building be used as a community centre for any groups or individuals to be able to hire until a new Scout group is established in York. The Shire would manage bookings and take responsibility for cleaning and maintenance of the building. This proposed use of the Scout building will be considered as a separate matter by Council, however this proposed lease would not impede this potential arrangement.

4. MATTERS TO BE CONSIDERED IN ACCORDANCE WITH LOCAL GOVERNMENT ACT

Section 3.59 of the Local Government Act 1995 requires that a Business Plan for a major land transaction of major trading undertaking consider the following matters.

4.1. THE EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES BY THE LOCAL GOVERNMENT

The main impact of this proposed land transaction is losing the old Youth Centre for use as a dedicated Youth Centre.

The Shire does not currently have a Youth Advisory Council or Youth Officer.

It is considered that the concept of Youth Centres has evolved since the construction of the York Youth Centre where activities and facilities for young people are incorporated into all public spaces. Those Youth Centres which are more successful are generally located closer to the CBD.

Given this, it is considered that the location of the Youth Centre is not ideal for young people as they generally prefer to gather close to the CBD or at major facilities where there is high levels of passive surveillance.

This means that the Shire of York needs to reconsider how and what it provides to meet the needs of young people in the area.

Council has identified funds in the Corporate Business Plan for the preparation of a Children and Youth Plan as part of the 2017/18 and 2018/19 financial years. This would identify the needs of young people in the Shire, define Council's role in providing youth services and facilities in the Shire, and develop an action plan for consideration.

The equipment currently located in the youth centre is proposed to be stored and made available for use in the old Tea Rooms at the Forrest Oval Recreation Complex until the Youth Strategy is prepared. This will provide opportunities for use of the equipment at the Recreation Centre as part of holiday programs in the short term.

4.2. THE EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES IN THE DISTRICT

Providing the Wheatbelt Womens Health Hub (WWHH) with a long-term lease of this building and site is expected to provide stability to the group and allow them to continue to provide services to meet the needs of the community. The WWHH has been operating on a short-term basis at the current site (Old Tennis Courts) with no lease in place.

The lease provides tenure of the site and therefore enables the group to apply for funding for building and grounds improvements. It can reasonably be expected that improvements to the building and grounds will benefit all the users of the centre.

The WWHH will be encouraged as part of the lease to provide space to other groups seeking to hire spaces. A number of other groups currently hire space from the WWHH at the Old Tennis Courts which is expected to continue at the new location.

4.3. THE EXPECTED FINANCIAL EFFECT ON THE LOCAL GOVERNMENT

It is expected the Shire will incur the following expenses associated with this proposed land transaction:

Item	2016/17 FY	2017/18 FY	2018/19 FY
Obtaining of valuation on Old Tennis Court site (note this cost has already been incurred).	\$1,100		
Advertising of Business Plan in accordance with Local Government Act (West Australian, Community Matters).	\$2,500		
Site survey of Lot 618 (Number 4) Gilford Street Reserve No. 45657 to map the exact area and boundaries of the proposed lease area.		\$1,500	
Preparation of a lease document between the Shire of York and WWHH.		\$2,500	
Demolition of the current building on the Old Tennis Courts, removal of fencing and preparation of the site for sale excluding removal of grape vine.		\$25,000	
Preparation of a Children and Youth Plan (as per Corporate Business Plan)		\$5,000	\$5,000
Marketing for the sale of the site.			To be determined by Council at the time.
Costs of tender process			Minimal as proposed to be undertaken internally. Advertising costs in accordance with Local Government Act Requirements would be incurred expected to be approximately \$2,500.
Settlement costs			To be determined at the time of sale as depending upon sale price.

If Council accepts a tender all proceeds received (less costs as identified above) would be used to offset Shire loans associated with the construction of the York Recreation and Convention Centre and Forrest Oval Redevelopment.

The following table summarises the Shire of York's current loans:

Loan Purpose	Loan No.	Principal	Start Date	Terms	Interest Rate	Annual Repayments P & I	Opening Balance 2016/17
Forrest Oval Redevelopment	62	1,330,500	25/05/2011	20	6.30%	117,929	1,133,641
Forrest Oval Redevelopment	63	320,000	8/02/2012	15	5.15%	30,754	252,665
Forrest Oval Redevelopment	64	499,155	8/02/2012	15	5.15%	47,972	394,121
Archive Facility	65	116,468	1/03/2012	10	4.88%	14,788	73,756
Plant Purchases	66	338,616	1/05/2015	7	2.84%	53,683	294,237
Old Convent School	67	625,000	8/07/2015	10	3.29%	73,852	598,355
						338,978	2,746,775

The table below outlines the Shire's Debt Service Ratio for the past four years.

Statutory Ratios	Benchmark	2015/2016	2014/2015	2013/2014	2012/2013
Debt Service Cover Ratio	> 2.0	1.76	8.69	2.87	5.66

The Debt Service Cover Ratio indicates the capacity to meet loan repayments as and when they fall due. The Shire's ratio is below the benchmark and has fluctuated over the past four years based on the operating surplus.

The 2014/15 ratio was significantly distorted due to an early payment of the Shire's Financial Assistance Grant. However, even with this considered the amount of debt would indicate that the Shire is sensitive to such issues. This is the basis for the proposal that all proceeds received from the sale of the Old Tennis Court site be used to repay Shire loans thus reducing overall debt levels and providing a buffer to handle any variations such as that experienced in 2015/16.

Using these proceeds to repay debt will also result in improvements to the Shire's financial health indicator. The Financial Health Indicator (FHI) is a measurement of a local government's overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually. An FHI result of 70 and above indicates sound financial health. The Shire of York's current financial Health Indicator is at 67 out of 100. Therefore efforts should be made to improve the financial health of the organisation.

4.4. THE EXPECTED EFFECT ON MATTERS REFERRED TO IN THE LOCAL GOVERNMENT'S CURRENT PLAN PREPARED UNDER SECTION 5.56

The plans relating to Section 5.56 of the *Local Government Act 1995* are the Councils Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan.

This proposal affects or impacts upon the following items in these plans:

- The Corporate Business Plan includes an action to undertake a Property Portfolio Review which has led to this matter being considered.
- The Corporate Business Plan and Long Term Financial Plan includes funding for development of a Children and Youth Plan at a cost of \$10,000 over two financial years.
- The current Long Term Financial Plan does not include any proceeds being received from the sale of the Old Tennis Courts.

4.5. THE ABILITY OF THE LOCAL GOVERNMENT TO MANAGE THE UNDERTAKING OR THE PERFORMANCE OF THE TRANSACTION

The Shire of York is well placed to manage this land transaction.

A new organisational structure has been put into place which provides the resources to manage actions associated with this proposal.

Officers of the Shire are experienced in developing plans (required for preparation Children and Youth Plan), managing tenders (for clearing and sale of site).

The proposed staging of this transaction over two financial years will ensure an orderly but achievable timeline for delivery should Council decide to proceed.

5. SUBMISSIONS BY THE COMMUNITY

5.1. MAKING A SUBMISSION

The Shire of York encourages members of the community to make a submission on this proposed land transaction. Submissions, in writing, should be addressed to the following:

Submission – Disposal of Old Tennis Courts and relocation of Wheatbelt Women’s Health Hub

Delivered by post to:

Chief Executive Officer
Shire of York
PO Box 22
York, WA, 6302

Or emailed to:

Records@york.wa.gov.au

Submissions should be received by 4.30pm on TBD (six weeks from commencement of advertising).

People making a submission should note that all submissions will be publicly available including names. Only addresses and personal information will be removed when each submission is presented to Council for information.

If anyone in the community has questions on the Business Plan or making a submission they can contact Paul Martin, CEO on 96412233 or records@york.wa.gov.au.

5.2. COUNCIL CONSIDERATION OF SUBMISSIONS RECEIVED

Once the submission period closes each submission received will be placed into a table summarising submissions.

Officers will then prepare a report to Council presenting the table of submissions, a copy of every submission received (excluding address details) and a recommendation of how to proceed. This information will be open to the public for review.

5.3. COMMUNICATION OF COUNCIL DECISION

Once Council has considered the submissions and made a decision on the land transaction, a media release will be issued communicating Councils decision.

Correspondence (either by letter or email) will be sent to everyone who made a submission outlining the Council’s decision in regards to this matter.