

I N D E X

Chief Executive Officer's Report

23 JUNE 2008

ITEMS ON REPORT

COUNCILLORS INFORMATION BULLETIN ISSUE 11/2008.....	2
LEASE – LEAKRIST PTY LTD – PORTION HAROLD KING CENTRE, WESTFIELD.....	3

ATTACHMENTS

NIL

CITY OF ARMADALE
Chief Executive Officer's Report

Mayor and Councillors
City of Armadale

Following is my Report for the period
ended 19 June 2008

1. COUNCILLORS' INFORMATION BULLETIN – ISSUE NO. 11/2008

WARD All
FILE REF: CIB
DATE 18 June 2008
REF TLC
RESPONSIBLE CEO
MANAGER

In Brief:

- Councillors' Information Bulletin – Councillors are advised to take note of the information submitted in Issue No. 11/2008 to be received by Council.

Strategic Implications

Corporate Services

- 2.1 Identify and implement mechanisms to improve communication and achieve common understanding of corporate issues and objectives.

COMMENT

The following general information and memorandums were circulated in Issue No. 11 on 18 June 2008.

Correspondence & Papers

- **WA Local Government Association (WALGA) News**
Issue No.22.08 – 9 June 2008
Issue No.23.08 – 16 June 2008
- **Australian Local Government Association (ALGA) News**
6 June 2008
13 June 2008

Information from Human Resources

- Employee Movements

Information from Technical Services

- **Outstanding Matters**
Report on Outstanding Matters – Technical Services Committee
- **Monthly / Quarterly Departmental Reports**
Technical Services Works Programme
- **General Information**
Minutes – Armadale Gosnells Landcare Group No 124
Conference Best Practice Council Management Strategies
Council Manager Magazine Newsletter

Information from Community Services

- **Outstanding Matters**
Report on Outstanding Matters – Community Services Committee
- **Monthly / Quarterly Departmental Reports**
Library & Heritage Services General Monthly Report – May 2008
Manager Ranger & Emergency Services Monthly Report – April 2008
- **Minutes of Occasional/Advisory Committees**
Armadale Highland Gathering Committee – 18 December 2008
Armadale Youth Advisory Committee – 26 May 2008
Disability Advisory Team – 6 May 2008
Seniors' Interests Advisory Group – 15 May 2008

RECOMMEND

That Council acknowledge receipt of Issue No 11/2008 of the Information Bulletin.

Moved Cr _____
Motion Carried (_____)

2. **LEASE – LEAKRIST PTY LTD – PORTION HAROLD KING CENTRE, WESTFIELD**

This Report:

- *is being presented via the CEO's Report to avoid unnecessary time delays, ie. to determine this matter in the standard manner via the next meeting of the City Strategy Committee would effectively serve to unnecessarily delay operation of the proposed after school care service by one month; and*
- *is consistent with Council's prior 'in-principle' resolution CS39/4/08 to lease a portion of the Harold King Community Centre to Leakrist Pty Ltd (subject to firstly satisfying the private treaty requirements of Section 3.58 of the Act which have now been completed) for the purposes of operating a much required after school care program in the area.*

WARD Heron
DATE 17 June 2008
FILE L151
REF NP
RESPONSIBLE Manager
MANAGER Governance &
Administration

In Brief:

- This Report is presented in follow-up to prior Council resolution CS39/4/08 which provided *in-principle* support to lease a portion of the Harold King Centre to Leakrist Pty Ltd to operate an after school care program from the premises;
- Subsequent to resolution CS39/4/08 and pursuant to the provisions of the *Local Government Act 1995*, details of the proposed lease to Leakrist Pty Ltd was advertised – at the close date for receipt of submissions, no public submissions had been received;
- Having now satisfied the requirements of the Act and there being no submissions received, it is recommended that Council proceed to lease a portion of the Harold King Centre to Leakrist Pty Ltd as previously agreed in-principle.

Tabled Items

Nil

Officer Interest Declaration

Nil

Strategic Implications

Initiative 2 – Improve the Quality of Life in Our Residential Neighbourhoods

- Optimising the use of community buildings, facilities and reserves

Initiative 6 – Providing Physical Infrastructure and Caring for the Natural Environment

- Reviewing usage of community facilities and community needs/demands

Legislation Implications

Section 3.58 Local Government Act 1995 – Disposing of Property

Council Policy/Local Law Implications

Council Policy ADM 2 – Property Lease Rentals

Budget/Financial Implications

Nil

Consultation

Council's Asset Steering Group

Officers from the Community Services and Development Services Directorate

Public submissions

BACKGROUND

Council at its meeting on 28 April 2008 resolved (CS39/4/08):

“That Council:

1. *Gives its ‘in-principle’ support to the proposal to lease a portion of the City’s Harold King Centre in Grovelands Drive Westfield to the firm Leakrist Pty Ltd for the purposes of operating an outside school hours care programme (NB: this ‘in-principle’ support will enable Council Officers to administratively negotiate a draft lease with Leakrist Pty Ltd, the essential terms of which (eg. Property description, lease term, names of parties involved, proposed disposition date, the \$ consideration) will then be publicly advertised as is legislatively required for property disposals by private treaty); and*
2. *be provided with a subsequent Officer report giving relevant details of:*
 - (i) *the outcomes of the private treaty public advertising process, and*
 - (ii) *the negotiated proposed lease with Leakrist Pty Ltd for Council’s consideration and approval.”*

DETAILS OF PROPOSAL

The applicant is seeking to enter into a lease for a portion of the Harold King Centre in Grovelands Rd, Westfield (Approximately 410m² including outside area) for a period of five (5) years with an option for a further five (5) years under similar terms and conditions as that the Lady Forrest Day Care Association at the Evelyn Gribble Centre Wungong (A plan of the proposed leased area is presented at Attachment A-1 to this Report).

COMMENT

Analysis

Section 3.58(3) (4) of the Local Government Act 1995 states:

- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property –*
 - (a) *it gives local public notice of the proposed disposition –*
 - (i) *describing the property concerned;*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
 - and*
 - (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
- (4) *The details of the proposed disposition that are required by subsection (3)(a)(ii) include –*
 - (a) *the names of all parties concerned;*

- (b) *the consideration to be received by the local government for the disposition;*
and
- (c) *the market value of the disposition as ascertained by a valuation carried out not more than 6 months before the proposed disposition.*

A valuation of the premises undertaken by DTZ Australia as at 20 May 2008 valued the proposed leased area at \$17,500 per annum.

Following the receipt of this valuation and in accordance with legislative requirements an advertisement was placed in the West Australian on Saturday 31/5/08, the Comment News on Tuesday 3/6/08, on the Administration Centre notice board and the notice boards of all three libraries, advising of the above proposal. The deadline for making submissions was Monday 16 June 2008.

Following the deadline no submissions were received.

During the advertising period lease negotiations have also been undertaken with Leakrist Pty Ltd, with the following basic terms and conditions being agreed to.

Rent:	\$17,500 per annum exclusive of GST and outgoings
Rent Review:	Increased annually by the Consumer Price Index (All Groups) for Perth (CPI)
Term:	Five (5) years with an option for a further five (5) years
Commencement Date:	24 June 2008
Outgoings:	Lessee responsible for all outgoings
Insurance:	Lessee responsible for building insurance on a pro rata basis and plate glass during normal operating hours and public liability insurance.

Conclusion

Therefore, on the basis of:

- Council's prior *in-principle* support to lease a portion of the Harold King Centre to Leakrist Pty Ltd for use as an after school care program/service (acknowledging the community need for this service in the area);
- the public advertising of the proposed lease has not resulted in any alternative submissions being received;
- Leakrist's agreement to the proposed lease terms and conditions including the lease rental which commences at \$17,500 pa (as determined by independent market valuation); and
- Leakrist's demonstrated ability to provide high quality, accredited and affordable child care;

it is now proposed that Council proceed to lease the premises to Leakrist Pty Ltd as per the following report recommendation.

RECOMMEND

That Council, pursuant to Section 3.58(3) & (4) of the Local Government Act 1995, agree to lease to Leakrist Pty Ltd, that portion of approx 410 m2 of the Harold King Centre as shown on the Plan as presented at Attachment A-1 to this Report, for the purpose of operating an after school care program/service and according to the following essential lease terms:

Lease Term:	5 years with the option for a further 5 years
Lease Rental:	commencing at \$17,500 pa with annual increases based on the Consumer Price Index (all groups) Perth
Commencement date:	24th June 2008
Outgoings:	lessee responsible for standard outgoings as relevant to the leased area
Insurance:	lessee responsible for building and plate glass insurance again as relevant to the leased area and operating hours.

Moved Cr _____
Motion Carried (_____)

**I MACRAE
A/CHIEF EXECUTIVE OFFICER**

ATTACHMENT A-1

