



**TAMALA PARK**  
Regional Council

## **Meeting of Council**

# **AGENDA**

**Thursday 21 April 2016, 6:00pm**

**Town of Victoria Park**

**99 Shepperton Road, Victoria Park**

TAMALA PARK  
REGIONAL COUNCIL  
(TPRC)  
COMPRISES THE  
FOLLOWING  
COUNCILS:

Town of Cambridge  
City of Joondalup  
City of Perth  
City of Stirling  
Town of Victoria Park  
City of Vincent  
City of Wanneroo

**TABLE OF CONTENTS**

MEMBERSHIP .....	3
1. OFFICIAL OPENING.....	4
DISCLOSURE OF INTERESTS .....	4
2. PUBLIC STATEMENT/QUESTION TIME .....	4
3. APOLOGIES AND LEAVE OF ABSENCE .....	4
4. PETITIONS .....	4
5. CONFIRMATION OF MINUTES .....	4
5A. BUSINESS ARISING FROM THE MINUTES .....	4
6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION).....	4
7. MATTERS FOR WHICH MEETING MAY BE CLOSED.....	4
8. REPORTS OF COMMITTEES .....	4
9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.9) .....	4
9.1 BUSINESS REPORT – PERIOD ENDING 14 APRIL 2016 .....	5
9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JANUARY & FEBRUARY 2016.....	8
9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JANUARY & FEBRUARY 2016.....	11
9.4 PROJECT FINANCIAL REPORT – FEBRUARY 2016 .....	12
9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 14 APRIL 2016 .....	14
9.6 CATALINA DISPLAY VILLAGE STRATEGY .....	18
9.7 CATALINA GROVE PRECINCT PLAN - SATTERLEY PROPERTY GROUP ANALYSIS.....	23
9.8 PROPOSED REPRICING OF LOTS (STAGES 11, 12, 13B, 14A, 14B, 14C, 14D & 15) .....	28
9.9 CATALINA FRONT LANDSCAPING TENDER.....	31
10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN.....	34
11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .....	34
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN.....	34
13. MATTERS BEHIND CLOSED DOORS.....	34
14. GENERAL BUSINESS .....	34
15. FORMAL CLOSURE OF MEETING.....	34

**TAMALA PARK REGIONAL COUNCIL**

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the Town of Victoria Park, 99 Shepperton Road, Victoria Park on Thursday 21 April 2016 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



**TONY ARIAS**  
Chief Executive Officer

**MEMBERSHIP**

<b>OWNER COUNCIL</b>	<b>MEMBER</b>	<b>ALTERNATE MEMBER</b>
Town of Cambridge	Cr Louis Carr	
City of Joondalup	Cr John Chester Cr Kerry Hollywood	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Cr Karen Caddy Mayor Giovanni Italiano JP (Chairman) Cr David Michael Cr Rod Willox AM JP	Cr Terry Tyzack
Town of Victoria Park	Cr Keith Hayes	
City of Vincent	Mayor John Carey	Cr Jimmy Murphy
City of Wanneroo	Cr Dianne Guise (Deputy Chair) Cr Brett Treby	Cr Domenic Zappa Cr Hugh Nguyen

**PRELIMINARIES**

**1. OFFICIAL OPENING**

**DISCLOSURE OF INTERESTS**

**2. PUBLIC STATEMENT/QUESTION TIME**

**3. APOLOGIES AND LEAVE OF ABSENCE**

**4. PETITIONS**

**5. CONFIRMATION OF MINUTES**

Council Meeting – 3 March 2016

**5A. BUSINESS ARISING FROM THE MINUTES**

**6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)**

**7. MATTERS FOR WHICH MEETING MAY BE CLOSED**

**8. REPORTS OF COMMITTEES**

Management Committee Meeting – 17 March 2016

**9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.9)**

## 9.1 BUSINESS REPORT – PERIOD ENDING 14 APRIL 2016

### Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

### Recommendation

**That the Council RECEIVES the Business Report to 14 April 2016.**

### Voting Requirements

Simple Majority

### Report Purpose

To advise Council of matters of interest not requiring formal resolutions.

### Relevant Documents

Appendix: Staging Plan

### Background

The business of the Council requires adherence to many legislative provisions, policies and procedures that aim at best practice. There are also many activities that do not need to be reported formally to the Council but will be of general interest to Council members and will also be of interest to the public who may, from time to time, refer to Council minutes.

In the context of the above, a Business Report provides the opportunity to advise on activities that have taken place between meetings. The report will sometimes anticipate questions that may arise out of good governance concerns by Council members.

### Comment

#### 1. Civil Construction - Status

The following table provides the status of current civil works:

Stage	Lots	Commenced Construction	Practical Completion Date	Works Status	Titles
18A	29	10 February 2016	17 May 2016	Ahead of Program	June 2016
14B	10	14 March 2016	May 2016	On Program	June 2016
N'Bup Rd Intersection	-	14 March 2016	15 July 2016	1 week Behind	Nil

#### 2. Catalina Beach - Status

A revised subdivision application for Phase 1, (consisting of Stages 25 - 28) Catalina Beach was lodged with the Western Australian Planning Commission (WAPC) on 3 March 2016 and comprises approximately 200 lots with approval anticipated early June 2016. The purpose of the revised subdivision application was to improve the road network and modify lot sizes in line with current market conditions.

Civil engineering design for Stages 25 and 26 is currently being undertaken, with civil works anticipated to commence in August 2016.

The TPRC and SPG recently met with City of Wanneroo officers to progress options to minimise the impact of the level differences between the existing Mindarie residents and Catalina Beach Precinct. Further detailed level inputs are required before engineering design is advanced. The SPG will be advising affected Mindarie residents of the requirement to undertake detailed level surveys and the time frames for further consultation.

### 3. Landscape works – Status

Landscape works for the Southern BCA and Stages 9 and 10 verge treatments have commenced, with completion due 29 April 2016.

### 4. Housing Construction

The following table provides an overview of the current progress of housing construction to date. A significant number of homes are under construction in Stages 9-14A.

Stage	Under Construction	Completed	Total
Stage 1	1	32	33
Stage 2	0	32	32
Stage 3	0	43	43
Stage 4	3	44	47
Stage 5	1	59	60
Stage 6A	0	6	6
Stage 6B	13	0	13
Stage 6C	4	0	4
Stage 7	2	61	63
Stage 8	3	50	53
Stage 9	3	43	46
Stage 10	3	23	26
Stage 11	7	67	74
Stage 12	14	29	43
Stage 13	39	30	69
Stage 14A	40	0	40
<b>Total</b>	<b>133</b>	<b>519</b>	<b>652</b>

### 5. Waste Management Program

Instant Waste Management is providing quarterly reports identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 137 participating building sites with a waste recovery rate of 94% (by weight) being achieved. To the end of February 2016 a total of 3,238 tonnes of waste has been recycled through the Waste Management Program.

**6. Builders Display Village**

To date, seventeen homes have been completed and opened to the public. The remaining homes are expected to be completed by the end of April 2016.

**7. Lot 1 – TPRC/ABN Development**

Construction and landscaping of the 25 apartments is complete.

Titles were issued at the end of September with settlements commencing in October 2015. To date 24 apartments have been settled.

## **9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JANUARY & FEBRUARY 2016**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

### **Recommendation**

**That the Council RECEIVES and NOTES the Statements of Financial Activity for the months ending:**

- **31 January 2016; and**
- **29 February 2016.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

Submission of the Statement(s) of Financial Activity required under the Local Government Act.

### **Relevant Documents**

Appendix:

- Statement of Financial Activity for 31 January 2016
- Statement of Financial Activity for 29 February 2016

### **Local Government Act/Regulation**

- Local Government Act 1995: Sect 6.4(1): Financial Report Required
- Local Government (Financial Management) Regulations 1996: Regulation 34 Composition of Report
- Local Government (Financial Management) Regulations 1996: Regulation 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regulations 1996: Regulation 14 Compliance Audit Item

### **Background**

It is a mandatory requirement that the Council receives, reviews and records in the Regional Council's public minutes a statement of financial activity showing annual budget estimates and the figures for budget estimates, income and expenditure and variances at the end of each month. The report is also to show the composition of assets and other relevant information.

### **Comment**

The detailed Statements contained in the Appendices reflect the budget proposals and direction adopted by the Council.



**Variances at 29 February 2016 exceeding 10% were experienced in relation to the following:**

<b>Interest Earnings</b>	Interest earnings exceed budget predictions as a result of timing of maturity of term deposits.
<b>Employee Costs</b>	The positive variation relates to timing of payments.
<b>Materials and Contracts</b>	The positive variance relates to timing of consultant payments.
<b>Utilities</b>	Utilities are under budget due to timing of payments.
<b>Income Sale of Lots – Subdivisions</b>	The negative variance relates to fewer settlements to date and will continue under Budget.
<b>Land Production Cost</b>	The positive variance relates to deferred works and timing of payments and will continue under Budget.
<b>Insurance</b>	The negative variance relates to timing of payments.
<b>Other</b>	The negative variance relates to timing of Councillor payments.
<b>Telethon</b>	It is noted that the favourable variance will be offset in April when payment is made to Telethon.
<b>Development Costs – Apartments</b>	It is noted that the favourable variance was offset by payments to ABN for construction of the apartments in preceding months.

The information in the appendices is summarised in the tables following.

**Financial Snapshot as at 29 February 2016**

TAMALA PARK REGIONAL COUNCIL  
FINANCIAL SNAPSHOT  
FOR THE PERIOD ENDING 29 FEBRUARY 2016

	2015-16 Adopted Budget	2015-16 YTD Budget	2015-16 Actual	Variance		Variance %
				Favourable	Unfavourable	
<b>Revenue</b>	\$	\$	\$	\$	\$	%
Interest Earnings	958,606	718,955	957,816	238,861		33.22%
Profit/(loss) on Disposal Of Asset	-	-	-			0.00%
Other Revenue	1,937	-	5,700	5,700		100.00%
	\$960,543	\$718,955	\$963,516	\$244,561	\$0	
<b>Less Expenditure</b>						
Depreciation	(17,797)	(11,567)	-	11,567		100.00%
Employee Costs	(727,610)	(472,945)	(351,596)	121,349		25.66%
Insurance	(17,323)	(11,259)	(10,152)	1,107		0.00%
Materials and Contracts	(443,516)	(288,279)	(98,243)	190,036		65.92%
Other	(175,970)	(89,566)	(119,158)		(29,592)	-33.04%
Utilities	(6,150)	(3,997)	(457)	3,540		88.57%
Members Equity						
-Income Sale of Lots - Subdivisions	40,743,130	30,283,115	20,393,744		(9,889,371)	-32.66%
-Income Sale of Lots - Apartments	-	-	7,063,739	7,063,739		100.00%
-Income Other - Proceeds Telethon Home	-	-	643,182	643,182		100.00%
-Income Other - Subdivisions	1,659,807	-	36,819	36,819		100.00%
-Land Production Costs	(47,630,553)	(31,408,511)	(9,668,024)	21,740,487		69.22%
-Development Costs - Apartments	-	-	(6,585,344)		(6,585,344)	100.00%
-Profit distribution/Contributions Returned	(18,350,650)	(8,000,000)	(10,025,839)		(2,025,839)	-25.32%
	(\$24,966,632)	(\$10,003,009)	\$1,278,671	\$29,811,826	(\$18,530,146)	
<b>Total Change in Equity</b>	(\$24,006,089)	(\$9,284,054)	\$2,242,187	\$30,056,387	(\$18,530,146)	

**Balance Sheet Summary as at 29 February 2016**

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2015**

	Actual 2014-15 \$	Actual 2015-16 \$	Variance \$	Variance %
<b>Current assets</b>				
Cash and cash equivalents	46,060,590	48,262,234	2,201,644	4.78%
Trade and other receivables	389,122	549,152	160,030	41.13%
<b>Total current assets</b>	<b>46,449,712</b>	<b>48,811,386</b>	<b>2,361,674</b>	<b>5.1%</b>
<b>Non-current assets</b>				
Inventories	1,818,182	1,818,182	0	0.00%
Property, plant and equipment	151,944	153,260	1,316	0.87%
<b>Total non-current assets</b>	<b>1,970,126</b>	<b>1,971,442</b>	<b>1,316</b>	<b>0.07%</b>
<b>Total assets</b>	<b>48,419,838</b>	<b>50,782,828</b>	<b>2,362,990</b>	<b>4.88%</b>
<b>Current liabilities</b>				
Trade and other payables	184,657	312,540	-127,883	-69.25%
Provisions	109,986	102,906	7,080	6.44%
<b>Total current liabilities</b>	<b>294,643</b>	<b>415,446</b>	<b>-120,803</b>	<b>-41.0%</b>
<b>Non-current liabilities</b>				
Provisions	30,931	30,931	0	0.00%
<b>Total non-current liabilities</b>	<b>30,931</b>	<b>30,931</b>	<b>0</b>	<b>0.00%</b>
<b>Total liabilities</b>	<b>325,574</b>	<b>446,377</b>	<b>-120,803</b>	<b>-37.10%</b>
<b>Net assets</b>	<b>48,094,264</b>	<b>50,336,451</b>	<b>2,242,187</b>	<b>4.66%</b>

### **9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JANUARY & FEBRUARY 2016**

#### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

#### **Recommendation**

**That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for the months of January and February 2016:**

- **Month ending 31 January 2016 (Total \$514,432.76)**
- **Month ending 29 February 2016 (Total \$11,501,352.90)**
- **Total Paid - \$12,015,785.66**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of payments made under the CEO's Delegated Authority for the months ending 31 January 2016 and 29 February 2016.

#### **Relevant Documents**

Appendix:

- Cheque Detail for February 2016
- Summary Payment List for January 2016
- Summary Payment List for February 2016

#### **Local Government Act/Regulation**

- Local Government Act 1995: Sect 5.42 - Delegation given for Payments
- Local Government (Financial Management) Regulations 1996: Regulation 13(1) - Monthly Payment list required
- Local Government (Audit) Regulations 1996: Regulation 13 - Compliance Audit Item

#### **Background**

A list of accounts paid under delegation or submitted for authorisation for payment is to be submitted to the Council at each meeting. It is a specific requirement of Regulations that list state the month (not the period) for which the account payments or authorisation relates.

#### **Comment**

Payments made are in accordance with authorisations from Council, approved budget, TPRC procurement and other relevant policies.

Payments are reviewed by TPRC Accountants Moore Stephens following completion of each months accounts.

## **9.4 PROJECT FINANCIAL REPORT – FEBRUARY 2016**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

### **Recommendation**

**That the Council RECEIVES the Project Financial Report (February 2016) submitted by the Satterley Property Group.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Project Financial Report for February 2016 submitted by the Satterley Property Group.

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

N/A

### **Previous Minutes**

N/A

### **Financial/Budget Implications**

Review of Project Financial Report for February 2016.

### **Relevant Documents**

Appendix: Letter from Satterley Property Group dated 31 March 2016 with Financial Report

### **Background**

At its meeting of 13 August 2015 the Council approved the Project Budget 2015/2016 (July 2015), submitted by the Satterley Property Group, as the basis of financial planning for the 2015/2016 TPRC budget.

KPI 4.8 of the Development Managers Key Performance Indicators; Financial, requires the preparation of monthly financial reports.

### **Comment**

The Satterley Property Group has prepared a Financial Report for February 2016 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 29 February 2016 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$20.6M which is \$9.7M under budget with the variance in settlement revenue attributed to 36 lot settlements less year to date.
2. Expenditure is \$18.5M under budget, in the following areas:
  - Lot Production \$7.9M;
  - Landscape \$3.9M;
  - Infrastructure \$3.5m
  - P&L expenditure \$2.4M.

The Satterley Property Group Financial Report provides greater details on the variations.

3. Lot Sales Value was \$12.2M less favourable to budget due to 48 less lot sales year to date.

Satterley Property Group representatives will be in attendance to present the report.

## 9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 14 APRIL 2016

### Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

### Recommendation

**That the Council RECEIVES the Sales and Settlement Report to 14 April 2016.**

### Voting Requirements

Simple Majority

### Report Purpose

To advise the Council of the status of sales, settlements and sales releases.

### Policy Reference

N/A

### Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

### Previous Minutes

N/A

### Financial/Budget Implications

Income under this matter will be posted under item 1145011 (Income on Lot Sales):

Budget Amount:	\$40,743,130
Received to Date:	\$23,098,614
Balance:	\$17,644,516

### Background

The Sales and Settlement Report provides the Council with a status update of sales and settlements for the Project.

The Staging Plan provided under Appendix 9.1 identifies the extent of the stage boundaries referenced within the report.

### Comment

The following table provides a summary of the Sales and Settlement position for lots released to date:

STAGE	RELEASE DATE	LOTS RELEASED	LOT SIZES	SOLD	STOCK	SETTLED
<b>Stages 1 – 9, 11B, 12B, 14 Builders and 14C</b>	NA	509	NA	509	0	509
<b>Stage 10</b>	Feb 2014	30	300-562	30	0	30
<b>Stage 11</b>	Mar 2014	49	295-490	48	1	48
<b>Stage 12A</b>	May 2014	25	295-463	22	3	22
<b>Stage 13A (Public)</b>	Aug 2014	27	288-450	27	0	26
<b>Stage 13B (Public)</b>	Oct 2014	39	295-450	32	7	30
<b>Stage 14A (Public)</b>	Jan 2015	17	295-450	17	0	16
<b>Stage 14B (Public)</b>	Feb 2015	19	274-450	18	1	16
<b>Stage 14D (Public)</b>	June 2015	8	225 – 322	7	1	6
<b>Stage 15A (Public)</b>	July 2015	16	300 – 450	14	2	10
<b>Stage 15B (Public)</b>	Sep 2015	20	300 – 450	16	4	10
<b>Stage 15C (Public)</b>	Nov 2015	17	200 – 510	15	2	5
<b>Stage 18A</b>	March 2016	29	300 - 510	4	25	0
<b>Total</b>		805		759	46	728

The following table provides a summary of lot sizing and commentary of current stock on hand:

STAGE	RELEASE DATE	COMMENTS ON AGED STOCK
<b>Stage 11</b>	Mar 2014	320m <sup>2</sup> corner lot, irregular shape, rear loaded, located on roundabout & Aviator Blvd, low interest to date
<b>Stage 12A</b>	May 2014	3 corner lots (300m <sup>2</sup> , 432m <sup>2</sup> & 447m <sup>2</sup> ), irregular shape, rear loaded, located on roundabout and Aviator Blvd, mandatory 2 storey requirement, low interest to date,
<b>Stage 13B (Public)</b>	Oct 2014	6 lots are 225m <sup>2</sup> , 1 lot 295m <sup>2</sup> , non-standard frontage (9m), require bespoke design, mandatory 2 storey requirement, low interest to date
<b>Stage 14B (Public)</b>	Feb 2015	1 lot (448m <sup>2</sup> ), larger lot is irregular in shape with duplex potential, low interest to date
<b>Stage 14D (Public)</b>	June 2015	1 lot (225m <sup>2</sup> ) recently returned to market
<b>Stage 15A (Public)</b>	July 2015	2 corner lots (320m <sup>2</sup> & 358m <sup>2</sup> ) irregular frontage, fronting Neerabup Rd, quiet house requirements

**Competition Analysis**

The table below provides a summary of gross sales at competing developments in the northern corridor from July 2015.

SPG has noted that Catalina has been the best performer of SPG affiliated estates in the North West corridor over the period of November 2015 – February 2016.

SPG has expressed caution that competitor’s sales results are indicative only based on information that the SPG is able to obtain in the marketplace.

Estate	Sales												YTD total	Size Range (m2)	Price Range (m2)
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Allara	13	18	13	10	8	7	7	8					84	225-561	\$149,000-\$250,000
Eden Beach	7	3	8	11	5	5	10	11					60	225-625	\$200,000-\$445,000
<b>Catalina</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>7</b>	<b>15</b>	<b>13</b>	<b>6</b>	<b>5</b>					<b>73</b>	<b>200-447</b>	<b>\$205,000-\$337,000</b>
Alkimos Beach	7	4	21	13	21	17	8	8					99	150-535	\$145,000-\$292,000
Amberton	14	12	15	18	8	3	11	8					89	225-450	\$160,000-\$293,000
Banksia Grove	25	27	28	22	20	14	17	15					168	225-469	\$181,000-\$256,000
Jindowie	9	8	4	12	5	4	3	3					48	290-560	\$162,000-\$202,000
Yanchep Golf Estate	1	0	10	5		3	11						30	209-1869	\$150,000-\$460,000
Shorehaven	6	10	28	8	6	2	3	3					66	210-470	\$185,000-\$315,000
Trinity	24	11	24	18	12	8	13	8					118	298-542	\$197,000-\$292,000
Vertex Yanchep (LWP)	0	6	5	2	6	3	1						23	357-510	\$166,000-\$221,000
<b>Total</b>	<b>114</b>	<b>110</b>	<b>164</b>	<b>126</b>	<b>106</b>	<b>79</b>	<b>90</b>	<b>69</b>					<b>858</b>		
<b>CATALINA MARKET SHARE %</b>	<b>9%</b>	<b>11%</b>	<b>7%</b>	<b>7%</b>	<b>16%</b>	<b>17%</b>	<b>9%</b>	<b>7%</b>					<b>9%</b>		

A summary of available stock in the corridor is provided in the table below. The table shows that Eden Beach has the most expensive pricing followed by Catalina, with the exception of the 225m<sup>2</sup> product.

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	Total Stock
Allara	149,950	191,000	215,000	240,000	<b>40</b>
Brighton	180,000	185,000	197,000	225,000	<b>14</b>
Eden Beach	200,000	278,000	325,000	395,000	<b>38</b>
<b>Catalina</b>	<b>215,000</b>	<b>257,000</b>	<b>298,000</b>	<b>337,000</b>	<b>46</b>
Alkimos Beach	186,000	234,000	265,000	300,000	<b>50</b>
Amberton	160,000	214,000	243,000	270,000	<b>21</b>
Banksia Grove	181,000	218,000	228,000	256,000	<b>11</b>
Jindowie		167,000	182,000	192,000	<b>29</b>
Yanchep Golf Estate	155,000	175,000	198,000	217,000	<b>22</b>
Shorehaven	199,000	265,000	287,000		<b>55</b>
Trinity		211,000	237,000	265,000	<b>39</b>
Vertex Yanchep (LWP)			169,000	197,000	<b>32</b>
<b>TOTAL</b>					<b>397</b>



### **Stage 18A Release**

The Stage 18A public release, consisting of 29 lots, was released to the market on 5 March 2016. The lot mix ranges from 300m<sup>2</sup> to 510m<sup>2</sup> and provides a number of 375m<sup>2</sup> and 450m<sup>2</sup> lots that generate purchaser interest in the current market.

The release resulted in seven registrations of interest, with four lots sold to date. SPG sales team are currently working with potential purchasers towards further contracts.

Satterley Property Group representatives will be in attendance to present the Sales and Settlement Report.

## **9.6 CATALINA DISPLAY VILLAGE STRATEGY**

### **Report Information**

Reporting Officer: Project Coordinator

File Reference: 1.88.246

### **Recommendation**

#### **That the Council:**

- 1. RECEIVES the Display Village Strategy prepared by the Satterley Property Group dated March 2016.**
- 2. APPROVES the location of Catalina Beach Display Village (DV3), the commercial terms and conditions and the release of lots 2122 to 2136 as builders display lots in accordance with the Selection and Allocation Process, as detailed in the Display Village Strategy (dated March 2016).**
- 3. APPROVES the use of lot 2094 as a Sales Office for the Catalina Project and lot 2137 for an associated car park for the Catalina Beach and Catalina Grove Precincts for 2018, subject to the Satterley Property Group providing specific details on the form, design, operation and detailed costs and reference to the TPRC budget for Council.**
- 4. ADVISES the Satterley Property Group that approval to the proposals for the Catalina Beach Display Village (DV4) and Catalina Grove Display Village (DV5) is considered premature at this stage.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider a strategy for the Catalina Display Villages and Sales Office.

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

Local Government Act 1995: Sect 3.58 – Disposal of Property.

### **Previous Minutes**

N/A

### **Financial/Budget Implications**

Expenditure under this matter will be incurred under Item E145211 (Land Develop – Lot Production):

Budget Amount:	\$30,169,178
Spent to Date:	\$ 3,213,263
Balance:	\$26,955,915

## Relevant Documents

Appendix: Letter from Satterley Property Group – Display Village Strategy (March 2016)

## Background

At its meeting of 14 April 2011 the Council approved the Display Village Strategy for Catalina Phase 1. The Strategy outlined the following key areas:

- Selection Criteria for Builders;
- Allocation of Display Lots;
- Display Builder Incentives and Commercial Terms;
- Location of Display Village.

The first Display Village was located off Aviator Boulevard, adjacent the Land Sales Office. This location was chosen as it has easy access and good visibility from Marmion Avenue. It contained 23 builder display homes with closure of the Display Village in February 2016.

At its meeting of 16 October 2014 the Council approved the allocation of the lots for the 2<sup>nd</sup> Display Village (DV2). DV2 has been operating since the closure of DV1 on 13 February 2016.

## Comment

The SPG has prepared a Display Village Strategy for Council's consideration, a copy of the strategy is attached at Appendix 9.6.

The objective of the Display Village Strategy prepared by the Satterley Property Group is to provide clear direction to the TPRC for the location and number of Display Villages required to support sales across all three precincts of the Project.

The Display Village Strategy prepared by SPG takes into consideration the need to market and service the three precincts through additional Display Villages. SPG has proposed a further three Display Villages to service the life of the Project taking the total number of Display Villages to five.

The Display Village Strategy identifies the current locations of DV1, DV2, the current Land Sales Office and the proposed locations for the future Display Villages three, four and five (DV3, DV4 and DV5).

The approved Project Forecast anticipates the Catalina Beach Precinct to be released at approximately 50 lots a year over a 12 year period.

The SPG considers that the Catalina Beach Display Village (DV3) will showcase a different housing product to Catalina Central. The Display Village Strategy highlights the prominent location of DV3 along Marmion Avenue as integral to the success of future sales at Catalina Beach and Catalina Grove.

The Display Village Strategy makes provision for a potential fourth Display Village in close proximity to DV3. Typically Display Villages have 2-3 year currency before the designs are outdated and market trends change.

DV3 is proposed to be located off Aviator Boulevard, fronting Marmion Avenue and comprising 15 mandatory two-storey lots ranging in size from 375m<sup>2</sup> – 552m<sup>2</sup>. The Display Village Strategy proposes the release of lots to the display builders in the second half of 2016 in order for the Display Village to be open in early 2018. The lots are to be constructed as part of Stage 25 and are anticipated to be completed with titles at the beginning of 2017.

The SPG has indicated that a number of Perth's leading builders are interested in participating in the Catalina Beach Display Village (DV3).

SPG has also recommended as part of the long term strategy that a fifth Display Village (DV5) could be located in Catalina Grove to demonstrate a product range for the higher density village precinct that is intended for Catalina Grove. SPG has identified that sales for Catalina Grove can be undertaken in the proposed Catalina Beach Sales Office and that a separate Sales Office is not required for Catalina Grove.

### Selection and Allocation Process

The SPG has recommended a Tender process for the selection and allocation of lots to builders wishing to participate in DV3. The Tender will require the following:

- Mandatory participation in the Catalina Waste Management program;
- Mandatory provision of a minimum of six design initiatives that achieve sustainability and innovation;
- Mandatory two storey design and construction.

The Tender will be assessed against the following selection criteria (set out in the Tender request):

1. Previous Participation in Display Villages	10%
2. Capacity to meet Market Demand	15%
3. Building Design (Best practice in design and materials)	30%
4. Innovation	15%
5. Sustainability Credentials	15%
6. Financial Capacity	15%

The key objectives of the Tender process are to:

1. Make a recommendation to the TPRC, based on the Tender selection criteria, on the ranking of the builders to enable the lot allocation for the Display Village. The ranking a builder receives will dictate its position in selecting a display home lot within the Display Village;
2. Ensure the assessment of responses is undertaken fairly according to predetermined criteria;
3. Ensure adherence to the Procurement Policy; and
4. Ensure that the requirements specified in the Tender are evaluated in a way that can be measured and documented.

The commercial terms proposed are detailed in the following table:

Building Display Home Rebate Terms	
Practical Completion	57 weeks from date of settlement
Operational Period	2 years with an <i>option to extend</i> for a further year at the discretion of TPRC (subject to approval from City of Wanneroo)
Mandated terms	2 storey homes Participating in the Waste Recycling Program Homes to be in accordance with the Catalina Beach Design Guidelines and Estate Covenants
Operating times	(Sat/Sun and Mon/Wed)  Operating times would be 2.00pm to 5.00pm  Builder to provide progress updates to Satterley Property Group as requested by Satterley Property Group, until the date the home is open for inspection
Rebate	10% of the purchase price (inclusive of GST) in line with the completion timeframes / opening due date
Fencing /landscaping	Tamala Park Regional Council agrees to provide and install side fencing as well as verge landscaping treatments consistent with the estate guidelines  The fencing and landscaping is recommended to ensure the village streetscape maintains a consistent premium appeal.

The rebate for the 15 lots in DV3 is proposed to be paid to the builders subject to compliance with the Catalina Beach Display Village (DV3) requirements and terms. At this stage the SPG has failed to provide advice on the impact of the rebates on the Project Budget. The TPRC estimates the rebates on the 15 lots to be approximately \$750,000. The rebates are proposed to be accounted for in the FYE 2018 budget when these items are likely to be invoiced. It should be noted that the rebates are not accounted for in the approved Project Forecast and therefore represent additional costs to the Project.

#### New Land Sales Office

The Display Village Strategy recommends that the Catalina Beach Precinct be serviced by a new Sales Office to be located in Catalina Beach in 2018. The SPG has proposed that the new Sales Office be located on Lot 2094 for the following reasons:

- The prominent location off Marmion Avenue;
- The relationship to DV3;
- The opportunity to locate a Sales Office with adequate parking on the approved group housing site adjacent to DV3.

The SPG estimates the costs for construction of a new Sales Office at \$600,000. This cost estimate has been based on other Land Sales Offices in the northern beaches area. A provision in the forecast FYE 2017 Budget of \$600,000 has been made for the Sales Office with construction to occur from January to September 2018. Costs of \$240,000 have also been allowed for in the forecasts of the FYE 2017 Budget for the mandatory car parking

requirements associated with the Display Village. Landscaping of the surrounding streetscapes has been provided for in the FYE 2016 budget and is currently being designed.

The SPG has proposed that the new Sales Office be of high quality to match the premium location of Catalina Beach and be planned for construction in coordination with DV3. The Sales Office is proposed to be constructed with the intent that it will be converted into a residence and sold to the public, as per the current Sales Office, when it is no longer required.

### **Conclusion**

The proposal to establish the Catalina Beach Display Village (DV3) as recommended in the Display Village Strategy is supported. It will provide a strong attractant for the Catalina Beach Precinct and will support and complement the Catalina sales campaigns. It will also help to set a high standard and demonstrate housing for the first phase of the Catalina Beach Precinct.

The proposed locations for the Catalina Beach Display Village and new Sales Office are supported, both have good exposure off Marmion Avenue and will have positive synergies.

The proposed Selection and Allocation Process is consistent with the process utilised for Catalina Display Villages 1 and 2 which has worked well.

The suggested commercial terms and design requirements including participation in the Catalina Waste Management program, inclusion of minimum sustainability and innovation initiatives are supported.

It is also noted that planning approval is required from the City of Wanneroo for the Display Village and Sales Office.

In terms of endorsing proposals for the Catalina Beach Display Village (DV4) and Catalina Grove Display Village (DV5) it is considered premature at this stage until the SPG provides detailed rationale, costings and commercial terms for these proposals.

At its meeting of 17 February 2016 the Management Committee considered the Display Village Strategy prepared by the Satterley Property Group dated March 2016 and resolved to recommend that Council:

1. *RECEIVES the Display Village Strategy prepared by the Satterley Property Group dated March 2016.*
2. *APPROVES the location of Catalina Beach Display Village (DV3), the commercial terms and conditions and the release of 15 lots (2122 to 2136) as builders display lots in accordance with the Selection and Allocation Process, as detailed in the Display Village Strategy (dated March 2016).*
3. *APPROVES the use of lot 2094 as a Sales Office for Catalina Project and lots 2137 and 2138 for an associated car park for the Catalina Beach and Catalina Grove Precincts for 2018, subject to the Satterley Property Group providing specific details on the form, the design, operation and detailed costs and reference to the TPRC budget for Council.*
4. *ADVISES the Satterley Property Group that approval to the proposals for the Catalina Beach Display Village (DV4) and Catalina Grove Display Village (DV5) is considered premature at this stage.*

## **9.7 CATALINA GROVE PRECINCT PLAN - SATTERLEY PROPERTY GROUP ANALYSIS**

### **Report Information**

Reporting Officer: Project Coordinator

File Reference: 1.88.246

### **Recommendation**

#### **That the Council:**

- 1. RECEIVES the Catalina Grove Precinct Plan Analysis (February 2016) prepared by Satterley Property Group.**
- 2. NOTES that the Satterley Property Group analysis of the Catalina Grove Precinct Plan is not a detailed economic or feasibility assessment and request the Satterley Property Group to undertake a cashflow feasibility following further consideration of the Catalina Grove Precinct Plan by the project consultants and other specialist consultants.**
- 3. REQUESTS the Satterley Property Group to finalise a program for progressing the resolution of issues raised in its analysis of the Catalina Grove Precinct Plan, including the consultation with key stakeholders, including the City of Wanneroo, WAPC, PTA and Main Roads.**
- 4. ADVISES the Satterley Property Group that the actions in recommendations (2) and (3) above need to be undertaken in order to finalise the optimum design for Catalina Grove and reported to Council prior to proceeding with any potential amendment to Tamala Park Local Structure Plan relating to Catalina Grove.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Catalina Grove Precinct Plan Analysis prepared by Satterley Property Group.

### **Relevant Documents**

Appendix: SPG Local Structure Plan / Catalina Grove Precinct Plan Analysis

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

N/A

### **Financial/Budget Implications**

N/A

## Background

At its meeting of 16 April 2015 the Council awarded Urbis as the Integrated Urban Design and Landscape Design consultancy for the Eastern Precinct (Catalina Grove). The purpose of the Integrated Urban Design and Landscape Design consultancy was to undertake a strategic design review of the design principles and land-use recommendations embodied in the Tamala Park Local Structure Plan (2006). Given the time since the Tamala Park Local Structure Plan (LSP) was formulated it was considered appropriate to review the planning and design parameters and relevance to market conditions.

At its meeting of 15 October 2015 the Council resolved to receive the Catalina Grove Precinct Plan (September 2015) prepared by Urbis and request the Satterley Property Group to undertake consultation with the City of Wanneroo and State Authorities on the outcomes and recommendations of the Catalina Grove Precinct Plan. The Council also requested the Satterley Property Group to undertake a detailed analysis on the outcomes and recommendations of the Catalina Grove Precinct Plan, in particular investigating and testing the differences between the current LSP and the Catalina Grove Precinct Plan and provide a report to Council.

## Comment

The Satterley Property Group (SPG) has completed an analysis of the Catalina Grove Precinct Plan (Precinct Plan) prepared by Urbis (September 2015). A copy of the analysis is attached at Appendix 9.7

The analysis was separated into the following key components of the Precinct Plan:

- Mixed Use Land and Built Form Outcomes;
- Greenlink and Public Open Space;
- Retail Land Use;
- Road Network;
- Built Form; and
- Residential Density and Yield.

### Mixed Use Land and Built Form Outcomes

The approved LSP nominates an area of 9.6Ha of 'Mixed Use' zoned land, with the Precinct Plan proposing a reduced area to 1.2Ha. The SPG acknowledges and supports the rationalisation of the Mixed Use area given the close proximity of Catalina Grove to the Clarkson Town Centre. SPG's view is that there will be limited demand for Mixed Use product and that the optimal location for Mixed Use is within the existing and surrounding Clarkson Town Centre. SPG supports the relocation of the Mixed Use zoned land to Neerabup Road at the intersection with Connolly Drive.

The SPG has recommended that appropriate design guidelines are implemented so that buildings in the Mixed Use area are able to be adapted to meet the market needs over time.

### Greenlink and Public Open Space

The Precinct Plan is more responsive to the natural environment by retaining significant numbers of mature trees that adjoin POS and the Greenlink.

The SPG acknowledges the benefits in providing additional POS along the Greenlink and in areas where significant trees can be retained. The SPG acknowledges the additional POS will provide higher amenity, creating a unique and desirable setting within Catalina Grove



which has potential to provide higher land values, however, this will result in less developable land and potentially a lower lot yield. The SPG notes that there is a balance between the additional revenue generated by improved amenity and the cost of reducing the developable land. SPG considers that the POS amount shown is unlikely to offset the reduced yield in the Precinct Plan.

The SPG supports the realignment of the Greenlink to connect with the EPBC area, the proposed Village Centre and Neerabup underpass. The idea of a Village Centre is supported by SPG as a place for the community that is ideally located in close proximity to the Greenlink, retail/mixed use areas and higher density zoned land.

The SPG recommends a reduction to the POS to between 7% - 10% to create high quality spaces.

#### Retail Land Use

The SPG supports the site area being increased to 2Ha and that the nominated location on the corner of Aviator Boulevard and Connolly Drive was the optimum location for exposure for the retailer and would provide the best location for a successful return to the Project.

The SPG does not support the Precinct Plan recommendation to reduce the NLA to between 1,300m<sup>2</sup> to 2,500m<sup>2</sup> to cater for a 'Local Centre'. The approved LSP prescribes 3,300m<sup>2</sup> as the maximum commercial net lettable area (NLA) that can be provided within the identified 1.4Ha 'Commercial' zoned site. The SPG has held discussions with major retailers that have identified the need for a 5,000m<sup>2</sup> NLA site to cater for a supermarket of 3,200m<sup>2</sup> and ancillary stores.

#### Road Network

The approved LSP is intentionally limited in detail and only depicts the location of Neighbourhood Connector roads.

The SPG notes that the Precinct Plan provides a general design detailing layout and road widths, however, acknowledge that further traffic assessment may be required.

The SPG has pointed out the importance of the Precinct Plan specifying the use of the underpass for private vehicles as well as buses to ensure a successful road network. The SPG believes this will provide enhanced access and egress for the residents and that high frequency use of the underpass would provide increased surveillance to the underpass.

#### Built Form

The approved LSP makes no commitment regarding built form other than the targeted densities for the Precinct.

The SPG agrees with the location of density and targeted built form identified within the Precinct Plan with the exception of the height of some of the apartment buildings (6 storeys) which cannot be achieved under the current LSP without variation to the R Codes.

#### Residential Density and Yield

The density coding under the LSP and Precinct Plan are similar with the higher density coding of R80 – R100 being located in the north eastern corner of the Precinct in close proximity to the Clarkson Train Station. The remainder of the site is coded R30 – R60.

The SPG agrees with the Precinct Plan assumptions that the higher density coding cannot solely rely on proximity to the train station and that there is a need to ensure a strong connection to the train station is also provided. The SPG acknowledges that the underpass provides the required connection to make the higher density successful from a marketing and saleability point of view. The SPG agrees that the redistribution of medium density sites around areas with high amenity is integral to the sale of the lots and achieving density targets. The SPG considers the density allocation is appropriate.

The SPG has concerns about the amount of POS proposed and the impact this has on residential yields. The calculated difference between the LSP and Precinct Plan is a difference of potentially 165 lots, however, it should be noted that neither Plan has been the subject of detailed design and lot yield is only indicative.

## Conclusion

The purpose of the Integrated Urban Design and Landscape Design consultancy was to undertake a strategic design review of the design principles and land-use recommendations embodied in the Tamala Park Local Structure Plan (LSP). This was appropriate given the time since the LSP was formulated. It is evident that elements of the LSP may no longer be relevant and economically feasible.

The Satterley Property Group analysis of the Catalina Grove Precinct Plan recognises that there are significant opportunities presented by the Catalina Grove Precinct Plan.

The Satterley Property Group's position on key aspects of the Catalina Grove Precinct Plan is summarised as follows:

- Mixed Use Land - *supports the relocation and rationalisation;*
- Green Link and Public Open Space – *supports tree retention but additional POS needs further consideration;*
- Retail Land Use – *supports the relocation but does not support a decrease in floor space;*
- Road Network – *noted that the Neerabup underpass use by private/transport vehicles requires resolution;*
- Built Form - *supports the location of density and targeted built form;*
- Residential Density and Yield – *supports improved amenity to improve viability of density sites.*

It is also recognised that the SPG analysis of the Catalina Grove Precinct Plan is not a detailed economic assessment or feasibility assessment. This is to be undertaken following further assessment by the project consultants and other specialist consultants. It does highlight that a number of the strategic proposals need further testing by specialist consultants.

It is noted that the Council resolution of October 2015 requested the Satterley Property Group to undertake consultation with the City of Wanneroo and State Authorities on the outcomes and recommendations of the Catalina Grove Precinct Plan which has not been undertaken to date. The views of the City of Wanneroo and other key government agencies such as the WAPC, PTA and Main Roads may have a significant impact on the form of the Plan for Catalina Grove.

The above actions need to be undertaken in order to finalise the optimum design for Catalina Grove prior to proceeding with any potential amendment to the Tamala Park Local Structure Plan relating to Catalina Grove.

The Satterley Property Group has prepared a draft program for progressing the resolution of issues raised in its analysis of the Catalina Grove Precinct Plan, which includes consultation with key stakeholders, including the City of Wanneroo, WAPC, PTA and Main Roads. Consultation with key stakeholders is continuing and likely not to be concluded for some months.

At its meeting of 17 March 2016 the Management Committee considered the Catalina Grove Precinct Plan Analysis prepared by Satterley Property Group and resolved that it be referred to the Satterley Property Group for modification and updating and resubmission to Council.

**9.8 PROPOSED REPRICING OF LOTS (STAGES 11, 12, 13B, 14A, 14B, 14C, 14D & 15)**

**Report Information**

Reporting Officer: Project Coordinator

File Reference: 1.88.246

**Recommendation**

**That the Council:**

- 1. RECEIVES the recommended repricing of lots within Stages 11, 12, 13B, 14A, 14B, 14C, 14D & 15 (dated 31 March 2016), prepared by Satterley Property Group .**
- 2. APPROVES the lot pricing for the unsold lots in Stages 11, 12, 13B, 14A, 14B, 14C, 14D and 15 based on the higher value of the SPG pricing (31 March 2016) and the market value by the Council appointed valuer.**
- 3. REQUESTS the Satterley Property Group to provide advice as to how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the June 2016 Council meeting.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider SPG recommended repricing of lots within Stages 11, 12, 13A, 13B, 14A, 14B, 14C, 14D and 15.

**Policy Reference**

N/A

**Local Government Act/Regulation**

Local Government Act 1995: Sect 3.58 – Disposal of Property.

**Previous Minutes**

N/A

**Financial/Budget Implications**

Reduced Income under this matter will be posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$40,743,130
Received to Date:	\$23,098,614
Balance:	\$17,644,516

**Relevant Documents**

Appendix: Letter from Satterley Property Group dated 31 March 2016

## Background

At its meeting of 13 August 2015 the Council approved the Project Budget 2015/2016 (July 2015), submitted by the Satterley Property Group, and that it be used as the basis of financial planning and reporting for the TPRC Budget 2015/2016.

At its meeting of 15 October 2015 the Council approved a recommendation from the SPG to reduce the pricing of lots in Stages 10, 13A, 13B, 14A, 14B, 14C and 14D. The approved repricing resulted in a \$580,000 reduction to the budget for FYE 2016.

The approved lot pricing at Catalina involves independent pricing by the Development Manager and a market value by the Council appointed valuer, with the higher of the lot value determining the sale price. In the event that the determined lot pricing based on the above process is less than the lot pricing for a stage in the Project Budget then lot pricing is referred to Council for approval.

## Comment

The SPG has reviewed pricing of lots in Stages 11, 12, 13A, 13B, 14A, 14B, 14C, 14D and 15 which have been released for sale for some time and remain unsold. A copy of the SPG advice and recommendations is attached at Appendix 9.8.

The proposed SPG repricing includes 21 lots with reductions below approved TPRC Budget pricing ranging of \$9,000 to \$21,000 and therefore the lot pricing is required to be determined by Council.

Sixteen of the lots have been on the market for greater than 12 months and have constraints, such as irregular lot shapes and mandatory two storey requirements, which SPG considers reduces sales attraction. Two of the lots were released to the market in June last year with the remaining three in October the same year.

Attached under Appendix 9.8 is a schedule which compares the current list pricing (which is the current budgeted pricing), Council appointed valuer's market value and the SPG recommended repricing.

The SPG recommended repricing of the 21 lots would result in sales revenue being \$233,000 below the approved Mid Year Review of the TPRC Budget for FYE 2016 (January 2016).

It should also be noted that Council at its meeting of 18 February 2016 approved the extension of an \$8,000 Early Construction Rebate until 30 June 2016 that would apply to all but two of the lots proposed for repricing, unless withdrawn by Council.

The SPG has provided commentary on the soft market confidence and the competitive nature of the Northern Corridor which requires the nominated lots to be priced below budget in order to achieve sales targets.

If supported by the Council the SPG recommended repricing would involve a number of lots being below the market value as determined by the Council appointed valuer and therefore Council would be required to make a resolution consistent with Section 3.58(4)(c)(ii).

As stated the SPG recommended repricing would result in sales revenue being approximately \$233,000 below the approved Mid Year Review of the TPRC Budget for FYE 2016 (January 2016), however, it would potentially assist in selling over \$5.0M of "aged stock".

Advice has been sought from Mr Neil Douglas, Partner, McLeods - Barristers & Solicitors, Council appointed legal advisors. Mr Douglas has advised the *Local Government Act 1995* does not preclude the Council from selling land for less than the market value of that land as ascertained by a valuation. Although a local government (or regional local government) may generally seek a sale price that is higher than the market value, there is no obligation, legal or otherwise, to pursue that outcome.

The requirements of section 3.58(3) (a) (ii) would need to be observed which requires local public notice to be given of the 'details of the proposed disposition'. These details include –

- (1) *'the consideration to be received by the local government [or regional local government] for the disposition'; and*
- (2) *'the market value of the disposition' (section 3.58(4) (b) and (c)).*

The above is in accordance with the TPRC's practice, to give local public notice of both the 'sale price' and the market value of the land.

Mr Douglas has advised that the overriding legal obligation is for the TPRC to exercise its judgment in determining how best to achieve the regional purpose, as set out in its Establishment Agreement, for the good government of persons in the region.

There would appear to be no obligation, legal or otherwise for Council to set a lot sale price that is higher than the market value, to pursue that outcome. However, there is concern that will start a trend in terms of the Catalina Project following competitors in order to achieve sales targets.

The Catalina Project is not subject to the debt, costs and financial pressures of its competitor developers and therefore it is not necessary to apply lot pricing below the market value. It should also be noted valuations for market value are typically conservative and that the SPG recommended pricing is already below the approved TPRC Budget.

It is recommended that the Council support the SPG recommended repricing subject to the higher of the lot value recommended by the SPG and the market value by the Council appointed valuer with the higher of the lot value determining the sale price.

Given the Council approved Mid Year Review of the TPRC Budget for FYE 2016 in January 2016 and the SPG recommended repricing results in sales revenue being \$233,000 below the TPRC budget the Satterley Property Group should also be requested to provide advice as to how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget. It is recommended that the Satterley Property Group be requested to provide advice on these matters for the Council at the June 2016 meeting.

At its meeting of 17 March 2016 the Management Committee considered the SPG recommended repricing of lots within Stages 10, 11, 12, 13A, 13B, 14A, 14B, 14C, 14D and 15 and resolved that the Council:

1. *RECEIVES the recommended repricing of lots within Stages 10, 11, 12, 13B, 14A, 14B, 14C, 14D & 15 (dated 3 March 2016), prepared by Satterley Property Group .*
2. *APPROVES the lot pricing for the unsold lots in Stages 11, 12, 13B, 14A, 14B, 14C, 14D and 15 based on the higher value of the SPG pricing (3 March 2016) and the market value by the Council appointed valuer.*
3. *REQUESTS the Satterley Property Group to provide advice as to how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the April 2016 Council meeting.*

## 9.9 CATALINA FRONT LANDSCAPING TENDER

### Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

### Recommendation

#### That the Council:

1. **ACCEPTS** the LD Total tender (dated March 2016) for the provision of front landscaping services in accordance with Tender 2/2016.
2. **AUTHORISES** the Chairman and the CEO to sign and affix the TPRC common seal to the Contracts.

### Voting Requirements

Simple Majority

### Policy Reference

TPRC Procurement Policy

### Local Government Act/Regulation

Local Government Act 1995: Sect 3.57 – Provision of goods and services.

This item satisfies the requirements of Section 5.23 of the Local Government Act 1995, enabling it to be considered at a meeting, or part of a meeting, that is closed to members of the public, on the grounds that it deals with:

- c) A contract entered into, or which may be entered into, by the TPRC and which relates to a matter to be discussed at a meeting (section 5.23(2)(c)); and
- e) A matter that if disclosed, would reveal –
  - i) Information that has a commercial value to a person; or
  - ii) Information about the business, professional, commercial or financial affairs of a person.  
where the information is held by, or is about, a person other than the TPRC (section 5.23(2)(e)).

Note: Applies to Appendices only.

### Financial/Budget Implications

Expenditure for front landscaping services will be incurred under the following item:

Item E145216 (Sales Expenditure – Direct Selling Expenses):

Budget Amount:	\$6,843,099
Spent to Date:	\$1,795,775
Balance:	\$5,047,324

## Relevant Documents

Appendix: SPG Recommendation – Catalina Front Landscaping Tender Evaluation – (Confidential)

Available for viewing at the meeting:

- Tender Document 2/2016 – Front Landscaping Tender Request for Proposal;
- Total Eden and Indian Ocean Tender Submissions.

## Background

At its meeting of 4 April 2013 the Management Committee accepted a Tender for Front Landscaping services submitted by LD Total, for a two year term, expiring in March 2015, with potential for a one year extension at the discretion of the TPRC. The Council approved a one year contract extension to LD Total to April 2016 at its meeting of 12 February 2015.

The TPRC advertised a call for tenders in the West Australian newspaper on 16 March 2016, for the provision of Front Landscaping services to the Catalina Project, with potential for a one year extension at the discretion of the TPRC.

The Tender (2/2016) outlined the following selection criteria:

1. Commercial Arrangements (Price);
2. Demonstrated Experience and Capabilities; and
3. Innovation and Sustainability;

## Comment

At the conclusion of the tender period three submissions were received in response to Tender 2/2016, from the following companies:

- LD Total
- Total Eden
- Indian Ocean Landscapes

Tenders were assessed by SPG against the selection criteria contained within the Tender Document, in accordance with the guidance provided by the TPRC Procurement Policy. A copy of the SPG Front Landscaping Tender Evaluation is attached under Appendix 9.10.

The key objectives of the Evaluation Process were to:

1. Make a recommendation, to the TPRC, as to the Tender that represents best value for money;
2. Ensure the assessment of responses is undertaken fairly according to the predetermined selection criteria;
3. Ensure adherence to the TPRC Procurement Policy; and
4. Ensure that the requirements specified in the tenders are evaluated in a way that can be measured and documented.

The evaluation of tenders undertaken by the Evaluation Panel resulted in the following scores being attributed to each tender submission:



---

<b>TENDER</b>	<b>EVALUATION SCORE</b>
LD Total	87%
Total Eden	71%
Indian Ocean Landscapes	51%

Based on the submission from LD Total achieving the highest score of the tenders, SPG has recommended its appointment to provide front landscaping packages for a period of two years, with potential for a one year extension at the discretion of the TPRC.

The submission received by LD Total ranked highest in all three components of the selection criteria. The submission demonstrated good commercial terms, a good level of experience and understanding of the process and a sound methodology. A good level of innovation in design was shown by LD Total which included edible gardens, water sensitive dry gardens and the use of water saving crystals.

The SPG's evaluation recognised LD Totals proposal as demonstrating a thorough understanding of the front landscaping design, consultation and installation process and an ability to produce a high quality product incorporating sustainable initiatives, whilst being competitive in the market.

The estimated value of the tender based on 125 lots per annum over the duration of the initial two year term is \$1,250,000.

The TPRC office has reviewed all tenders and SPG's Evaluation Report and is satisfied it presents a fair and accurate assessment of the tender submissions against the selection criteria. LD Total's service proposal is within budget allocation and is considered to represent a value for money proposal in accordance with the Council's Procurement Policy and is recommended to be accepted as the preferred Tenderer.

The tender evaluation has been reviewed by the Council's probity advisor (Stanton's), which has advised it represents a sound and robust procurement process, which is fair and equitable to all vendors.

10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN
13. MATTERS BEHIND CLOSED DOORS
14. GENERAL BUSINESS
15. FORMAL CLOSURE OF MEETING

# **APPENDICES**