

AGENDA

Committee of the Whole Committee - Meeting 28/06/2004

MEMBERSHIP:

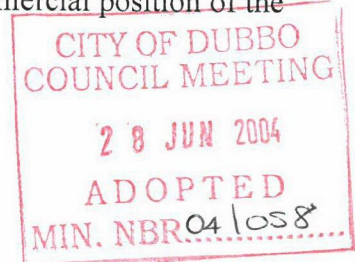
Councillors P Bartley, M Dickerson, D Fardell, P Loxley, G Matthews, R Mutton, S Peacocke, B Shields, A Smith, R Thompson, R Towney and K Williams.

The meeting is scheduled to commence at p.m.

04/012 ACQUISITION OF LAND FOR RECREATION PURPOSES **(1290.3350)**

The Committee had before it the report dated 21 June 2004 from the Director Corporate Development regarding Acquisition Of Land For Recreation Purposes.

In accordance with the provisions of Section 9 (2A) of the Local Government Act 1993 the General Manager is of the opinion that consideration of this item is likely to take place when the meeting is closed to the public for the following reason: the matter concerned information of a commercial nature which would, if disclosed, prejudice the commercial position of the person who supplied it. (Section 10A(2)(d)(i)).



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Committee of the Whole

CONFIDENTIAL

Meeting Date: 28/06/2004

CW 04/012

REPORT: Acquisition Of Land For Recreation Purposes

FROM: Director Corporate Development

DATE: 21 June 2004

FILE: 1290.3350

EXECUTIVE SUMMARY

This report proposes the acquisition of river corridor land and an accompanying water irrigation licence at a combined price of \$840,000.

BACKGROUND

Dubbo City Council, over many years, has purchased, as opportunities have arisen, land fronting the Macquarie River for active and passive recreational purposes. Council's ability to have made these purchases has resulted in quality recreation space that is the envy of many a regional city.

Council's adopted 2003/2023 Corporate Strategic Plan identifies that "Council is anxious to extend its ownership of land along the river foreshore in the urban area in order to extend the green river corridor, thus providing future opportunities for both passive and active recreation needs". Translation of this strategic direction occurs through a detailed action in Council's 2003/2004 Management Plan which states that "Council pursue opportunities for consolidation/expansion of public open space".

REPORT

As Councillors may be aware, the owners of the Regand Park Dairy in Macquarie Street, Dubbo have recently lodged a Development Application with Council. This application seeks Council's development approval for the subdivision of the subject land into sixty seven (67) lots being sixty six (66) lots (Lots 1 - 66) for residential purposes and proposed Lot 67 as a residue lot (Refer Annexures "A" and "B").

Proposed Lot 67, being the residue lot and having an area of 59.57 ha, is all flood prone land located below the 1 in 100 year flood level and is therefore unsuitable for residential development. Given Council's strategic direction to acquire public open space areas, discussions were held with the General Manager and Director Parks and Landcare Services as to this issue and it was agreed that contact be made with the owner of the property with a view to Council acquiring this large parcel of land. An aerial photograph showing Regand Park and other Council riverbank land is attached (Annexure "C").

Following negotiations, it was agreed that, subject to Council resolution, Council would acquire proposed Lot 67 at a purchase price of \$490,000 (ex GST). Prior to purchase negotiations, a valuation was obtained from Tom Sommerville, Registered Valuer. Such valuation was based on acquisition of the land and all fixed improvements ie underground irrigation pipes and electrical pump. This valuation identified the land as having a value of

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between \$575,000 and \$600,000.

I consider the purchase price to be favourable for Council for such a large and strategic parcel of future recreation land and I will be recommending accordingly.

In addition, the Regand Park Dairy has registered to it a 584 ML irrigation licence of which they are prepared to sell 50% (ie 292 ML). Given the availability of irrigation infrastructure on the property, a valuation was also obtained as to the open market value of a ML of water. Such valuation, again from Tom Sommerville, was \$1,200 ML.

Comment was requested from Council's Director Technical Services as to the purchase of such licence with Mr McLeod advising as follows:

"I refer to our discussions regarding the desirability of purchasing the 292 ML irrigation licence at "Regand Park" for which a valuation is being obtained. I confirm that such a purchase would be very worthwhile and should be pursued.

The licence would most probably be applied to irrigation of the floodplain areas of Regand Park and existing lands to the north once these are further developed for recreational purposes. The location adjoining Council's weir pool means that in normal or wet years, the new licence would irrigate those areas, whilst in drought years with reduced irrigation allocations, we could simply switch over to an "alternative" pumped supply, separately metered, which we would claim as part of our town water supply licences. Both lots of water would be sourced from our weir pool however.

In time, there may also be benefit in converting the low security 292 ML to a smaller volume of high security town water, but it remains to be seen what DIPNR's attitude to this will be. This is nevertheless a reasonably foreseeable option which could represent a further benefit of the purchase."

Accordingly, the acquisition of such 292 ML irrigation allocation by Council was pursued and again, following negotiations and subject to Council resolution, a price of \$1,200 ML was agreed upon. This equates to a purchase price of \$350,000.

In discussing this strategic acquisition with the Director Parks and Landcare Services, he considers it will be some three (3) years before he will be in a position to commence developing the land for recreational purposes. Accordingly, and following an interest shown by one of the owners of Regand Park, it is proposed to negotiate the lease of the land to this party for a period of up to three (3) years at this stage. The water allocation would also be leased to this group. In acquiring the land, Council has acquired any fixed infrastructure on the property including underground water mains. Irrigation pumps and sprays are owned by the existing owners and would be utilised by them during the lease period.

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FINANCIAL IMPLICATIONS

In regard to funding the above acquisitions, the Director Administrative and Financial Services has advised as follows: "As Councillors would be aware, Council has in place the Open Space and Recreation Facilities Section 94 Contributions Plan. This Plan enables Council to require developers to contribute towards the cost of acquiring and establishing open space and recreation facilities on a City wide, district and local basis. This acquisition of this land aligns with areas of land envisaged to be required in the central area of the City and incorporated in the Plan.

At this point in time, funds totalling \$117,537 are held as an Externally Restricted Asset for the purposes of the Plan. Also, funds generated from the previous sale of parcels of land held for recreation purposes in the City and totalling \$43,115 are on hand and can be utilised for this purpose.

It is significant to note that the proposed subdivision of Regand Park will require contributions under the Plan estimated to be around \$263,000. Other major subdivisions in the City currently in various stages of approval and development will also be required to make contributions under the Plan.

Based on the above, it is proposed that the funds on hand totalling \$160,652 be utilised for the acquisition with the remaining amount of \$329,348 being temporarily funded from funds currently held in the Land Development Internally Restricted Asset. This amount would be re-instated as contributions are received under the Plan.

As indicated by the Director Technical Services, the acquisition of a 292 ML irrigation licence would be a benefit to the Water Supply Function in terms of increasing the volume of water the service can access. It is proposed to fund the acquisition cost from funds currently held as an Externally Restricted Asset for Augmentation Works. This would not have a major effect on the proposed future Capital Works Programme except that some works may need to be re-scheduled."

POLICY IMPLICATIONS

There are no policy implications arising from this report.

RECOMMENDATION

1. That Council proceed to acquire proposed Lot 2 Regand Park, Macquarie Street, Dubbo having an area of 59.57ha at a purchase price of \$490,000.
2. That Council proceed to acquire 292 ML of the water irrigation licence owned by Regand Park at a purchase price of \$350,000.
3. That the acquisition of land be funded in part from \$117,537 held in Council's Open Space and Recreation Facilities Section 94 Contributions Plan Externally Restricted Asset, \$43,115 being funds on hand from the previous sale of land and the remaining \$329,348 being sourced from Council's Land Development Internally Restricted Asset with the latter amount to be re-instated as further contributions are received under the Open Space Contributions Plan.

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4. That the acquisition of the water irrigation licence be funded from Council's Water Supply Function.
5. That the land be classified as Operational Land in accordance with the Local Government Act.
6. That the General Manager be delegated authority to take the necessary action to lease the subject land and water rights for a period of up to three (3) years.
7. That the documents and considerations in regard to this matter remain confidential to the Council.
8. That any necessary documents be executed under the Common Seal of the Council.

Mark Riley

Director Corporate Development





DCC Open
Space Areas

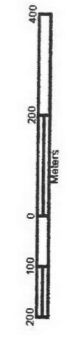
DCC Open
Space Areas

Regand Park

Legend

- DCC Public Open Space
- Regand Park

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Scale 1: 15000

Compiled By A. Greenhalgh