CAMPBELLTOWN
CITY COUNCIL

Confidential Item

Confidential Items

For Council meeting to be held on

Tuesday 6 September 2016 at 7.30 pm

Refer Items 11.7 and 11.8

11.7 Confidential Report - Property Purchase - 8 Melba Court, Hectorville

TRIM Reference: B463 Property Officer, Mario Scalzi's Report

Purpose of Report

To consider purchasing the property located at 8 Melba Court, Hectorville currently on the market for sale through auction.

Strategic Plan Link

Strategy 2.5.6 Provide timely and relevant financial information to help make informed decisions

Background

Council has become aware of the 8 Melba Court, Hectorville property being placed on the market for sale through an Auction process set for 17 September 2016. The property abuts the Council owned Melba Court, Hectorville Reserve and has the potential to increase Council's land holding for open space in the Hectorville Ward, noted by Council as lacking in usable open space.

With the Auction set soon after Council's meeting an independent valuation of the property would not be able to be arranged in time for consideration however recent sales of similar properties in the Hectorville area do provide Council with good evidence of the potential value of the site.

The selling agent has been contacted about the property sale and has been requested to make the property available for inspection so as to determine the structural condition of the dwelling and outbuilding on the site.

A review of similar properties sold within the suburb of Hectorville suggests that this property could demand a sale price within the range of $650,000 to $800,000.

Staff believe that it is reasonable for Council to consider purchasing the property due to it abutting the existing Council reserve and the potential for future considerations and/or consolidation of its land holdings in the area to increase open space.

Discussion

The property is located adjacent to the Melba Court, Hectorville Reserve to its rear boundary (see attached plan), and has frontage to both Melba Court and Matthews Road, Hectorville.

The legal description of the property is 8 Melba Court, Hectorville being Certificate of Title Volume 5637 Folio 633, Allotment 16 in DP 6556 and is owned by J E Wright.

The site is irregular in shape and has a frontage to Melba Court of 31 metres and a frontage to Matthews Road, Hectorville of approximately 30 metres with a total allotment size of approximately 800 square metres.

Erected on the site is an older, uninhabited double fronted brick home in reasonable condition but showing signs of ageing with cracking, uneven floors, and dated toilet, bathroom and kitchen facilities. Built in the late 1950s it is constructed on concrete strip footings, has brick walls, timber framed windows and a tiled roof.

In determining the current value of the property independent valuers were approached by Council to determine if a valuation could be undertaken in time to respond prior to the auction however both companies were unable to commit to returning a valuation prior to this time. The valuers did however indicate that they would use the rationale of recent sales in the area to best determine the land value and also the potential for further development of the land.

The more relevant sales evidence of similar size and style properties indicates that a value of the property on a dollar rate per square metre lies within the range of $876 to $966 per square metre however the three examples used for this evidence had dwellings situated on the site that were all in vastly better condition that the dwelling at 8 Melba Court, Hectorville albeit on much smaller sized allotments.

Based on the available evidence and using an average price for a square metre rate, the value of the property in comparison with similar and comparable sites would fall within $700,000 to $772,000 range with a reasonable assumption being that the valuation be $750,000.

It may be appropriate considering the existing condition of the dwelling, that Council commence negotiations with the agent on the purchase of the property well below the lower end of the value range. However it is also acknowledged that the potential for the site to be subdivided regardless of the state of the dwelling could potentially be worth a value to the higher end of the range.

Costs associated with demolishing the dwelling and out buildings returning the site to a vacant plot of land may cost up to $30,000 and these costs need to be taken into consideration when deciding on any potential purchase of the site.

With the property being vacant, little or no value has been associated with the building in its current state however Members should note that the site affords an attractive open space aspect and would be highly sought by developers in the current real estate market.

The property, by the nature of its location abutting Council's Melba Court Reserve, is considered to have a strong strategic value.

The purchase of the 8 Melba Court, Hectorville property would provide Council with an opportunity to consider the future needs for the Community and will provide an opportunity to increase open space in the Hectorville Ward. The site itself could potentially be cleared and if so established to create an attractive ambience from the roads with existing Council land.

The opportunities are numerous and the purchase of this property may well be construed as a strategically sound decision to benefit the wider Community in the long term.

When considering all of the options, Staff recommend that the land be purchased to increase the open space in the Hectorville Ward and taking into consideration the current condition of the building and the additional costs Council will incur with its demolition, it is recommended that an offer of $700,000 be made for the purchase of the land.

In the event that the owner does not accept this offer, Council could consider authorising the Chief Executive Officer to offer up to $750,000 or if not sold prior authorise staff to bid up to $800,000 at auction day.

It should also be noted that should Council purchase the property and the local residents do not support the establishment of additional open space, Council could always develop the land in accordance with the current zoning being Regeneration Policy Area 3.

Within this zone multiple dwellings can be considered and this offers numerous options from a development potential.

Council's Planning Staff have provided the following advice in regards to this site:

> 'This site offers a lot in terms of development potential. Points of consideration are as follows:
>
> 1. The site is located within the Regeneration Policy Area 3
> 2. The site directly abuts a large area of public open space
> 3. The site is located within 400 metres of Montacute Road (transport corridor)
> 4. The site has generous frontages in the order of 30 metres (Matthews Road) and 31 metres (Melba Court)
> 5. The site has a total approximate area of 802 sq metres.
>
> Given the above factors the site could conceivably develop:
>
> 1. 4-5 double storey row dwellings
> 2. 3 group dwellings
> 3. A combination of 3 dwellings (comprising of a pair of semi-detached dwellings and a detached dwelling).'

Furthermore, if successfully purchased, a combination of both an open space component and subdivision of portion of the site could also be considered to offset the cost of the purchase, or indeed Council could potentially develop the site itself to gain the best outcome for the Community, providing much needed open space whilst limiting the cost of this provision by selling off a portion of the site.

For further consideration is the Strategic Open Space Land Purchasing Plan project aimed to help Council address the gaps in open space provision through some land acquisition and/or improvements to existing parks and reserves where the provision is limited. This arose from the Open Space Directions and Strategies Report.

Although the amount of open space for the City is very good overall, it is also vital to consider the balance of open space provision across the City. One of the issues highlighted by the Open Space Directions and Strategies Report was a lack of open space in some parts of the City and in particular in the suburb of Hectorville.

Hectorville has the lowest amount of open space per person with only 0.9 ha of usable open space per 1000 persons (or 2.2ha/1000 for all open space including education land) where the benchmark is 3ha/1000. The City of Campbelltown average is 7.89ha/1000 (all open space) or 4.88ha/1000 (usable open space). Additionally some of the usable open space in Hectorville is poor quality and/or has poor access (eg Melville Grove).

The project estimated development costs for Melba Court (if number 8 was purchased and upgrades were undertaken) to be around $45,000, with annual maintenance of $3,236.

Should Council be successful in purchasing the site it needs to resolve that the land be excluded from Community Land Classification which would enable Council to develop or consider options for the future of the site freely in the best interests of the Community.

The selling agent has provided advice that offers will likely be made prior to auction and should Council be keen to purchase the site an offer should be made prior to the auction. With this in mind it may be beneficial should the purchase be considered favourable to provide the Chief Executive Officer the ability to make an offer prior to the auction and negotiate with the selling agent for the best possible outcome, or delegate authority to the Chief Executive Officer or Council's agent to register and bid for the purchase of the property at auction day.

Social Implications

The purchase of 8 Melba Court, Hectorville would provide Council with the opportunity to increase its land holdings in the immediate vicinity as it abuts the Melba Court Reserve and will provide many options in the future for possible expansion of that reserve and/or redevelopment.

Environmental Implications

There are no perceived environmental implications should Council decide to proceed with the potential purchase of 8 Melba Court, Hectorville.

Asset Management Implications

The asset management implications for this property will depend on its intended use. Should Council choose to use the property for an extension to the existing reserve, the cost of the proposed reserve redevelopment including playground upgrade would be in the order of $60,000. Assuming a useful life of 40 years, annual depreciation and maintenance costs would be in the order of $5,000 per annum.

Governance / Risk Management

Should Council decide to proceed with the purchase of the 8 Melba Court, Hectorville property a full risk assessment and property inspection would be undertaken prior to purchase and prior to any future use of the property.

In addition the Community Land Classification would need to be determined prior to Council taking possession of the property therefore it would be appropriate to also make that determination at this time should Council support the purchase of this property and resolve to exclude the land from Community Land Classification.

Community Engagement

No Community engagement is considered necessary should Council proceed with the strategic purchase of 8 Melba Court, Hectorville however Community engagement may be needed should the function of the property be changed. Consideration should be given to there being a risk that the Community may not support the use of the existing residential property as an extension to the reserve which may create an impediment to the future use of the site for such purposes.

Regional Implications

There are no regional implications in relation to this report.

Financial Implications

Council currently has no budget set aside for a purchase of this type. Should Council decide to proceed with the acquisition, it would be classified as Capital-New expenditure, and would require Council to use its existing cash and investments or take out additional borrowings. The full cost to acquire the property at a purchase price of $700,000 would be in the order of $760,000 which includes:

- purchase price $700,000
- stamp duty, agent fees, legal fees etc $30,000
- potential demolition $30,000

Depending on the intended use of the property, there will be future financial implications. For example, should Council agree to redevelop the Reserve, the cost of redeveloping the reserve with improved playground equipment would be in the order of $60,000 making the total capital cost of the reserve (including land purchase) be $820,000.

In this situation there would be future ongoing costs with depreciation and maintenance.

Recommendation

That Council:

1. **authorise the Chief Executive Officer to make an offer for the purchase of the property at 8 Melba Court, Hectorville of $700,000 to purchase the property on the condition that the property shall be vacated on possession by Council and provide the Chief Executive Officer the ability to negotiate up to $750,000 prior to auction.**

2. **resolve to exclude the land from classification as Community Land**

and furthermore should Council be unsuccessful in purchasing the property prior to auction, that Council authorise the Chief Executive Officer (or nominee) to register to purchase the property and bid up to $800,000 for the purchase of the property at 8 Melba Court, Hectorville at the auction.


Increase street frontage
780m2
HECTORVILLE
MATTHEWS ROAD
MELBA COURT
AMANDA STREET
EAST STREET
SOUTH STREET
49
12
14
51
47
16
18
45
20
9
7
10
8
6
4
2
5
3
1
3/7
2/7
1/7
1B
24
22
20
18
16
14A
14
4A
4B
31B
31
31A
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19


MELBA COURT
RESERVE





Source: Google Map and Realestate.com.au

11.8 Confidential Report - Sale of the Henry Street, Hectorville Reserve, former Campbelltown Pigeon Club

TRIM Reference: B3100 Property Officer, Mario Scalzi's Report

Purpose of Report

To provide Council with advice regarding the recently undertaken marketing and sale process for the site formerly known as the Campbelltown Pigeon Club, Henry Street, Hectorville Reserve.

Strategic Plan Link

Strategy 2.5.6 Provide timely and relevant financial information to help make informed decisions

Background

At its meeting on 17 May 2016 Council considered a report in confidence regarding the sale of the former Campbelltown Pigeon Club site at Henry Street, Hectorville.
The report detailed the particulars of the site including the inclusion on the site of two (2) easements which may impact the sale price. Also considered was the removal of a number of olive trees and the demolition of the existing club house on the site.

At that meeting Council resolved the following:

- endorse Option 4 as the preferred option and instruct Staff to commence the process to sell the property at Henry Street, Hectorville for residential purposes

- endorse the Chief Executive Officer to seek expressions of interests to purchase the land for a four (4) week period, and

- request Staff to investigate the cost to relocate the olive trees from the property to another location.

In regards to Option 4 being the preferred option, that option provided the following advice:

4. Sell the property as is to test the market

List the property for sale as it is with no works undertaken and put the onus on the purchaser to undertake any works associated with developing the land with advice provided on the costs being demanded by SA Water for any works to relocate the sewer pipe. This option carries the lowest of all risks to Council associated with the disposal of this property however is likely to return the lowest sale price.

In accordance with that resolution the property was placed on the open market through selling agent, Mr Charlie Rielbolge, Director of Professionals Real Estate- Glynde who provided the best value for money option from a number of agents surveyed to sell the property.

The property was marketed for a four (4) week period seeking Expressions of Interest which closed at 5.00 pm on Monday 22 August 2016.

Discussion

The property listed for sale through Professionals Glynde acting for Council placed the property on the open market with local advertising and national advertising through the realestate.com.au website.

The agent advises that during the four (4) week period inquiries in the first week of advertising were steady and a number of interested parties advised that contact would be made with Council's Planning Staff to further discuss options for developing the site for two (2) dwellings.

It was noted however that all inquirers were concerned with the location of the easements on the site and the impact and limitations those easements would have over the site's development.

All information in regards to the potential to relocate the easements and likely costs were passed on to interested parties including the requirement that the purchase cost of the property would attract the payment of GST to GST registered companies.

As the four (4) week period of marketing progressed the enquiries for the property diminished considerably and the selling agent referred to the restrictions those easements have on the development of the site and the high costs associated with the relocation of those easements as major contributors to the diminished interest.

Developers who made initial inquiries quickly retracted their interest once doing their own costings for developing the site including demolition, tree removal, site preparation, subdivision costs and protection of the infrastructure those easements hold.

At the completion of the four (4) week Expression of Interest period and with persistence of following up all interested parties, only one (1) solid offer made in writing was presented to the agent.

That offer made through a signed Registration of Interest (see attached) was received from F Russo and Ida Nominees and is to purchase the site as is with no conditions for the purchase price of $350,000 plus GST and the lodgement of $20,000 deposit and a settlement date of approximately 10 October, 2016.

This offer was within the range considered to be acceptable by Staff in its previous report (see attached) in accordance with Option 4, as it was acknowledged as carrying the lowest of risks to Council associated with the disposal of this property.

As this offer is the only offer presented and is considered reasonable, Staff recommend that Council accepts the offer and endorse the Chief Executive Officer to sign all relevant documents to finalise this sale.

Social Implications

There are no social implications in relation to this report as the Community has provided Council with its agreement to proceed with the sale of this property.

Environmental Implications

There are no environmental implications in relation to this report.

Asset Management Implications

If the sale proceeds the land and associated buildings will be removed from the Asset Register.

Governance / Risk Management

The governance requirements to revoke Community Land have been met throughout this process.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

All proceeds from the sale of this property will be quarantined for the purposes of purchasing additional open space in the Hectorville Ward.

Financial Implications

There is no budget allocated in this financial year for any associated works for the sale of the property. Option 4 carried no costs associated with this preferred sale process.

It is recommended that all net proceeds from the sale of this property be quarantined for the purposes of purchasing additional open space in strategic locations.

Recommendation

That Council accept the signed Registration of Interest received from Mr F Russo and Ida Nominees offering to purchase the Henry Street, Hectorville Reserve for $350,000 and endorse the Chief Executive Officer to sign all relevant documents and contract to finalise this sale and that the net proceeds from the sale be allocated to purchasing additional open space in strategic locations.

Professionals
Glynde

REGISTRATION OF INTEREST

IN REGARD TO THE SALE AND PURCHASE OF

Lot 34 Henry Street, Hectorville

I/We wish to register our interest in purchasing the abovementioned property and hereby submit the following details.

Name: Mr/Mrs/Company FRANK RUSSO AND/OR NOMINEES

Address: 18 BROOKSIDE AVE
TRANMERE SA 5073

Contact Details: Phone: 8165 0300 (office) 0412 816 988 (ah)
Fax: 84230274 Email: FRUSSO@RUSSOGROUP.COM.AU.

Legal Description: Whole of the land comprised in Certificate of Title Register Book Volume 6158 Folio 823 being Lot 34 in DP 8059.

Purchase Price: THREE HUNDRED AND FIFTY THOUSAND DOLLARS (words)
($ 350,000-00) (figures)

Deposit: TWENTY THOUSAND DOLLARS (words)
($ 20,000-00) (figures)
Payable on signing of contract ✓
or within _____ days of singing/acceptance of offer to purchase

Note: The deposit to be paid into the Trust Account of The Vendor's Agent, Professionals Glynde.

INITIALS

Professionals
Glynde

Settlement: The 25TH day of OCTOBER 2016

or within _____ days of special conditions being satisfied.

I/We require confirmation of Vendor's acceptance of our offer to purchase the above mentioned property on an unconditional sale. I/We understand that should the Vendor accept such offer to purchase in writing that a legally binding agreement has been fulfilled and that I/We agree to execute a Contract For The Sale Of Land Residential Property (Real Estate Institute of South Australia).

The offeror acknowledges that:

1. The Vendor is not bound to accept any offer lodged by the offeror;

2. The Vendor may withdraw the property from sale at any time;

3. The offeror shall be deemed to have inspected the property and to have fully appraised itself of the physical conditions and characteristics including inspecting the due diligence information available a the offices of Professionals Glynde of the property whether or not the offeror shall have inspected the property and the due diligence information;

INITIALS

NOTE: OFFER IS CONDITIONAL UPON:
1. VENDOR GIVING CONSENT TO REMOVE EXISTING OLIVE TREES.
2. VENDOR GIVING CONSENT TO DEMOLISH + REMOVE EXISTING STRUCTURE/ BUILDINGS.
3. CONTRACT IS NOT SUBJECT TO MARGIN SCHEME + SALE PRICE TO REMAIN FIRM AT $350,000-00.

4. That no warranties representations or assurances or conditions other than those contained herein or in any Information Memorandum prepared by the Vendor's agent are given by or made on behalf of the Vendor and/or the Vendor's agent and all other warranties representations or assurances are excluded to the extent permissible at law;

5. That the offeror makes this offer as a result of it's own enquiries and investigations including but not limited to enquires regarding environmental issues affecting the

   property including contamination, salinity, asbestos or other dangerous or hazardous

   wastes or materials of any kind;

6. The offeror will purchase the Land subject to any restrictions imposed by any relevant planning or building legislation or any other legislation, regulation or ordinance which affects the property or any part thereof;

Professionals
Glynde

EXECUTION

SIGNED: _____

NAME: FRANK RUSSO

DATE: 22ND day of AUGUST 2016 .

WITNESS

SIGNED: _____

NAME: KATH PARLETTA

DATE: 22.8.2016

THE VENDOR HEREBY ACCEPTS THE OFFER TO PURCHASE THE ABOVEMENTIONED PROPERTY AS DETAILED ABOVE

SIGNED: _____

NAME: _____

DATE: _____ day of _____ 20

WITNESS

SIGNED: _____

NAME: _____

DATE: _____

INITIALS _____

11.5 Update and Investigations on the Sale Process for the Campbelltown Pigeon Club, Henry Street, Hectorville Reserve

TRIM Reference: B3100 Property Officer, Mario Scalzi's Report

Purpose of Report

To provide Council with advice regarding the sale process for the site formerly known as the Campbelltown Pigeon Club, Henry Street, Hectorville Reserve.

Strategic Plan Link

Strategy 2.5.6 Provide timely and relevant financial information to help make informed decisions

Background

Council resolved the following at its 19 January 2016 meeting:

> 'That pursuant to Section 194(3) (b) of the Local Government Act 1999 Council resolves to revoke the classification of the land as Community Land being Campbelltown Pigeon Club, Henry Street, Hectorville Reserve described in Allotment 34 in DP 8059, Certificate of Title Volume 6158 Folio 823, and that the appropriate notice be placed in the Government Gazette and that Staff commence the process to sell this property for residential purposes.'

The revocation of the Community Land classification process has been completed and Staff have undertaken the necessary reviews of the site to commence the sale process for the property.

The review included consideration of the options available to facilitate this land sale, a site survey and a discussion with Council's Planning Staff to assist in determining the best financial outcome for the site.

The property's sale price is hindered by the existence of two easements over the site. To the western side of the allotment running for the entire length of the property is a 3.05 metre wide storm water easement in favour of Council, however the easement of most concern for maximising the sale price is the 3.05 metre easement in favour of Minister for Infrastructure (SA Water). This easement runs through the centre of the property for the entire length of the site and contains a mains sewer pipe (see attached Certificate of Title).

This report provides advice on these existing easements and the effect that they may have on the sale of the property.

Discussion

The subject land is approximately 740 square metres in area with a 20.22 metre frontage and a depth of 36.5 metres. The land is zoned Residential and within this zone residential development comprising a range of dwelling types is envisaged.

Advice provided by Council's Planning Staff is that the site is likely to be able to accommodate two (2) small to modest type group dwellings.

Design aspects will need to be considered to minimise the impact of the existing easements on the allotment and the proportions of open space which would be associated with a dwelling placed at the rear of the allotment.

This may be achievable as a group dwelling within the Residential - Regeneration Policy Area 3 located within 400 metres of a transport corridor being (Montacute Road, Hectorville) having a minimum site area of 250 square metres. Being a group dwelling the proportions of common driveways located over the easement would contribute to the overall site area average.

The biggest constraint to the development of this land is the easements registered across the title and in particular the sewer easement. By leaving the easements in place, it effectively reduces the developable area of the allotment by approximately 320 square metres, thus making it very difficult for an effective design to be developed even for a single detached dwelling.

Advice received from SA Water suggests that the sewer easement can be relocated 3 metres to the west, abutting Council's drainage easement and that the existing sewer main and connection can be made redundant. However the infrastructure will be left in the ground at approximately 1.5 metres below the surface.

The cost estimate from SA Water for this work to be undertaken has been quoted as $54,000 however they have also indicated that if the costs exceed those quoted, Council will be liable for any additional costs to undertake the works. To proceed, SA Water requires a Council resolution to proceed with the works and a Purchase Order.

The demand by SA Water of $54,000 is made up of $41,500 construction cost and $12,500 project cost which seems to be exorbitant considering the works being undertaken. SA Water has denied the approach by Staff, that Council undertake the work itself, and insists that these costs are not negotiable.

The property currently houses the old Campbelltown Pigeon Club and a row of olive trees (not considered significant) which should be demolished prior to placing the property on the market for sale. The removal of these items could be undertaken for an approximate cost of $15,000.

Information provided to Council by Trice Pty Ltd (engaged to determine a valuation for the property) indicated that, based on recent sales within the locality, prices for property of an equivalent developable area in the range of 700 square metres is between $545,000 - $565,000.

Properties of a smaller developable area of 300 to 400 square metres as would be the case without the easements being moved in the area have sold for between $285,000 - $320,000. The reduction of developable area (around half) has a proportional effect on the value of the land with a marked decrease of approximately $250,000.

Taking into account the advice provided by Trice Pty Ltd, the best case scenario if Council considers recent sales for a 700 square metre allotment sold for $565,000 equates to $807 a square metre whereas for an allotment of 400 square metres sold for $320,000 equates to $800 a square metre.

In reviewing this information, Staff are suggesting four (4) options for Council's consideration:

1. *Sell the property as a clean site without removing the SA Water Easement*

   Using the above figures, should Council attempt to sell the property as is (albeit with the removal of the building and trees), this would render the developable area of the property to be approximately 406 square metres. Multiplying that area by $800 a square metre should theoretically return a cash return of $324,800 less $15,000 clearing costs being $309,800. This option has the least risk to Council and should Council support this option, it could be placed on the market for $350,000 and delegate the authority to the Chief Executive Officer to accept offers above $330,000.

2. *Sell the property with SA Water Easement being relocated*

   Should Council use the figures as a sales guide, considering the relocation of the sewer easement, it effectively would leave a useable development area of approximately 506 square metres. Multiplied by an average square metre rate of $800 would potentially deliver a sale price of approximately $404,800. This of course would need the costs demanded by SA Water of $54,000 and the demolition and clearing costs of approximately $15,000 deducted leaving the potential return to Council being $335,800. Council could also consider a higher sale price as potentially this land still can be subdivided into two (2). However this option will carry a risk to Council if the actual SA Water cost is higher than the estimated quote. If Council were to support this option, then the property could be placed on the market for $450,000 and delegate the authority to the Chief Executive Officer to accept offers above $430,000.

3. Relocate SA Water Easement and subdivide the property into two (2) allotments

The costs associated with a subdivision, demolition, clearing costs, and the relocation of the SA Water easement is estimated to be approximately $100,000. The potential sale of each allotment (eg as a hammerhead allotment arrangement), could potentially return between $200,000 - $250,000 for the rear allotment and the allotment with a street frontage to Henry Street could potentially return a sale price of $250,000 with a total return of $450,000 - $500,000.

The risk associated with this option is that the sale process for the two allotments could be lengthened due to subdivision time frames and hammer head allotments could be considered less desirable for development purposes. If Council supported this option, then it is recommended that the rear allotment be placed on the market for $250,000 with the Chief Executive Officer being delegated the authority to accept offers above $220,000 and the street frontage property being placed on the market for $270,000 with the Chief Executive Officer being delegated the authority to accept offers above $250,000.

4. Sell the property as is to test the market

List the property for sale as it is with no works undertaken and put the onus on the purchaser to undertake any works associated with developing the land with advice provided on the costs being demanded by SA Water for any works to relocate the sewer pipe. This option carries the lowest of all risks to Council associated with the disposal of this property however is likely to return the lowest sale price. If this option is supported by Council, then the property should be placed on the market for $350,000 and delegate to the Chief Executive Officer the authority to accept offers above $330,000.

Summary

Due to the work associated with the options, it may be prudent for Council to simply list the property in accordance with Option 4 to determine whether a return of $330,000 can be achieved for no initial outlay.

Social Implications

There are no social implications in relation to this report as the Community has provided Council with its absolute agreement to proceed with the sale of this property.

Environmental Implications

There are no environmental implications in relation to this report.

Asset Management Implications

There are no asset management implications in relation to this report as the property is intended to be sold.

Governance / Risk Management

The governance requirements to revoke Community Land have been met throughout this process.

Community Engagement

There are no Community engagement implications in relation to this report.

Financial Implications

There is no budget allocated in this financial year for any associated works for the sale of the property. Therefore Council should consider the following as part of the 3rd Budget Review:

- Option 1 - $15,000 for demolition and clearing the land
- Option 2 - $69,000 for demolition and clearing the land and the relocation of SA Water pipe cost
- Option 3 - $100,000 to cover all the costs quoted in the two options above and an estimated $30,000 land division costs
- Option 4 - No initial costs.

All proceeds from the sale of this property will be quarantined for the purposes of purchasing additional open space in the Hectorville Ward.

Recommendation

That Council:

- **endorse Option 4 as the preferred option and instruct Staff to commence the process to sell the property at Henry Street, Hectorville for residential purposes**
- **endorse the Chief Executive Officer to list the property for sale at $350,000 however delegate the authority to accept offers above $330,000, and**
- **request Staff prepare a further report should no reasonable offer be obtained after eight (8) weeks of being actively on the open market.**

WARNING: BEFORE DEALING WITH THIS LAND, SEARCH THE CURRENT CERTIFICATE

CERTIFICATE OF TITLE

Volume 6158 Folio 823

REAL PROPERTY ACT, 1886

South Australia

Dealing(s) Creating Title	RT 12349134
Title Issued	30/06/2015
Edition	1
Edition Issued	30/06/2015

I certify that the registered proprietor is the proprietor of an estate in fee simple (or such other estate or interest as is set forth) in the land within described subject to such encumbrances, liens or other interests set forth in the schedule of dealings.

Registrar-General

ESTATE TYPE

FEE SIMPLE (RESERVE)

REGISTERED PROPRIETORS

THE CORPORATION OF THE CITY OF CAMPBELLTOWN
OF PO BOX 1 CAMPBELLTOWN SA 5074

DESCRIPTION OF LAND

ALLOTMENT (RESERVE) 34 DEPOSITED PLAN 8059
IN THE AREA NAMED HECTORVILLE
HUNDRED OF ADELAIDE

BEING A RESERVE

EASEMENTS

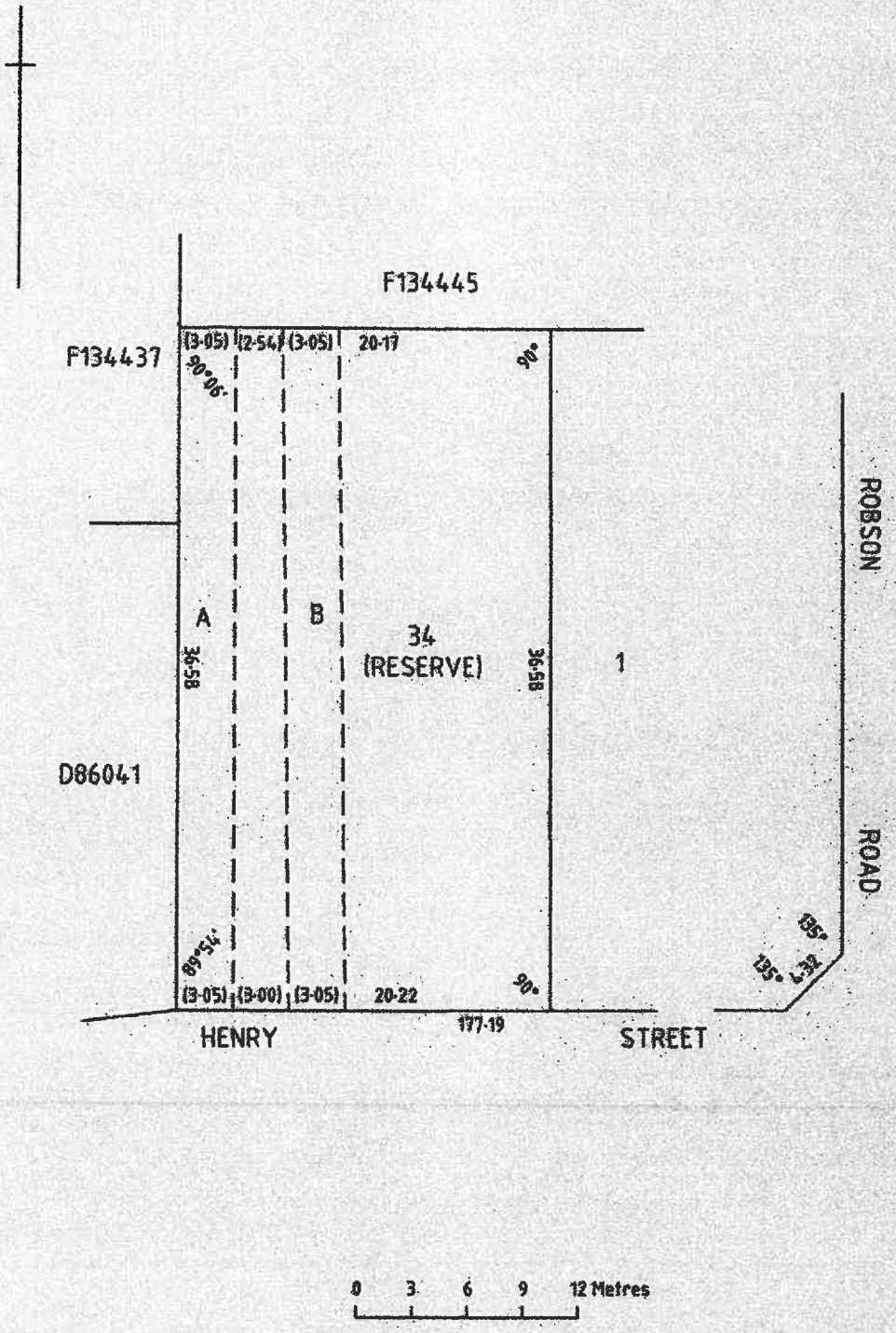
SUBJECT TO EASEMENT(S) OVER THE LAND MARKED B TO THE MINISTER FOR INFRASTRUCTURE (T 3021466)

SUBJECT TO SERVICE EASEMENT(S) OVER THE LAND MARKED A FOR DRAINAGE PURPOSES TO THE COUNCIL FOR THE AREA (223LG RPA)

SCHEDULE OF DEALINGS

NIL

END OF TEXT


F134445
F134437
(3-05)
(2-54)
(3-05)
20-17
90°
90°
A
B
34
(RESERVE)
1
36-58
36-58
D86041
ROBSON
ROAD
89°54'
90°
135°
135°
4-32
(3-05)
(3-00)
(3-05)
20-22
177-19
HENRY
STREET
0 3 6 9 12 Metres


CURTIS STREET
Henry Street Reserve
Former Campbelltown
Pigeon Club
HENRY STREET
PINNERI STREET
GOSFORD STRE



PIGEON CLUB

Option 1

GENERAL NOTES:

1. CADASTRAL INFORMATION APPROXIMATE ONLY.
2. SERVICE LOCATIONS DIAGRAMMATIC ONLY. CONTACT SERVICE AUTHORITIES FOR EXACT IN GROUND LOCATIONS.
3. KERBING TO BE CONSTRUCTED IN ACCORDANCE WITH CITY OF CAMPBELLTOWN TECHNICAL STANDARDS.
4. ALL DISTURBANCES TO EXISTING VERGE RETICULATION AND TURFING TO BE REINSTATED.
5. SEWER & WATER MANHOLE LIDS TO BE ADJUSTED CORRESPONDING TO PROPOSED DESIGN.

CITY OF CAMPBELLTOWN
INFRASTRUCTURE SERVICES

HENRY STREET HECTORVILLE

GOSFORD STREET
OPTION 1 - SELL THE PROPERTY AS A CLEAN SITE WITHOUT REMOVING THE SA WATER EASEMENT

CONCEPT PLAN
SHEET 1 OF 4

No.	REVISION	BY	DATE	AUTH
A	ISSUED FOR CONSULTATION	S SOON	MAY 2016	

No.	REVISION – FOR CONSULTANTS DRAWINGS	BY	DATE	AUTH

SCALE: 1:XXX (2.5 0 2.5 5 7.5 10 12.5 SCALE IN METRES)
DATUM: LOCAL
GRID: MGA-54
SURVEYED: AERIAL MAP FEB 2016 SURVEYOR
DESIGNED: S.SOON MAY 2016 CIVIL PROJECTS DESIGNER
DRAWN: S.SOON MAY 2016 CIVIL PROJECTS DESIGNER
CHECKED: DD/MM/YYYY TECHNICAL MANAGER
APPROVED: DD/MM/YYYY GENERAL MANGER INFRASTRUCTURE SERVICES
CHECKED: DD/MM/YYYY CONSTRUCTION COORDINATOR
FILE No. COUNCIL AGENDA 17 MAY 16
PROJECT No. PROJECT NUMBER
DRAWING No. PIGEON CLUB
SHEET
REVISION
ORIGINAL DRG. SIZE A1

PIGEON CLUB



Option 2

GENERAL NOTES:

1. CADASTRAL INFORMATION APPROXIMATE ONLY.
2. SERVICE LOCATIONS DIAGRAMMATIC ONLY. CONTACT SERVICE AUTHORITIES FOR EXACT IN GROUND LOCATIONS.
3. KERBING TO BE CONSTRUCTED IN ACCORDANCE WITH CITY OF CAMPBELLTOWN TECHNICAL STANDARDS.
4. ALL DISTURBANCES TO EXISTING VERGE RETICULATION AND TURFING TO BE REINSTATED.
5. SEWER & WATER MANHOLE LIDS TO BE ADJUSTED CORRESPONDING TO PROPOSED DESIGN.

CITY OF CAMPBELLTOWN
INFRASTRUCTURE SERVICES

HENRY STREET HECTORVILLE

GOSFORD STREET
OPTION 3 - RELOCATE SA WATER EASEMENT AND SUBDIVIDE THE PROPERTY INTO TWO(2) ALLOTMENTS

CONCEPT PLAN
SHEET 3 OF 4

No.	REVISION	BY	DATE	AUTH
A	ISSUED FOR CONSULTATION	S SOON	MAY 2016	

No.	REVISION – FOR CONSULTANTS DRAWINGS	BY	DATE	AUTH

SCALE: 1:XXX (2.5 0 2.5 5 7.5 10 12.5 SCALE IN METRES)
DATUM: LOCAL
GRID: MGA-54
SURVEYED: AERIAL MAP FEB 2016 SURVEYOR
DESIGNED: S.SOON MAY 2016 CIVIL PROJECTS DESIGNER
DRAWN: S.SOON MAY 2016 CIVIL PROJECTS DESIGNER
CHECKED: DD/MM/YYYY TECHNICAL MANAGER
APPROVED: DD/MM/YYYY GENERAL MANGER INFRASTRUCTURE SERVICES
CHECKED: DD/MM/YYYY CONSTRUCTION COORDINATOR
FILE No. COUNCIL AGENDA 17 MAY 16
PROJECT No. PROJECT NUMBER

DRAWING No. PIGEON CLUB | SHEET | REVISION | ORIGINAL DRG. SIZE A1



PIGEON CLUB

Option 3

GENERAL NOTES:

1. CADASTRAL INFORMATION APPROXIMATE ONLY.
2. SERVICE LOCATIONS DIAGRAMMATIC ONLY. CONTACT SERVICE AUTHORITIES FOR EXACT IN GROUND LOCATIONS.
3. KERBING TO BE CONSTRUCTED IN ACCORDANCE WITH CITY OF CAMPBELLTOWN TECHNICAL STANDARDS.
4. ALL DISTURBANCES TO EXISTING VERGE RETICULATION AND TURFING TO BE REINSTATED.
5. SEWER & WATER MANHOLE LIDS TO BE ADJUSTED CORRESPONDING TO PROPOSED DESIGN.

CITY OF CAMPBELLTOWN
INFRASTRUCTURE SERVICES

HENRY STREET HECTORVILLE

GOSFORD STREET
OPTION 2 - SELL THE PROPERTY WITH SA WATER EASEMENT BEING RELOCATED

CONCEPT PLAN
SHEET 2 OF 4

No.	REVISION	BY	DATE	AUTH
A	ISSUED FOR CONSULTATION	S SOON	MAY 2016	

No.	REVISION – FOR CONSULTANTS DRAWINGS	BY	DATE	AUTH

SCALE: 1:XXX (2.5 0 2.5 5 7.5 10 12.5 SCALE IN METRES)	SURVEYED: AERIAL MAP SURVEYOR FEB 2016	DRAWN: S.SOON CIVIL PROJECTS DESIGNER MAY 2016	APPROVED: GENERAL MANGER INFRASTRUCTURE SERVICES DD/MM/YYYY	File No. COUNCIL AGENDA 17 MAY 16	DRAWING No. PIGEON CLUB	SHEET / REVISION / ORIGINAL DRG. SIZE A1
DATUM: LOCAL / GRID: MGA-54	DESIGNED: S.SOON CIVIL PROJECTS DESIGNER MAY 2016	CHECKED: TECHNICAL MANAGER DD/MM/YYYY	CHECKED: CONSTRUCTION COORDINATOR DD/MM/YYYY	PROJECT No. PROJECT NUMBER		



PIGEON CLUB

Option 4

GENERAL NOTES:

1. CADASTRAL INFORMATION APPROXIMATE ONLY.
2. SERVICE LOCATIONS DIAGRAMMATIC ONLY. CONTACT SERVICE AUTHORITIES FOR EXACT IN GROUND LOCATIONS.
3. KERBING TO BE CONSTRUCTED IN ACCORDANCE WITH CITY OF CAMPBELLTOWN TECHNICAL STANDARDS.
4. ALL DISTURBANCES TO EXISTING VERGE RETICULATION AND TURFING TO BE REINSTATED.
5. SEWER & WATER MANHOLE LIDS TO BE ADJUSTED CORRESPONDING TO PROPOSED DESIGN.

CITY OF CAMPBELLTOWN
INFRASTRUCTURE SERVICES

HENRY STREET HECTORVILLE
GOSFORD STREET
OPTION 4 - SELL THE PROPERTY AS IS TO TEST THE MARKET

CONCEPT PLAN
SHEET 4 OF 4

No.	REVISION	BY	DATE	AUTH
A	ISSUED FOR CONSULTATION	S SOON	MAY 2016	

No.	REVISION – FOR CONSULTANTS DRAWINGS	BY	DATE	AUTH

SCALE: 1:XXX (2.5 0 2.5 5 7.5 10 12.5 SCALE IN METRES)
DATUM: LOCAL
GRID: MGA-54
SURVEYED: AERIAL MAP, SURVEYOR, FEB 2016
DESIGNED: S.SOON, CIVIL PROJECTS DESIGNER, MAY 2016
DRAWN: S.SOON, CIVIL PROJECTS DESIGNER, MAY 2016
CHECKED: TECHNICAL MANAGER, DD/MM/YYYY
APPROVED: GENERAL MANGER INFRASTRUCTURE SERVICES, DD/MM/YYYY
CHECKED: CONSTRUCTION COORDINATOR, DD/MM/YYYY
FILE No.: COUNCIL AGENDA 17 MAY 16
PROJECT No.: PROJECT NUMBER

DRAWING No.	SHEET	REVISION	ORIGINAL DRG. SIZE
PIGEON CLUB			A1


PIGEON
CLUB

