

15.1 Proposed Open Space acquisition - Sturt River Linear Park

This report seeks approval from Council to purchase the property at 22 McNamara Road, Coromandel Valley to form part of the Sturt River Linear Park

This is a new proposal, concept or issue.

Director: Bruce Williams, Director City Operations
Report Author: David Haslam, Property Officer (Transactions)
Matt Buckell, Team Leader Projects
Contact Number: 8301 7227
Attachments: 1. Aerial Photograph (1 page)
2. Concept Plan (2 pages)
3. Valuation Report (5 pages)

1. Recommendation(s)

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 report at the meeting on the following grounds:

Section 90(3)(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) *could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) *would, on balance, be contrary to the public interest;*

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 Council receive this report.
3. That, for the property at 22 McNamara Road, Coromandel Valley described as Allotment 11 in Deposited Plan 14568 and comprised in Certificate of Title Volume 5143 Folio 815, Council:
- a. Approves the acquisition of the subject property (bordered in red on attachment 1 to Agenda Report) for inclusion in the Sturt River Linear Park in accord with the land acquisition priorities identified within the Sturt River (Coromandel Valley) Linear Park Concept Plan.
 - b. Authorises the Chief Executive Officer to negotiate purchase of the property for no more than \$430,000 (GST Exclusive) plus fees, charges and associated costs.
 - c. Provides funds of up to \$215,000 (GST Exclusive) plus fees, charges and associated costs toward the property purchase from the Sturt River Linear Park land purchases budget.
 - d. Seeks re-imbursment from the Department of Planning, Transport and Infrastructure for up to 50% of the purchase price from grant funding provided to Council for 'Sturt River Linear Park land acquisitions'.
 - e. Authorises the Mayor and Chief Executive Officer to sign and affix the Council Seal to any documentation necessary to complete the purchase of the land.
 - f. Authorises the Mayor and Chief Executive Officer to complete any necessary documentation (if needed) to lease the property to the current owner, or a rental agreement to a suitable tenant, until the buildings are demolished and the site is utilised as a public reserve.
4. That the matter of the Proposed Open Space acquisition – Sturt River Linear Park having been considered in confidence under Section 90(3)(d) 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 Proposed Open Space acquisition – Sturt River Linear Park and the minutes and the report of the Council relating to discussion of the subject matter be kept confidential until settlement has been completed.

2. Background

The Sturt River Linear Park (SRLP) forms part of Adelaide's Metropolitan Open Space System (MOSS) and is identified in the State Government's 30 year plan for greater Adelaide as a specific target under its greenways policies. The SRLP Master Plan was developed by the Adelaide and Mount Lofty Ranges Natural Resource Management Board and was adopted by state and local government authorities, including the City of Onkaparinga in 2006. It seeks to establish a continuous public open space link from the Patawalonga Basin in Glenelg North to Frank Smith Park in Coromandel Valley, with links to the Belair National Park.

Implementation within the City of Onkaparinga is guided by our Recreational Trails Network Strategy and Action Plan and Sturt River (Coromandel Valley) Linear Park Concept Plan approved by Council in May 2008. This report includes a tenure acquisition plan identifying land proposed for purchase to enable delivery of the Sturt River Linear Park. The subject property is identified in the Sturt River (Coromandel Valley) Linear Park Concept Plan as a priority two acquisition and is a key acquisition for delivery of the Sturt River Linear Park concept within this section of the river (refer Sturt River Linear Park Concept Design as attachment 2).

Considerable achievements have already been made in delivery of the SRLP. Stage one was completed in partnership with the City of Mitcham in 2010 with a focus on the section of river between the Institute building and Winns Road in Coromandel Valley. Stage two was completed in early 2012 linking stage one work at Winns Road with Frank Smith Park, while also providing an optional path connection north along the Sturt River into the City of Mitcham.

Work is currently underway on design of two pedestrian bridges to replace existing bridges within this section of river, adjacent to the Winns Road ford and Carrs bridge.

Council recently attracted \$300,000 grant funding from the Department of Planning, Transport and Infrastructure (DPTI) for design of stage three of the Sturt River Linear Park. Stage three will involve work with the City of Mitcham on the section of river from the Institute Building to Horners Bridge on the edge of the Sturt George Recreation Park. The property at 22 McNamara Road, the subject of this report, is located within this section of river.

3. Financial Implications

Purchase

An independent valuation of the subject property undertaken by McLean Gladstone Pty Ltd on 18 July 2012 and subsequently confirmed by the valuer on 4 December 2012, determined a market valuation of \$400,000 (GST Exclusive) (attachment 3). This valuation has guided negotiation with the property owner who, through an exchange of correspondence, has agreed to sell the property for \$430,000.

In cases such as these where the property has a strategic value to Council it may be considered reasonable to pay a premium above market value to secure the property. The figure of up to 10% above market value is generally accepted by the Valuer-General as a reasonable premium to pay to secure a property with strategic value.

Council and DPTI have also agreed to this approach in previous acquisitions including the most recent acquisition of 255 Coromandel Parade, Coromandel Valley in 2010.

Given that Council is not pursuing compulsory acquisitions along the Sturt River (and relying on opportunistic purchases) a decision needs to be made on whether an above market purchase price is appropriate. In both June 2008 and November 2010 Council and DPTI agreed to purchase properties as part of the Sturt River Linear Park for purchase prices of up to 10% above the assessed values.

Consistent with this approach, it is proposed that Council offer \$430,000 (GST exclusive) for the subject land, being the valuer's assessed value of \$400,000 plus a premium of \$30,000 in order to secure acquisition of the property.

DPTI guidelines allow for purchase of land subject to the purchase price not being in excess of 10% above the market valuation. Through ongoing liaison with DPTI regarding possible future land purchases as part of the SRLP, Council received \$300,000 grant funding towards the acquisition of priority land parcels identified in the Sturt River (Coromandel Valley) Concept Plan. With DPTI approval this funding will be used as a 50% contribution towards the subject acquisition.

Our contribution of \$215,000 (plus associated fees) will be funded from the existing Sturt River Linear Park land purchases budget approved as part of budget review 1 at the 4 December 2012 Council meeting.

Future

The Sturt River (Coromandel Valley) Linear Park concept identifies a number of properties for acquisition as part of this project. Proposals for future property acquisitions will continue to be presented to Council with funding options that will include the use of reserve funds (including open space), external funds and borrowings.

Costs associated with the future development of the site will be considered as part of future project and capital works funding for the staged development of the SRLP.

4. Risk and Opportunity

Key risks	Risk details and analysis
Property Not Acquired	By not agreeing to the purchase as outlined in this report, the landowner may place the property on the open market and the opportunity to purchase it will be lost to Council indefinitely. At this point in time we have a willing vendor who is prepared to negotiate with Council in good faith. The purchase is a key acquisition for the SRLP.

5. Discussion

The subject land parcel proposed for acquisition is described as Allotment 11 in Deposited Plan 14568 and is comprised in Certificate of Title Volume 5143 Folio

815, located at 22 McNamara Road Coromandel Valley. The subject land is bordered in red on attachment 1.

The property contains a total area of approximately 1110 square metres and comprises a single storey modern conventional residence of approximately 130 square metres with carport, decking and patio totalling approximately 73 square metres and additional shedding.

The Sturt River (Coromandel Valley) Linear Park concept plan identifies the property as a priority two acquisition. In recent years the properties at 384 Main Road, Coromandel Valley and 255 Coromandel Parade, Coromandel Valley (adjoining the subject land) have been purchased. Discussions with other landowners are ongoing with varying levels of interest in selling their properties to Council.

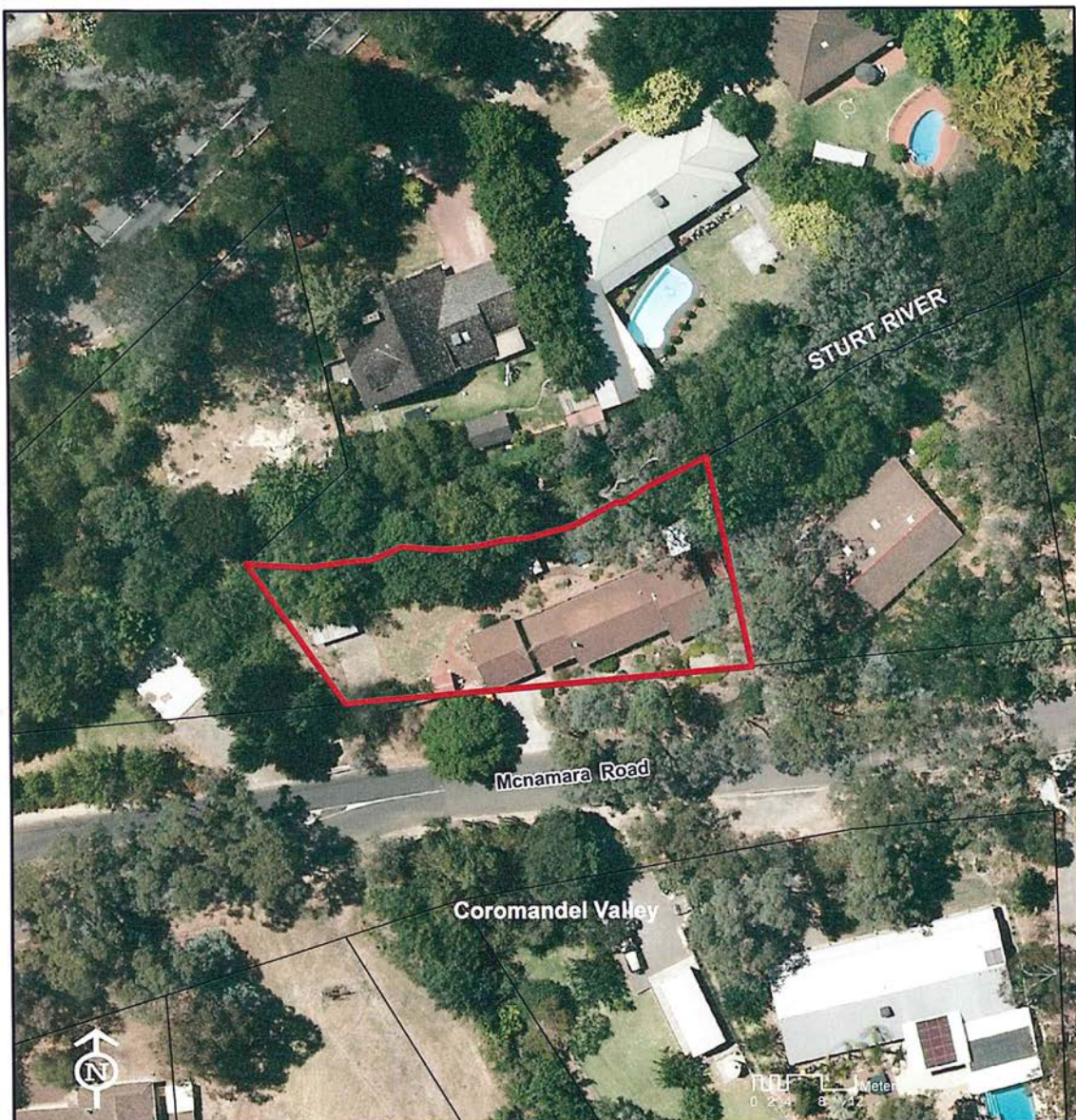
The whole of the subject land parcel at 22 McNamara Road, Coromandel Valley is required for consolidation into the linear park. It is also a requirement of DPTI funding that 'the land is preserved and maintained as open space for the recreation, use and enjoyment of the public and/or for conservation purposes'.

The residence on the property is currently occupied by the owner and it is intended that Council consider a short term lease arrangement allowing the current owner time to purchase an alternative property, or until such time as the residence can be scheduled for demolition and the land utilised as a public reserve. The funding deed requires that any existing structures on the land will eventually need to be removed.

The most recent acquisition of 255 Coromandel Parade, Coromandel Valley comprises land that is adjacent to the subject property. Returning this neighbouring property to open space will provide a significant visible demonstration of Council's commitment to realise the vision of providing a continuous green corridor of publicly accessible open space along the Sturt River.

Upon purchase of the property (if approved by Council) the land will be classified as Community Land in terms of the *Local Government Act 1999*.


22 McNamara Road, Coromandel Valley




Description of Land:

Statements, Annotations and
Amendments concerning
Easements:

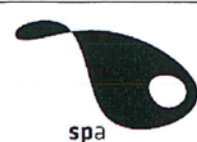
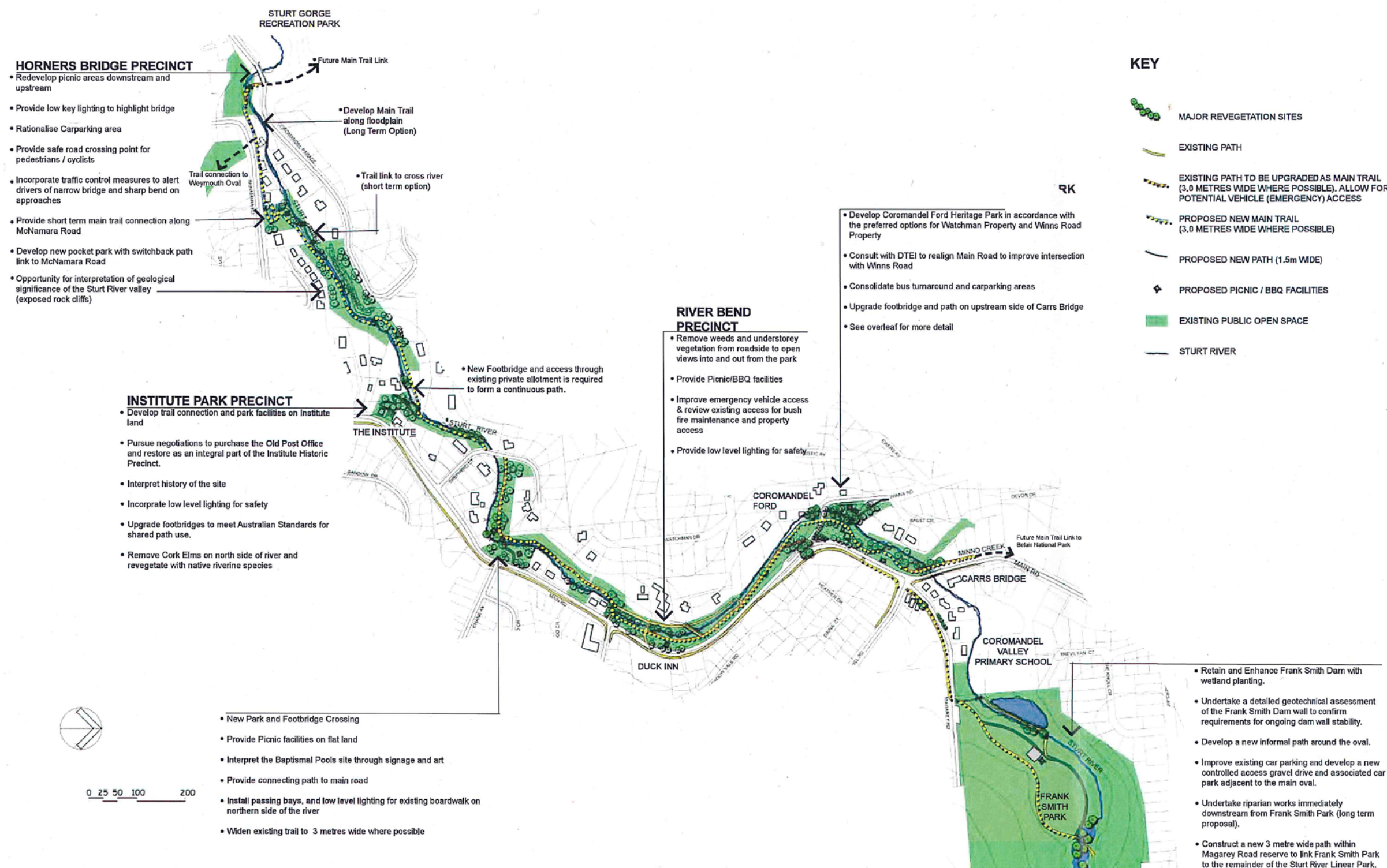
Legend

 22 McNamara Road
Coromandel Valley

Locality Map

 Land in question





ALLOTMENT OWNERSHIP DETAILS

As identified in the Tenure Acquisition Plan,
'Sturt River Linear Park Strategy 2005 - 2010:
Coromandel Valley Section', City of Onkaparinga, July 2005

City of Mitcham

- N A. 406 Main Road (Green) (part)
- ✓ B. 245 Coromandel Parade (Robjohns) (part)

Priority 1 Land Parcels

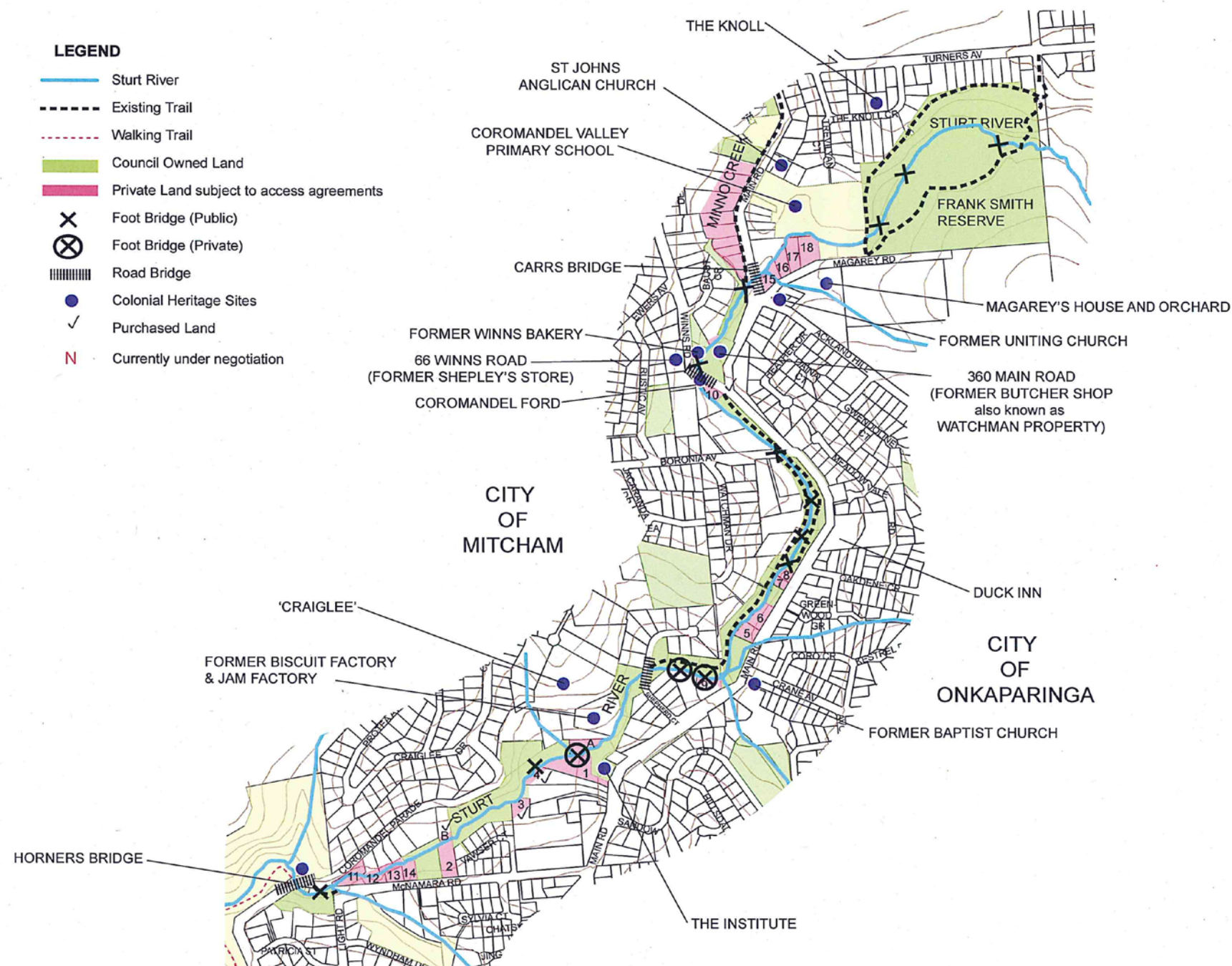
- 1. 406 Main Road (Green) (part)
- 2. 14 McNamara Road (Dzunko) (part)
- ✓ 3. 16 Vawser Court (Byrne) (part)
- ✓ 4. 408 Main Road (Potter) (part)
- N 5. 384 Main Road (McHenry) (full)
- 6. 382 Main Road (West) (full)
- N 7. 378a Main Road (378a Main Road Coromandel Valley P/L) (full)
- 8. 378b Main Road (Pressley) (full)
- N 9. 396 Main Road (Taylor & Ramey) (part)
- ✓ 10. 74 (Allot 22 Sec 865) Winns Road (Spiller) (full)

Priority 2 Land Parcels

- 11. 255 Coromandel Parade (Thomas) (full)
- 12. 22 McNamara Road (Stansbie) (full)
- 13. 20 McNamara Road (Clay) (full)
- 14. 18 McNamara Road (Barrington) (full)
- 15. 1 Magarey Road (Sheppard) (full)
- 16. 3 Magarey Road (Riches) (full)
- 17. 5 Magarey Road (Vaniarcha) (full)
- 18. 7 Magarey Road (McKewen) (full)

LEGEND

- Sturt River
- - - Existing Trail
- - - Walking Trail
- Council Owned Land
- Private Land subject to access agreements
- ⊗ Foot Bridge (Public)
- ⊗ Foot Bridge (Private)
- ||||| Road Bridge
- Colonial Heritage Sites
- ✓ Purchased Land
- N Currently under negotiation



EXISTING CONDITIONS
STURT RIVER (COROMANDEL VALLEY) LINEAR PARK CONCEPT PLAN

AUGUST 2007
DWG : 06130 - SK01A



McLEAN GLADSTONE PTY. LTD.
REAL ESTATE VALUERS



RESIDENTIAL VALUATION

COMPANY:	ONKAPARINGA CITY PO BOX 1, NOARLUNGA CENTRE SA 5168		
ATTENTION:	FIONA DALLIMORE – TEAM LEADER – PROPERTY TRANSACTIONS		
CLIENT:	SUE HELEN STANSBIE		
1. PROPERTY ADDRESS:	22 McNAMARA ROAD, COROMANDEL VALLEY SOUTH AUSTRALIA		
2. TITLE DETAILS:	Volume 5143 Folio 815		
Encumbrances / Restrictions Considered:	Mortgage 10791333 to Commonwealth Bank of Australia		
Easements:	Subject to the Easement over the Land marked D to the Council for the Area. Subject to the Easement over the Land marked B to the Minister of Public Infrastructure.		
Registered Proprietors:	Sue Helen Stansbie		
3. DIMENSIONS / AREA:	48.06 m x Irregular	(1,040 m ² VG)	LGA: Onkaparinga City
4. ZONING & PLANNING INSTRUMENT:	Residential (Foothills) Zone – Policy Area 43. Effect: Residential Development – <i>Refer Zoning Guidelines Attached</i>		
5. LOCATION / NEIGHBOURHOOD:	The subject property is situated approximately 19 km south of the Adelaide GPO. Located close to most facilities, including schools, shops and transport. Neighbouring properties comprise houses of a mainly similar age, value and dimensions, mostly homes of a good standard and retailing in the middle price bracket.		
6. SITE DESCRIPTION & TOPOGRAPHY:	Irregular allotment with standard street access. Services: Gas, Electricity, Water, Sewer Environmental Hazards: (Flooding, landslip or other problems) Possible flooding		
7. MAIN BUILDING:	<p>Style & Street Appeal: Single Storey Modern Conventional House with Average Street Appeal</p> <p>Built about: 1986 Additions about: n/a</p> <p>Main walls & roof: Brick Walls / Concrete Tile Roof</p> <p>Flooring: Concrete slab</p> <p>Interior Linings: Brick/Plastered Brick</p> <p>Accommodation: 3 Bedrooms; 2 Bathrooms; Dining; Living; Kitchen; Lounge; Laundry; Toilet (2)</p>		
8. OBSERVATIONS:	<p>PC Fixtures: Reverse Cycle Air Conditioner; Wood Heater; Gas Heater (2); Gas Hotplates; Rangehood; Gas H.W.S.; Gas Oven</p> <p>Features: Built-In Robes to Bedroom 2; Laundry Cupboard; Ceiling Fan; Smoke Alarm</p> <p>Interior Layout: Fair</p> <p>External Condition: Fair / Good Internal Condition: Fair / Good</p> <p>Defects Observed: (e.g. drainage, pests, dampness, fractures, etc.) Minor cracking</p>		
9. CAR ACCOMMODATION:	Double Gable Carport		
10. ANCILLARY IMPROVEMENTS & CONDITION:	Shed (2); Tubular & Wire Fencing; Site Established; Porch; Pavers; Gravel; Aviary		

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PROPERTY ADDRESS: 22 McNAMARA ROAD, COROMANDEL VALLEY
SOUTH AUSTRALIA

11. **REPAIRS/REQUIREMENTS:** Nil **EST COST:** n/a
AREAS: Living Area: 130 m² Carport: 35 m² Deck: 32 m² Patio: 16 m² **TOTAL: 213 m²**

12. **GENERAL REPORT:**

The subject Conventional style house would be best described as being in fair to good condition throughout offering mostly well presented accommodation.

The house includes three bedrooms, the main with ensuite. The house has good living areas and features ceiling fans, wood heater and reverse cycle air conditioning.

The grounds of the property adjoin the Sturt River and are established and have a neat appearance.

Extras include a porch, double gable carport, two sheds and a rear deck/patio over looking the river.

In all, a well located house offering family accommodation.

VALUER GENERAL'S ASSESSMENT

Date: 2011 **Capital Value:** \$380,000 **Site Value:** \$230,000

13. **SALES EVIDENCE – COROMANDEL VALLEY**

1. **27 DIOSMA DRIVE**
27.06.2012, \$395,000, 180 m² 6 roomed Ranch style House built in 1965. Carport, swimming pool, zoned R(H). Land area 1,223 m². Slightly larger allotment, bigger home with pool, older home – similar value.
2. **3 KRISTEN COURT**
12.01.2012, \$424,000, 167 m² 5 roomed Conventional House built in 2002. Double garage, verandah, zoned R(F). Land area 865 m². Elevated bigger more modern home, slightly smaller allotment with double garage. Steep driveway and also near main road (busy) – better home but inferior location.
3. **210 COROMANDEL PARADE**
14.02.2012, \$360,000, 125 m² 6 roomed Conventional House built in 1967, zoned R(H). Land area 1,108 m². Older home with 4 bedrooms, 1 bathroom, higher side of road. Updated bathrooms and kitchen – neat.
4. **3 ROWLANDS HILL ROAD**
04.04.2012, \$457,000, 174 m² 7 roomed Conventional House built in 1982. Double carport, verandah, swimming pool, zoned R(F). Land area 1,060 m². Similar allotment but bigger house includes pool and double carport, fully established – superior.
5. **451 MAIN ROAD**
23.03.2012, \$415,000, 131 m² 6 roomed Conventional House built in 1965. Garage, double carport, zoned R(F). Land area 770 m². Smaller allotment, similar sized house, 4 bedrooms – better home but busy location.

PO Box 313 Highgate SA 5063. Telephone: 08 8272 9455; Facsimile: 08 8272 7920 ACN 082 812 520

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PROPERTY ADDRESS: 22 McNAMARA ROAD, COROMANDEL VALLEY
SOUTH AUSTRALIA

<p align="center">VALUATION Vacant Possession Basis</p> <p>EXISTING PROPERTY: Land Value: \$230,000 Main Building: \$160,000 Other: \$ 10,000 Market Value: <input type="text" value="\$400,000"/></p>	<p align="center">MARKETABILITY</p> <p>Good <input type="checkbox"/> Average <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Poor <input type="checkbox"/></p> <p align="center">QUALITY</p> <p>High Average Low 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/></p>
<p>INVESTMENT PROPERTY: The Market Value of the property subject to the long term lease detailed under heading 12 comments (with valuation calculations) is assessed at \$400,000. The market rental is considered to be \$385 per week.</p>	<p>INSURANCE ESTIMATE: \$300,000. An Estimated amount for replacement and reinstatement insurance, including allowances for professional fees, anticipated cost movements and removal of debris.</p>

I hereby certify that I have inspected the above property on 18th July, 2012.

THE VALUATION IS FOR POSSIBLE ACQUISITION PURPOSES ONLY.

Disclaimer: This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of the valuation. An inspection of all readily accessible parts of the improvements / property has been carried out by the valuer. The valuer is not a building construction and / or structural expert and this report is not a building construction, structural survey report or insect infestation report.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for the losses arising from such a subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

McLEAN GLADSTONE PTY LTD., REAL ESTATE VALUERS

JEREMY D. CARTER
B. App. Sc. (Val.), A.A.P.I / Member No. 50085
Associate Australian Property Institute
Member R.E.I. (S.A.) Valuers Division
Certified Practising Valuer

Date: 18th July, 2012



McLEAN GLADSTONE PTY. LTD.

REAL ESTATE VALUERS – PROPERTY CONSULTANTS

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Postal Address: PO Box 313 Highgate SA 5063
Phone: (08) 8272 9455 Fax: (08) 8272 7920 Mobile: 0411 728 699
Website: www.mcleangladstone.com Email: mgvaluer@bigpond.net.au
ABN 38 627 167 050 ACN 082 812 520

property
-valuations

Corresp. No.
2755419
2753651

4th December, 2012

Attention: David Haslam

Property Officer (Transactions)
Commercial Management and Community Assets
Onkaparinga City
PO Box 1
NOARLUNGA CENTRE S.A. 5168

Dear Sir,

RE: VALUATION UPDATE
22 McNAMARA ROAD, COROMANDEL VALLEY

I refer to your request of 30th November, 2012 with regards to revalue the above mentioned property.

I have based my valuation on the property being in the same condition as previously inspected.

I have investigated more recent sales which are listed as follows:

10 OAKDENE CRESCENT, COROMANDEL VALLEY

13.09.2012, \$375,000, 121 m² 5 roomed Conventional Style House built in 1974. Shed, carport, zoned R(F)\43. Land area 827 m². Three bedrooms, one bathroom, neat small home, carport, rear deck – not as pleasant setting.

35 SHANNON CRESCENT, COROMANDEL VALLEY

04.10.2012, \$405,000, 95 m² 5 roomed Conventional Style House built in 1979. Double carport, zoned R(F)\43. Land area 1,163 m². Three bedrooms, one bathroom, neat, nice outlook, modern kitchen, polished floors, updated bathroom – superior.

59 WINNS ROAD, COROMANDEL VALLEY

24.08.2012, \$335,000, 120 m² 5 roomed Colonial Cottage Style House built in 1900. Garage, zoned R(H). Land area 2,014 m². Three bedrooms, one bathroom older Cottage style, basic standard – inferior. Large allotment.

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Re: Stansbie
22 McNamara Road, Coromandel Valley

4th December, 2012

38 JACKSON AVENUE, COROMANDEL VALLEY

16.11.2012, \$432,500, 107 m² 5 roomed Conventional Style House built in 1970. Carport, shed, tool shed, zoned R(H). Land area 1,353 m². Three bedrooms, one bathroom, neat, updated kitchen and bathroom, rumpus room, porch – superior.

On the basis of the above believe the value of the property to be unchanged.

VALUATION

I value same at \$400,000 (FOUR HUNDRED THOUSAND DOLLARS) as at 4th December, 2012.

I trust the above meets with your requirements and please do not hesitate to contact me should you require further clarification.

IMPORTANT NOTES & QUALIFICATIONS

I hereby certify that I personally inspected this property on the date above and have carried out the assessments above as at that date. Neither I, nor to the best of my knowledge, any member of this firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein.

This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of the valuation. An inspection of all readily accessible parts of the improvements / property has been carried out by the valuer. The valuer is not a building construction and / or structural expert and this report is not a building construction, structural survey report or insect infestation report.

We have not sighted a Fire Rating report for this property.

The description of the properties cited as sales evidence, including the numbers of bedrooms in properties cited are either as recorded in available property sales databases or have been assumed by the Valuer. As we have not physically inspected the interior of the sales evidence quoted we cannot guarantee the accuracy of the information provided.