
MEETING OF BELMONT TRUST

MINUTES

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5 August 2008

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CONFIDENTIAL ATTACHMENTS INDEX

**Confidential Attachment 1- Item 6.1 refers

**Confidential Attachment 2- Item 6.2 refers

MEETING OF BELMONT TRUST

MINUTES

5 August 2008

PRESENT

Ms G Godfrey, Presiding Member
Mr S Wolff
Mr P Hitt
Ms B Whiteley
Ms B Brennan
Ms B Martin
Ms C Hanlon
Mr R Rossi
Mr P Marks
Ms J Powell
Mr R Lutey
Mr S Cole
Mr N Deague
Mr T Stacey
Mr J Olynyk JP
Mr J Hardison
Mr M Ridgwell
Ms S Johnson

A/Chief Executive Officer
Director Corporate & Governance
Director Community & Statutory Services
A/Director Technical Services
Manager Governance
Manager Property & Economic Development
Principal Governance & Compliance Advisor
Governance Officer

MEMBERS OF THE GALLERY

There were three members of the public in the gallery.

1. OFFICIAL OPENING

The Presiding Member opened the meeting at 6.32pm and welcomed those in attendance.

2. APOLOGIES

Cr Dornford (Leave of Absence)

3. DECLARATIONS OF INTEREST

3.1 FINANCIAL INTERESTS

Name	Item No. & Title	Nature of Interest (and extent, where appropriate)
Nil.		

3.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Name	Item No. & Title
Nil.	

4. CONFIRMATION OF MINUTES

WHITELEY MOVED, POWELL SECONDED, that the Minutes of the Belmont Trust Meeting Held 17 June 2008 (as previously circulated) be noted as a true and accurate record.

CARRIED 10 VOTES TO 0

6.33pm The Presiding Member opened public question time.

5. PUBLIC QUESTION TIME.

In accordance with rule (I), the Presiding Member advised that she had no registered members of the public who had given prior notice to ask questions.

The Mayor invited the public gallery members, who had yet to register their interest to ask a question, to do so. One registration was forthcoming from Mr R Greenwood.

5.1 QUESTIONS FROM MEMBERS OF THE PUBLIC

5.1.1 Mr R Greenwood, 151 Coolgardie Avenue, Redcliffe

Mr Greenwood asked the following questions:

Had an independent valuation been completed?

The Presiding Member stated that a registered valuer had completed a valuation.

Will there be an investigation of signage rates?

The Presiding Member stated yes.

6.34pm As there were no further questions, the Presiding Member closed public question time.

6. GENERAL BUSINESS

6.1 PROPERTY VALUATION – BELMONT TRUST LAND** - CONFIDENTIAL MATTER IN ACCORDANCE WITH LOCAL GOVERNMENT ACT 1995 SECTION 5.23 (2) (E) (II)

ATTACHMENT DETAILS

<u>Attachment No.</u>	<u>Details</u>
Conf Attachment 1	Compensation Valuation Advice – Lot 49 (154) Great Eastern Hwy, Ascot

Voting Requirement	:	Simple Majority
Subject Index	:	116/007, 132/001, 132/003, 154 GEH
Location / Property Index	:	Lot 49 (154) Great Eastern Hwy, Ascot
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	N/A
Applicant	:	N/A
Owner	:	Belmont Trust
Responsible Division	:	Corporate & Governance

TRUST ROLE

- Trustee** *In addition to its role as local government, the City has duties to act as trustee of the Trust property in relation to the Belmont Trust. When making decisions in relation to the Trust property the City must be mindful of its duties as Trustee of the Belmont Trust.*

PURPOSE OF REPORT

To provide information on a valuation of the portion of Belmont Trust Land required for the widening of Great Eastern Highway, Ascot.

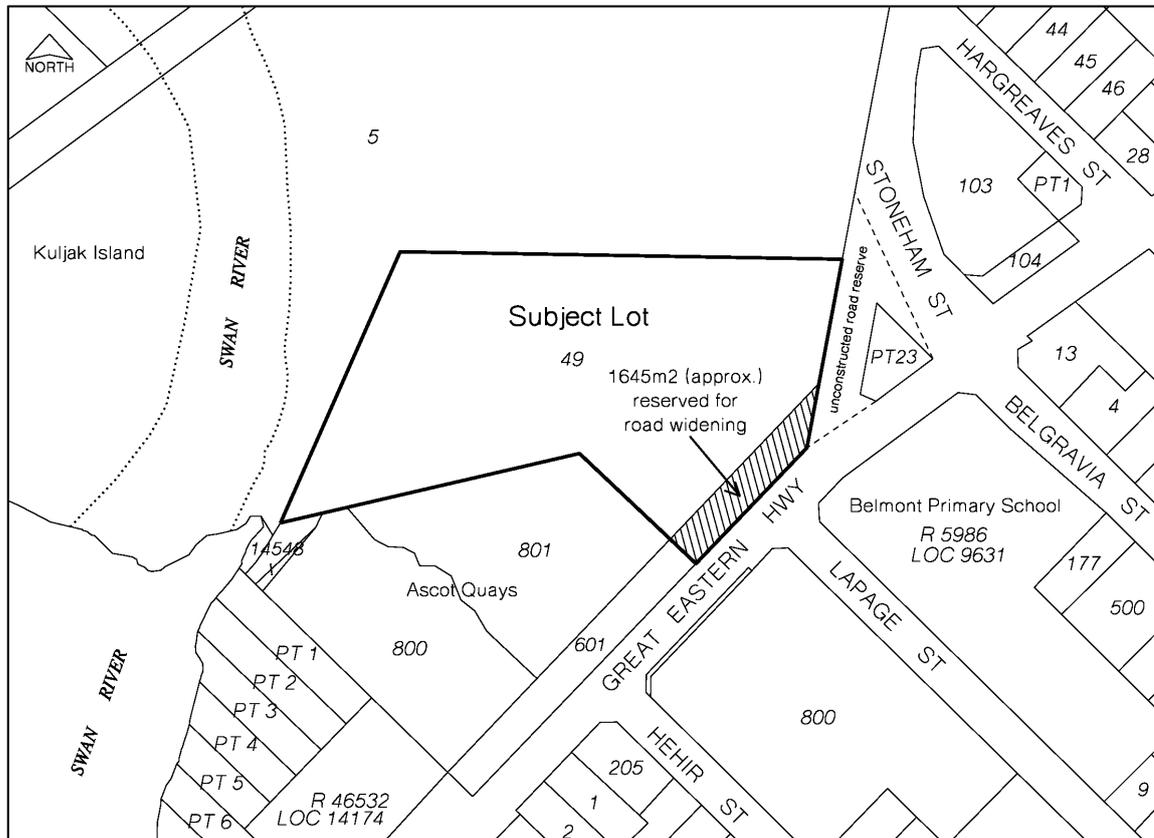
SUMMARY AND KEY ISSUES

- A portion of Lot 49 (154) Great Eastern Hwy, Ascot will be required for the widening of Great Eastern Hwy.
- A valuation has been received, based on the value of the land as estimated by direct comparison to similar sales, stating that the portion of land at Lot 49 (154) Great Eastern Hwy, Ascot required for the widening of Great Eastern Hwy is worth \$1 300 (net GST) per square metre (sqm)

Item 6.1 Continued

LOCATION

Lot 49 (154) Great Eastern Highway, Ascot.



CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC PLAN IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

Item 6.1 Continued

STATUTORY ENVIRONMENT

Section 30 of the Local Government (Functions and General) Regulations 1996 describes the types of dispositions of property to which section 3.58 of the Local Government Act 1995 does not apply. In this section it is stated:

- (2) *A disposition of land is an exempt disposition if —*
 - (c) *the land is disposed of to —*
 - (i) *the Crown in right of the State or the Commonwealth;*
 - (ii) *a department, agency, or instrumentality of the Crown in right of the State or the Commonwealth;*

In this situation the purchaser would be Main Roads WA (MRWA) who are a department of the Crown in right of the State.

The value of the relevant portion of at Lot 49 (154) Great Eastern Highway, Ascot is greater than the \$1 000 000 threshold by which it is considered to be a major land transaction pursuant to Section 7 of the Local Government (Functions and General) Regulations 1996. Because of this, it will be necessary to adhere to Section 3.59 of the Local Government Act 1995. In this section it is stated:

- (2) *Before it —*
 - (b) *enters into a major land transaction; a local government is to prepare a business plan.*
- (3) *The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —*
 - (a) *its expected effect on the provision of facilities and services by the local government;*
 - (b) *its expected effect on other persons providing facilities and services in the district;*
 - (c) *its expected financial effect on the local government;*
 - (d) *its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*
 - (e) *the ability of the local government to manage the undertaking or the performance of the transaction; and*
 - (f) *any other matter prescribed for the purposes of this subsection.*
- (4) *The local government is to —*
 - (a) *give Statewide public notice stating that —*
 - (i) *the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction;*
 - (ii) *a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
 - (iii) *submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*
 - and*
 - (b) *make a copy of the business plan available for public inspection in accordance with the notice.*

Item 6.1 Continued

- (5) *After the last day for submissions, the local government is to consider any submissions made and may decide to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*

BACKGROUND

Lodgement Date:	NA	Use Class:	NA
Lot Area:	2.8252ha	TPS Zoning:	Mixed Use
Estimated Value:	NA	MRS:	Urban

As a result of discussion on the modifications to the Ascot Vale advertising signage located at Lot 49 (154) Great Eastern Highway, Ascot, the 17 June 2008 meeting of the Belmont Trust endorsed the recommendation:

That a valuation be sought on the land that is proposed to be acquired for road widening and the matter be referred to the Advisory Trustee and reported back to the Trust for further consideration.

A final valuation report was received from Valuations WA on 15 July 2008 (provided at [Confidential Attachment 1](#)).

OFFICER COMMENT

Valuations WA have prepared a compensation valuation for the portion of land required from Lot 49 (154) Great Eastern Highway, Ascot, for the widening of Great Eastern Highway in accordance with Section 241 of the Land Administration Act 1997. The elements of this are: value of land taken; reduction in value of adjoining land; and a consideration of whether a solatium payment is appropriate.

Valuations WA have identified several recent sales on Great Eastern Hwy to use as an estimate of the value of the land. It has been assumed that there will be no reduction in value of the adjoining land. Further, as Lot 49 (154) Great Eastern Highway, Ascot is neither a place of residence or business, it is assumed there is no reason to apply a solatium payment.

Based on these calculations, the land at Lot 49 (154) Great Eastern Highway, Ascot is valued at \$1,300 per sqm.

Valuations WA have estimated that the irregular shaped portion of land required for the widening of Great Eastern Hwy is 2 980 sqm. Based on these calculations, the portion of Lot 49 (154) Great Eastern Highway, Ascot required for road widening is valued at \$3 874 000 (net GST). Valuations WA did not employ a surveyor to conduct their valuation.

The City of Belmont's Planning Branch have estimated that the irregular shaped portion of land required for the widening of Great Eastern Hwy is 1 645 sqm. Based on these calculations, the portion of Lot 49 (154) Great Eastern Highway, Ascot required for road widening is valued at \$2 138 500 (net GST).

Item 6.1 Continued

The precise size and dimensions of the portion of Lot 49 (154) Great Eastern Highway, Ascot required for road widening will be determined by MRWA as part of their planning for the road widening. Further, it is expected that MRWA will commission their own valuation and will make a counter offer before a final price is settled for this disposal.

FINANCIAL IMPLICATIONS

Pending the finalisation of a precise survey of the exact size of the land required for road widening, and dependent on any response from the State Government, it is estimated that the disposal of a portion of Lot 49 (154) Great Eastern Highway, Ascot will return approximately \$2 138 500 to \$3 874 000 to the Belmont Trust.

This revenue will be kept in a Trust account for the Belmont Trust and will not be amalgamated into the City's municipal reserves.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

OFFICER RECOMMENDATION

1. That the Belmont Trust receive the compensation valuation, as prepared by Valuations WA, for the portion of land Lot 49 (154) Great Eastern Highway, Ascot required for road widening
2. That the Belmont Trust, following an approach to the Advisory Trustee, commence negotiations with Main Roads WA for the disposal of that portion of land required under the Metropolitan Region Scheme for the widening of Great Eastern Highway.

6.2 SIGN VALUATION- LOT 49 (154) GREAT EASTERN HIGHWAY, ASCOT -
CONFIDENTIAL MATTER IN ACCORDANCE WITH LOCAL GOVERNMENT ACT 1995
SECTION 5.23 (2) (E) (II)**

ATTACHMENT DETAILS

Attachment No. **Details**
Conf Attachment 2 [Valuation – Billboard signage lease & rental value](#)

Voting Requirement : Simple Majority
Subject Index : 116/007, 132/001, 132/003, 154 GEH
Location / Property Index : Lot 49 (154) Great Eastern Highway, Ascot
Application Index : N/A
Disclosure of any Interest : Nil
Previous Items : N/A
Applicant : N/A
Owner : Belmont Trust
Responsible Division : Corporate & Governance

TRUST ROLE

- Trustee** *In addition to its role as local government, the City has duties to act as trustee of the Trust property in relation to the Belmont Trust. When making decisions in relation to the Trust property the City must be mindful of its duties as Trustee of the Belmont Trust.*

PURPOSE OF REPORT

To advise the Belmont Trust of potential income from rental of existing sign at Lot 49 (154) Great Eastern Highway, Ascot.

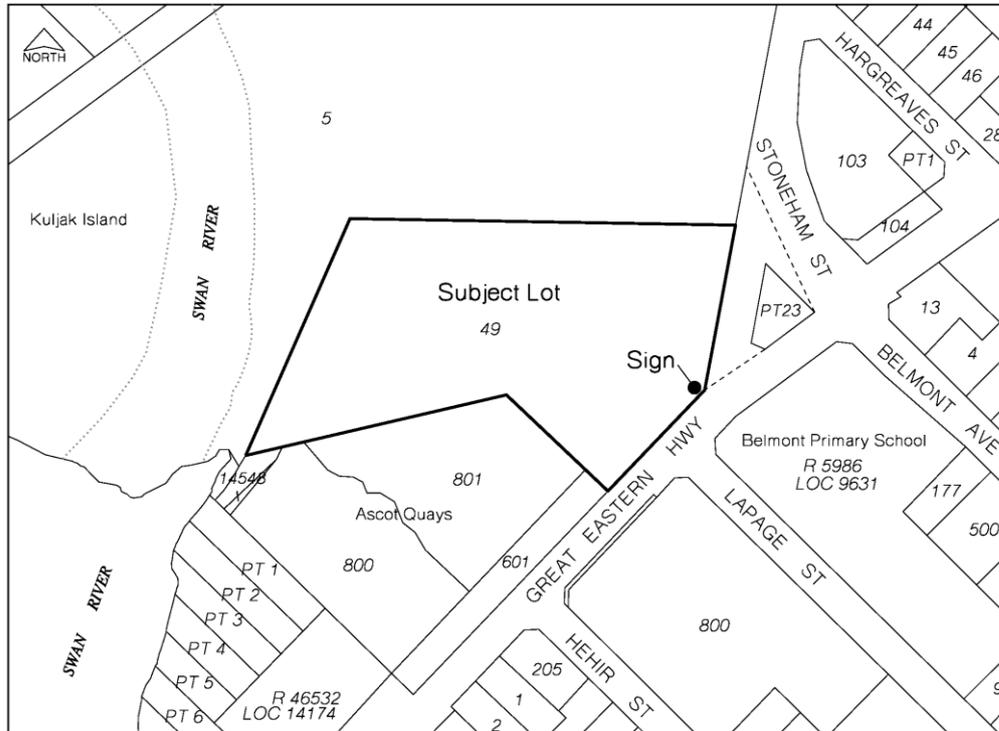
SUMMARY AND KEY ISSUES

- Existing advertising sign for Ascot Waters development approved in 1996.
- A valuation has been received, based on the Direct Comparison Approach and Rate of Return Method, stating that an annual rental value of \$5,070 (net GST) would be appropriate for the signage.

Item 6.2 Continued

LOCATION

Lot 49 (154) Great Eastern Highway, Ascot.



CONSULTATION

There have been discussions with representatives of Estates Development Corporation (EDC) about their intentions for the area and whether they would consider making a payment to the Belmont Trust for the sign. EDC were not supportive of the idea, and stressed that the original approvals for the sign, and all subsequent considerations, have been based on the premise that we are all beneficiaries of the success of Ascot Waters.

STRATEGIC PLAN IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY ENVIRONMENT

Town Planning Scheme No. 11 was gazetted in 17 June 1988.

City's Local Law – Signs, Hoardings and Bill posting published in Government Gazette 8 April 1988.

Item 6.2 Continued

Town Planning Scheme No. 14 (TPS14) was gazetted on 10 December 1999.

City's Local Law - Activities on Thoroughfares and Trading in Public Places published in Government Gazette 13 September 2001. (This local law repealed the Local Laws Relating to Signs, Hoarding & Bill Posting published in the Government Gazette of 8 April 1988.)

Local Planning Policy No. 12 - Sign Applications adopted by Council 27 May 2002.

Ascot Waters Design Guidelines adopted February 1999 and superseded by Local Planning Policy No. 6 – Ascot Waters Special Development Precinct adopted by Council 17 April 2000.

Section 3.58 of the Local Government Act 1995 describes the process that the Trust must adhere to if it is decided to dispose by lease of a portion of Lot 49 (154) Great Eastern Highway, Ascot. In this Section it is stated:

- “(2) Except as stated in this section, a local government can only dispose of property to —*
- (a) the highest bidder at public auction; or*
 - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
- (a) it gives local public notice of the proposed disposition —*
 - (i) describing the property concerned;*
 - (ii) giving details of the proposed disposition; and*
 - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
- and*
- (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.”*

If the Trust decides to proceed with this disposal by lease, it will be recommended that the provisions of Section 3.58.(3) be used for the disposal of the relevant portion of Lot 49 (154) Great Eastern Highway, Ascot.

BACKGROUND

Lodgement Date:	NA	Use Class:	NA
Lot Area:	2.8252ha	TPS Zoning:	Mixed Use
Estimated Value:	NA	MRS:	Urban

Item 6.2 Continued

As a result of discussion on the modifications to the Ascot Vale advertising signage located at Lot 49 (154) Great Eastern Highway, Ascot, the 17 June 2008 meeting of the Belmont Trust endorsed the recommendation:

That the item be deferred pending further investigation into the commercial rate for signage at Lot 49 (54) Great Eastern Highway Ascot and reported back to the Trust within one month of this decision.

Owing to the demand for valuations in the current property market, there were unavoidable delays in obtaining this information, and reporting back to the Belmont Trust, within one month. A final valuation report was received from Valuations WA on 15 July 2008 (provided at [Confidential Attachment 2](#)).

OFFICER COMMENT

During the conduct of the valuation, it was noted by Valuations WA that estimates of income from advertising signage are wide ranging and largely depend on the extent to which the advertiser wishes to have their product or service marketed in a specific location. In many cases, on high profile privately owned sites, revenue from signage is entirely based on what the highest bidder will pay.

With respect to billboard signage, the usual method is to calculate the area of land affected by the sign, obtain a value for the land, and determine a rental rate per square metre. This is usually calculated as 10% of the land value. The primary precedent in the Perth metropolitan area is the revenue sought from the Public Transport Authority (PTA) for signs on railway land. In this circumstance, PTA seeks an annual rental return of 10% of 65% of the land value for the erection of billboards.

The land upon which the Ascot Vale sign is located has been valued at \$1,300 per sqm. Accordingly, 65% of this is \$845, and a 10% rental value is calculated at \$84.50 per annum. The area currently affected by the sign equates to 60 sqm. As such, Valuations WA estimates that the Belmont Trust could charge \$5,070 (net GST) per annum for the land affected by the Ascot Vale sign.

The City of Belmont has gained significant benefits from the development of Ascot Waters, and will continue to reap rewards through the ongoing development of Ascot Vale. Increases in rates revenue, population growth and enhanced vibrancy in the area are all benefits for the City. Further, there is a significant likelihood of harming the working relationship between EDC and the City, as a result of imposing an unexpected level of expenditure on that organisation, for what is a relatively small level of income.

FINANCIAL IMPLICATIONS

If the Belmont Trust were to agree to charge rental for the signage at Lot 49 (154) Great Eastern Highway, Ascot there is potential to return \$5,070 (net GST) per annum to the Trust.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

OFFICER RECOMMENDATION

1. That the Belmont Trust receive the signage rental valuation, as prepared by Valuations WA, for the land affected by signage at Lot 49 (154) Great Eastern Highway, Ascot.
2. That the Belmont Trust not pursue the establishment of a lease for the land affected by the signage at Lot 49 (154) Great Eastern Highway, Ascot.
3. That the Belmont Trust support the modifications to the sign located at Lot 49 (154) Great Eastern Highway, Ascot.
4. That the Belmont Trust advise Ascot Fields Nominees and the Western Australian Turf Club that:
 - (i) Once 85% of the subdivided lots have been sold, or
 - (ii) the land is acquired by Main Roads WA for the purpose of road widening, - the Belmont Trust requires the removal of the sign.

- 6.35pm The Presiding Member advised in accordance with Section 5.23(2) of the Local Government Act 1995 - if there were any questions or debate on Confidential Item 14.1, and 14.2 then Council will need to go behind closed doors.

BRENNAN MOVED, MARTIN SECONDED, That in accordance with section 5.23(2)(b) of the Local Government Act, the Forum proceed behind closed doors to discuss Confidential Items 14.1 and 14.2.

CARRIED UNANIMOUSLY

- 6.36pm Members of the public departed the meeting.

WOLFF MOVED, WHITELEY SECONDED, that the Meeting again be open to the public.

CARRIED UNANIMOUSLY

- 7.15pm The meeting came out from behind closed doors and members of the public returned to the meeting.

The Manager Governance read aloud the resolutions.

- 6.1 PROPERTY VALUATION – BELMONT TRUST LAND** - CONFIDENTIAL MATTER IN ACCORDANCE WITH LOCAL GOVERNMENT ACT 1995 SECTION 5.23 (2) (e) (ii)

MARTIN MOVED, WHITELEY SECONDED, that the Belmont Trust:

- 1. Receive the compensation valuation, as prepared by Valuations WA, for the portion of land Lot 49 (154) Great Eastern Highway, Ascot required for road widening***
- 2. That the Belmont Trust, following an approach to the Advisory Trustee, commence negotiations with Main Roads WA for the disposal of that portion of land required under the Metropolitan Region Scheme for the widening of Great Eastern Highway.***

CARRIED 9 VOTES TO 1

Against: Cr Rossi

*For: Ms Godfrey, Mr Wolff, Mr Hitt, Ms Whiteley, Ms Brennan,
Ms Martin, Ms Hanlon, Mr Marks, Ms Powell*

6.2 SIGN VALUATION- LOT 49 (154) GREAT EASTERN HIGHWAY, ASCOT -
CONFIDENTIAL MATTER IN ACCORDANCE WITH LOCAL GOVERNMENT ACT 1995
SECTION 5.23 (2) (e) (ii)**

HITT MOVED, WOLFF SECONDED, that the Belmont Trust:

1. ***Receive the signage rental valuation, as prepared by Valuations WA, for the land affected by signage at Lot 49 (154) Great Eastern Highway, Ascot.***
2. ***Pursue the establishment of a lease for the land affected by the signage at Lot 49 (154) Great Eastern Highway, Ascot.***
3. ***Does not support the modifications to the sign located at Lot 49 (154) Great Eastern Highway, Ascot, without the establishment of a lease and payment for such lease for the land on which the sign is located.***
4. ***Advise Ascot Fields Nominees and the Western Australian Turf Club that:***
 - (i) ***once 85% of the subdivided lots have been sold, or***
 - (ii) ***the land is acquired by Main Roads WA for the purpose of road widening, - the Belmont Trust requires the removal of the sign.***

LOST 7 VOTES TO 3

*For: Mr Hitt, Ms Hanlon, Mr Wolff
Against: Ms Godfrey, Ms Whiteley, Ms Brennan,
Ms Martin, Mr Marks, Ms Powell, Mr Rossi*

Notation

Mr Marks foreshadowed an alternative motion. The motion was put and subsequently voted on as follows:

ALTERNATIVE MOTION

MARKS MOVED, BRENNAN SECONDED, that the Belmont Trust:

1. ***Receive the signage rental valuation, as prepared by Valuations WA, for the land affected by signage at Lot 49 (154) Great Eastern Highway, Ascot.***
2. ***Not pursue the establishment of a lease for the land affected by the signage at Lot 49 (154) Great Eastern Highway, Ascot.***
3. ***Does support the modifications to the sign located at Lot 49 (154) Great Eastern Highway, Ascot, and requests the City of Belmont to agree that the monies being accrued as income from the Municipal Fund be offset against expenditures incurred for the Trust.***
4. ***Advise Ascot Fields Nominees and the Western Australian Turf Club that:***
 - (i) ***Once 85% of the subdivided lots have been sold, or***
 - (ii) ***the land is acquired by Main Roads WA for the purpose of road widening – the Belmont Trust requires the removal of the sign.***

CARRIED 10 VOTES TO 0

7. URGENT BUSINESS APPROVED BY THE CHAIR OR BY DECISION

Nil.

8. CLOSURE

There being no further business to conduct, the Presiding Member closed the meeting at 7.18pm