

15.2 Confidential - Aldinga District Centre land considerations

This report seeks Council's determination in relation to the purchase of land within the Aldinga District Centre to future proof Council's options in relation to the provision of integrated community facilities and services at Aldinga and to support the required eligibility criteria for the Suburban Jobs Program requirements.

This is a new proposal, concept or issue.

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Attachments:	1. Land Ownership Plan

1 Executive summary

1.1 Topic

This report seeks Council's determination in relation to the purchase of land within the Aldinga District Centre to future proof Council's options in relation to the provision of integrated community facilities and services at Aldinga and to support the required eligibility criteria for the Suburban Jobs Program (SJP) requirements.

1.2 Context

The SJP submission submitted on 17 February 2012 was subject to Council securing an agreement to purchase land from Health SA and the Salvation Army (SA) Property Trust to facilitate the delivery of the project.

This report does not determine a final direction on the actual built form or elements comprised for community facility development other than what has already been endorsed by Council in relation to the SJP grant application.

In the event that Council's SJP application is unsuccessful it is recommended that land acquisition still proceed in order to provide future options, including other funding sources to assist Council to deliver an integrated community facility and Main Street with associated plaza at the Aldinga District Centre.

At its Meeting on 6 March 2012 Council resolved:

'That Council supports 'in principle' negotiations being held with Health SA in relation to the GP Plus land and The Salvation Army (SA) Property Trust in relation to their two land parcels subject to:

- i. a further report to be tabled by May 2012 for Council's consideration on the outcomes of the negotiations including:*
- *funding options,*
 - *independent land valuations,*
 - *terms and conditions of land transactions; and*
 - *2012 Aldinga Community Facilities Feasibility Study – Options Analysis Reports*

This report responds to the above resolution together with consideration of the comments received from the Elected Member workshop on the Aldinga Community Facilities Feasibility Study held on 15 May 2012.

In February 2011 Council approved the draft Aldinga District Centre Development Concept for broader consultation requiring the addition of a 'vision and context' section to the report. The concept was developed in association with the District Centre land owners and was the subject of a separate report to the Strategic Directions Committee on 23 July 2012. Feedback from this engagement will inform the finalisation of the Development Concept and the Aldinga District Centre Development Plan Amendment (DPA).

The purchase of land in this location was identified as an outcome of the Draft Development Concept for Aldinga District Centre as necessary to activate the centre through the creation of a new road and plaza and to provide for future social infrastructure to support community facilities. The Aldinga District Centre concept plan was used to inform the positioning and orientation of the recently completed Aldinga Recreation Centre.

Securing an agreement to purchase land is required to meet the Federal Government's SJP eligibility for funding, which if successful will deliver a \$16 million integrated library, business services hub, and includes the delivery of this new main road and plaza assisted with \$12 million of external funding.

1.3 Financial implications

Council's financial support for the integration of community facilities is currently supported by \$5 million funding allocation within the Major Projects Fund for 2012-13 and 2014-15.

Should Council be successful in its application for the SJP the grant will fund the land purchase. Should Council not be successful with the SJP then it is proposed that the Major Project Fund allocation would fund the land transactions required to secure the delivery of future facilities and main street concept.

1.4 Suggested outcome

That Council provides direction in relation to its interest or otherwise in pursuing with the acquisition of land to facilitate the delivery of an integrated community facility at Aldinga District Centre.

Delivery would be achieved either through the success of the SJP application or alternatively through land banking these parcels to 'future proof' the ability for Council to deliver an integrated community facility at some point in the future.

Land acquisition is also required to deliver critical place making elements in the form of a central Main Street, identified in the Concept Planning for Aldinga District Centre.

It is suggested that Council consider this item in Confidence. Section 90(3)(b) of the *Local Government Act 1999* is suggested as the most appropriate to use for this purpose.

2 Recommendations

1. That:

- a. under the provisions of Section 90(2) of the *Local Government Act 1999* an order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.
- b. the Council is satisfied that it is necessary that the public be excluded to enable the Council to consider the information at the meeting on the following grounds:

Section 90(3)(b) information the disclosure of which –

- i. *Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct business, or to prejudice the commercial position of the Council; and*
- ii. *Would on balance be contrary to the public interest;*

The Council is satisfied that it is reasonably foreseeable that the public disclosure or discussion of information concerning the potential acquisition of land would provide a commercial advantage to another party.

The Council is also satisfied in considering the 'public interest' that whilst disclosure would enhance:

- the accountability of Council or Council staff in the performance of their official powers, duties and responsibilities;
- the community's ability to inform their own decisions; and
- informed debate about issues and public participation in democracy

the public interest is outweighed by the following factors, that:

- disclosure may unduly inhibit the achievement of the objectives of the Act at Section 8, ie. obtaining value for money for the community;
- disclosure would provide a commercial advantage to another party; and
- disclosure may have a detrimental effect on the efficient and effective conduct of government functions.

- c. accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or discussion confidential.**
- 2. That in respect of a portion of Allotments 34 and 35 McRae Street, Aldinga Beach in the current ownership of the Minister for Infrastructure (as indicatively identified in green on the land ownership plan in attachment 1 to the agenda report) that Council approves the acquisition of land to support the development of future community facilities, subject to successful negotiations between the parties based on Council's independent land valuations as outlined in the agenda report.**
 - 3. That in respect of a portion of Allotment 1 Pridham Boulevard, Aldinga Beach in deposited plan 72306 in the current ownership of the Minister for Health (as indicatively identified in purple on the land ownership plan in attachment 1 to the agenda report) that Council approves the acquisition of land to support the creation of a new public road, subject to successful negotiations between the parties based on Council's independent land valuations as outlined in this report.**
 - 4. That the funding for the land acquisitions be funded from the Suburban Jobs Program grant if a successful grant award is received or alternatively that the acquisitions are funded from the Aldinga District Centre Community Facilities allocation currently identified in the Major Project Fund for 2012-13.**
 - 5. That Council resolves that as the land is to be utilised for Council operational purposes, that any land purchase be excluded from its status as community land under the provisions of Section 193(4)(a) of the *Local Government Act 1999*.**
 - 6. That Council delegate authority to the Mayor and Chief Executive Officer to enter into the required land contracts and any resulting land transactional documentation (including extinguishment of easements) required to give effect to the land acquisitions.**
 - 7. That a further report be presented to Council in relation to the 2012 Aldinga Community Facilities Feasibility Study - Options Analysis reports by Urban and Regional Planning Solutions to inform future decision making in relation to the delivery and construction of community facilities in Aldinga.**
 - 8. That the matter of the Aldinga District Centre – Land Considerations having been considered in confidence under Section 90 (3) (b) of the *Local Government Act 1999* an order be made under the provisions of Section 91 (7) and (9) of the *Local Government Act 1999* that the Aldinga District Centre – Land Considerations and the minutes and the report of the Council relating to discussion on the subject matter be kept confidential until any agreements relating to the land transactions are in place, or where determined by Council that land transactions do not proceed for 12 months.**

Key factors

3 Engagement

3.1 Community

In the context of developing a draft Aldinga District Centre Development Concept Plan (which was considered by Council in February 2011) and preparing the SJP application, preliminary discussions were held with the key adjoining land owners

within the precinct (namely Health SA and the Salvation Army along with the Ashford Holdings).

Representatives from the user groups were engaged during the drafting of the recent Aldinga Community Facilities Study.

Extensive research has been undertaken on the needs of the Aldinga community, which included the Social Impact Assessment 2009 and the community engagement over time as components of this research work. This work informed the determination of our budgetary rankings for a new Aldinga District Centre library complex with \$5 million identified in the Major Projects Fund for future community facilities.

If the SJP application is successful, community engagement on the proposal for an integrated community and business service hub will be undertaken on the concept plans prior to the completion of detailed building designs.

3.2 Elected Members

An Elected Member workshop was held on 15 May 2012 in relation to the outcomes of the Aldinga Community Facilities analysis as well as the resultant land transactions required to deliver continued support in social infrastructure to meet the demands of the growing Aldinga population.

Three options for the delivery of integrated community facilities at Aldinga both build/own options and lease options with broad financials were provided to assist in comparison to seek Elected Member views on the positives and negatives and any alternate delivery options.

- Base data was presented on the community facility requirements to meet population growth. Required floor areas for the library, community centre and youth centre (Volt) were provided and extrapolated out with growing population figures until 2031. Further validation will be undertaken on the floor areas based on the new community builds in Onkaparinga (i.e. Woodcroft) and SA Based Data. The timelines and demand status for community facilities will be provided to Council in a future report when the URPS report for Aldinga Community Facilities analysis is presented.
- Scenarios relating to both lease options and Council owned facilities were presented with additional work to be completed over a scenario for Council to fund the full delivery of an integrated facility. Further investigation will be undertaken on modelling to fund any construction phase and will be the subject of a future report to Council.
- All scenarios considered at the workshop demonstrated that regardless of the solution chosen by Council, it is important that this land be acquired to land bank these parcels to future proof the ability for Council to deliver an integrated community service facility along with the main street and village square which is central to the Draft Development Concept considered by Council in February 2011.

The balance of comments and further information requested at the workshop were provided in the workshop minutes.

3.3 Staff

A range of Council staff have been consulted in relation to the land transactions, development policy objectives as well as the demand cycles for community facilities in the Aldinga District Centre.

3.4 Others (including specialist advice)

- Phillips / Pilkington Architects (SJP Integrated Community and Business Hub)
- Rodrick Design & Illustration (SJP Integrated Community and Business Hub)
- Heinrich Cost Consulting (SJP Integrated Community and Business Hub)
- Health SA (neighbouring GP Plus Aldinga District Centre site owner)
- Salvation Army (neighbouring Aldinga District Centre site owner)
- Ashford Holdings Pty Ltd (neighbouring shopping centre owners)
- Urban and Regional Planning Solutions (URPS) (SJP Integrated Community and business Hub and the 2012 Aldinga Community Centres Feasibility Study – Options Analysis).

Preliminary outputs from the 2012 Aldinga Community Facilities Feasibility Study – Options Analysis completed as a draft in April 2012 were discussed at the Elected Member workshop held 15 May 2012.

4 Discussion

4.1 Suburban Jobs Program – Integrated Community & Business Hub Solution

As presented to Council on 6 March 2012, the Aldinga District Centre – Integrated Community and Business Hub project includes the following key elements:

- construction of new library and business services building incorporating a café social enterprise
- construction of a new road forming a central main street and public plaza
- stimulate expansion of existing health services building (GP Plus)
- stimulate construction of new retail and office facilities.

The project will integrate and support the recently completed recreation centre and provide a catalyst for further expansion of the existing Aldinga Central shopping centre, GP Plus health centre and construction of the Salvation Army thrift shop and worship centre.

This landmark 'Library of the Future' project is intended to set a benchmark for further private sector investment. It will demonstrate key initiatives such as high quality architecture, environmental initiatives, land use integration and efficiency, community involvement, digital economy demonstration for business services, private and public partnerships and high quality public space development.

The \$16 million project aims to be a 'best practice' model for outer lying district centres throughout Australia. The SJP application was submitted on 17 February 2012 and it is anticipated that we will hear a decision by August 2012.

To validate the application, we will be required to provide confirmation that the land acquisition is supported by all parties.

4.2 Aldinga Community Facilities Feasibility Study (URPS)

Input was sought to guide the Council planning to deliver social infrastructure to the Aldinga region to meet existing demand and forecast growth with the investigations completed by URPS.

Early feedback from this study was used to inform the SJP design and funding submission which confirmed:

- Aldinga is a geographically isolated centre that includes the Sellicks Area, positioned with significant separation to other centres. The population in this precinct experiences employment vulnerability, making the provision of community facilities critical.
- An Integrated Model for Community Service provision is widely recognised as 'best practice' as it can reduce capital and operating costs, enhance accessibility, increase usage of all services and act as a destination drawing an increased number of people to the centre.
- URPS outlined that the existing library at Aldinga has a shortfall of floor area of 300 square metres to service the existing population. The Library would need to grow in the order of 1.3 times to service the predicted population. Even with the growth of 'eBooks' and online data new guidelines considered best practice in NSW show that any reduction in book space is picked up by increased demand for people spaces in modern libraries.

The finalisation of the URPS Community Facilities Feasibility Study is currently on hold pending a decision on the SJP funding. Should the SJP funding application be successful the scope of the URPS study will be amended to focus on the Volt and Community Centre options, staging and timelines to inform Council planning and decision making on future social service delivery.

Should the application be unsuccessful the study will be continued to assist Council in finalising an agreed approach to the integrated community service delivery at Aldinga District Centre, balancing social needs, financial implications, staging and delivery of the centre to meet the agreed vision and concept plan.

4.3 Place making benefits

There is significant current, impending or foreshadowed development for much of the vacant spaces at Aldinga District Centre.

In 2009 our Activity Centres Review outlined a number of recommendations to improve performance of our centres towards being more vibrant community hubs.

In 2010 the Development Concept was formulated collaboratively with all landowners and service providers in the Aldinga District Centre through taking the recommendations from the Activity Centres Review and fashioning them for practical application to suit the precinct.

As it relates to the Aldinga District Centre, the recommendations include creating a Main Street to the north of the current Aldinga Central shopping centre and introducing mixed use development policy that encourages land uses such as recreation, offices, churches and community services aggregated around the central main street area.

Council acquisition of a portion of the Health SA land parcel is required to deliver the agreed Aldinga Concept Plan. Opportunities for Council to play a role in supporting development potential of the existing Aldinga Shopping Centre to expand out towards the new Main Street changing the orientation of the shopping centre, which currently turns it back on the largely undeveloped northern half of the District Centre will be critical to the success of activating the new Main Street.

The Aldinga District Centre DPA has commenced to align the zoning policy to the vision outlined in the Development Concept with a statement of intent approved by the Minister in May 2012.

Subject to the outcomes of the land considerations, \$45,000 has been allocated through PCW for 2012-13 to commence detailed concept planning and costing for the new main street and plaza design.

5 Land considerations

In order to facilitate the development of future community facilities in the Aldinga District Centre, Council would require the acquisition of land to complement its existing land holding (current siting of the Aldinga Recreation Centre shown in red on attached aerial photograph).

We have been in discussions with the adjoining landowners, namely the Salvation Army and SA Health and have also contacted the Minister for Infrastructure (on behalf of South Australian Police (SAPol)) in relation to their willingness to undertake certain land transactions with us.

5.1 Land transactions

There are several land transactions that are either required or desirable in order to fulfil the vision of the Aldinga District Centre master plan.

There is a requirement to obtain a portion of land from SA Health (Allotment 1 Pridham Blvd) in order to provide the land to create a new Main Street. This land requirement is approximately 1,373 square metres in area to allow for an 18 metre wide road reserve to accommodate footpaths and public realm elements.

The Council currently holds significant easements for pedestrian and car parking purposes upon the SA Health land. In addition, there are further easements for drainage purposes that may be required to be amended to facilitate development outcomes. The Council easements were created to assist with the implementation of the current Development Plan and to support the walkability aspect of the centre. With the new visioning for the district centre as proposed within the Master Plan it has been determined that the easements for pedestrian access and car parking purposes are no longer required as these aspects would be catered for within the new main street.

The actual construction of an integrated community facility and supporting car park arrangement would require an approximate footprint of land of 7,000-7,250 square metres. The balance of the current landholding surrounding the Aldinga Recreation Centre has notionally been 'land banked' for a future expansion of the recreation centre to a two court facility as well as commercial/retail frontages upon the new Main Street (when demand triggers occur).

Therefore, new land is required to support the library and community facilities built form. The URPS report contemplates that the primary objective for construction of community facilities is to achieve an integrated objective whereby all social built form is co-located and benefits from shared common spaces. In keeping with this objective it is appropriate that we further our discussions with the adjoining landholder, the Salvation Army in order to secure land directly adjacent to Council's existing land holding.

The Salvation Army have been in discussion with staff regarding their plans for the development of their site. They have advised that they will require approximately 5,000-6,000 square metres of land to support their worship centre, meeting rooms and play centre (see notional land area outlined in blue on attachment 1). They are desirous of selling the balance of their land and are entertaining discussions with Council in this regard. The Salvation Army have requested that any land discussions include the ability to consider shared car parking arrangements on land between the two respective proposed developments.

Adjacent to the Council's land and the land owned by the Salvation Army is a portion of land owned by the Minister for Infrastructure (currently housing the SAPol Aldinga station). The unused portion of the Minister's land would assist with the car parking footprint and augmentation requirements for the integrated community facility and future expansion of the recreation centre and would therefore be a desirable land acquisition.

5.2 Land valuations

The land that would be the subject of acquisition has recently been valued by an independent party, Egans Valuers on our behalf.

The Salvation Army land has been valued (as a contiguous allotment) within the range of \$135-165 per square metre. The Salvation Army have notionally advised that their expectations for a land price would be in the order of \$160 square metre which falls within the upper range of the independent land valuation, but has been peer reviewed by that valuer as being an appropriate expectation.

Therefore, for the 7,100 square metres that is proposed to be required this would facilitate a purchase price of \$1,136,000. Contained within this figure is an area of land comprising of 1,340 square metres (equating to \$214,400) for land owned by the Minister for Infrastructure (SAPol) with the balance of 5,760 square metres (equating to \$921,600) relating to land under the ownership of the Salvation Army.

Egans Valuers have also provided a price for land that is required to formulate the basis of the new Main Street. They have anticipated that as the land parcel is smaller in nature and more developable by a wider range of parties that the land price would be in the order of \$170 per square metre.

We are in the process of negotiating with SA Health to discount this valuation figure in consideration of the extinguishment of significant easements that Council currently holds over the land.

Therefore in consideration of the land area required for the new Main Street of approximately 1373 square metres and applying the upper limit of valuation of \$170 per square metre would result in the upper limit acquisition price of \$220,000.

6 Council's Role(s)

6.1 Leadership

Council's agreement to proceed with land acquisition negotiations over the land parcels owned by GP Plus and the Salvation Army will support the vision for the precinct to be realised.

7 Summary

This report is seeking Council's agreement to proceed with land acquisition negotiations over the land parcels owned by GP Plus and the Salvation Army to allow the vision for the Aldinga District Centre vision to be realised and future proof Council opportunities for the delivery of community services for the Aldinga community.

- This land will be used to deliver either the SJP facility or if unsuccessful to future proof the ability for Council to deliver an integrated business and library centre with opportunities for future community and youth centre expansion on the purchased land within the Aldinga District Centre.
- The land purchase will also secure the opportunity for a future expansion of the Recreation Centre through the provision of the necessary car parking areas to support this land use.
- The land purchase will deliver the ability for future construction of a centrally located Main Street and Town Square that reflects best practice urban design principles in relation to walkability, active street frontages and high quality public spaces.
- Council's purchase of land also has the potential to stimulate a fast tracked expansion to the neighbouring GP Plus Health Service complex and new Salvation Army thrift shop and worship centre, along with increasing commercial confidence and potentially stimulating new retail and office facilities in the centre, including the expansion of the Aldinga Shopping Centre out to address the new Main Street.