

## 8.2.9 OFFER TO PURCHASE LOT 23 GRANITE RISE ESTATE 3 LINDSAY RISE (CONFIDENTIAL)

Applicant:	Shire of Corrigin
Date:	15/10/2020
Reporting Officer:	Natalie Manton, Chief Executive Officer
Disclosure of Interest:	NIL
File Ref:	CP.0002
Attachment Ref:	Confidential Report Offer to Purchase 3 Lindsay Rise (Lot 23) Granite Rise Estate

### REASON FOR CONFIDENTIALITY

The Chief Executive Officer's Report is confidential in accordance with s5.23 (2) the Local Government Act because it deals with matters affecting:

s5.23 (2)(c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and*

s5.23 (2)(e)(ii) *a matter that if disclosed, would reveal information that has a commercial value to a person.*

### OFFICER'S RECOMMENDATION

*That Council close the meeting to the public in accordance with sub section 5.23 (2) (c) and (e)(ii) of the Local Government Act 1995 and Clause 15.10 of the Standing Orders.*

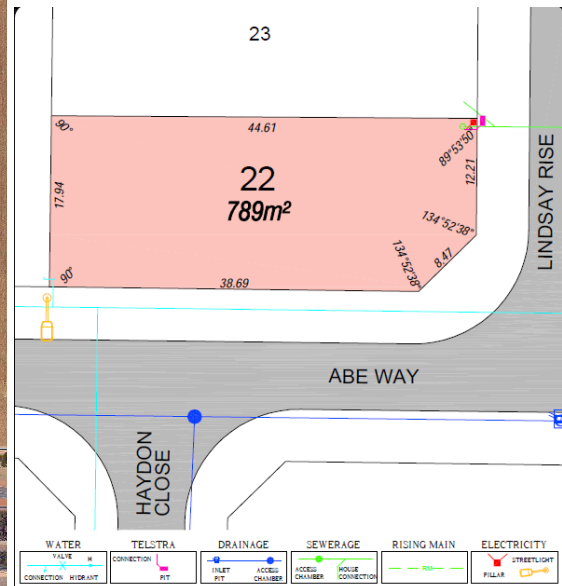
### SUMMARY

Council is asked to consider a conditional offer to purchase Lot 23 Granite Rise (3 Lindsay Rise) for the reserve price.

### BACKGROUND

In 2009 the Shire of Corrigin developed 32 residential lots in the subdivision known as Granite Rise Estate. Council renewed the selling agent agreement in March 2020 and resolved to promote the housing development more prominently.

The level of interest in the land has increased over the past three months and offers on two blocks in the Granite Rise Estate were accepted in July 2020.



**COMMENT**

Council has made allowance in the 2020/21 draft budget for the sale of land at Granite Rise Estate based on the discounted reserve price for the lots determined by Council at the ordinary Council meeting in March 2020.

Council accepted offers on two blocks in the Granite Rise Estate in July 2020.

The buyer has been notified that the Shire of Corrigin will need to advertise the disposal of the land for a period of two weeks and consider any submissions before the offer can be signed in order to comply with s3.58 of the *Local Government Act 1995*.

In order to achieve a prompt sale it is recommended that Council accept the offer as it meets the reserve price.

**STATUTORY ENVIRONMENT**

*Local Government Act 1995*

3.58. *Disposing of property*

(1) *In this section —*

**dispose** includes to sell, lease, or otherwise dispose of, whether absolutely or not;  
**property** includes the whole or any part of the interest of a local government in property, but does not include money.

(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; and*
    - (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.*
- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
- (a) *the names of all other parties concerned; and*
  - (b) *the consideration to be received by the local government for the disposition; and*
  - (c) *the market value of the disposition —*
    - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
    - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*
- (5) *This section does not apply to —*
- (a) *a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*
  - (b) *a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*
  - (c) *anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or*
  - (d) *any other disposition that is excluded by regulations from the application of this section.*

*Local Government (Functions and General) Regulations*

30. *Dispositions of property excluded from Act s. 3.58*

*Local Government (Uniform Local Provisions) Regulations 1996, Reg15 Contribution to cost of crossing - Sch. 9.1 cl. 7(4)*

- (1) *Where —*
- (a) *a local government —*
    - (i) *under regulation 12 constructs or approves the construction of; or*
    - (ii) *under regulation 13(1) requires the construction of, a crossing giving access from a public thoroughfare to private land or a private thoroughfare serving the land; and*
  - (b) *the crossing is the first crossing in respect of the land; and*
  - (c) *the crossing is a standard crossing or is of a type that is superior to a standard crossing, the local government is obliged to bear 50% of the cost, as estimated by the local government, of a standard crossing, but otherwise the local government is not obliged to bear, nor prevented from bearing, any of the cost.*

## **POLICY IMPLICATIONS**

Policy 14.4 Crossovers

10.2 Proceeds of the Sale of Industrial or Residential Land

## **FINANCIAL IMPLICATIONS**

The reserve price for land in the Granite Rise Estate was set at the Council meeting in March 2020. The reserve price was discounted by 20% from previous reserve price.

Income from the sale of vacant land is included in the draft 2020/21 budget and associated rates income will be included in future budgets.

Costs associated with the real estate agent commission of 1.5% percent of the sale price and settlement agent fees will apply to the sale of land.

A cash incentive of \$2,500 has also been included in the budget for 2020/21 and future budgets to June 2022 in accordance with Council decision at the August 2020 Council meeting.

The cost for a standard crossover is \$815.75 in the 2020/21 Fees and Charges.

## **COMMUNITY AND STRATEGIC OBJECTIVES**

Shire of Corrigin Strategic Community Plan 2017-2027 and Corporate Business Plan 2018-2022:

**Objective: Leadership**

**Strong Governance and leadership**

### **Outcome 4.1 - A strategically focussed dynamic Council serving the community**

<b>Strategic Community Plan</b>		<b>Corporate Business Plan</b>	
<b>Outcome</b>	<b>Strategies</b>	<b>Action No.</b>	<b>Actions</b>
4.1.3	Maintain accountability and financial responsibility to ensure the stability of the Shire	4.1.3.1	Council maintain financial stability
		4.1.3.3	Provide Council adequate and appropriate financial information on a timely basis

## **VOTING REQUIREMENT**

Absolute Majority

## **OFFICER'S RECOMMENDATION**

*That Council:*

- 1. Authorise the Chief Executive Officer to accept the offer for the purchase of 3 Lindsay Rise (Lot 23), Granite Rise Estate, Corrigin.*
- 2. Authorise the Chief Executive Officer to give local public notice of its intention to dispose of 3 Lindsay Rise (Lot 23) Granite Rise Estate in accordance with section 3.58 of the Local Government Act 1995 should an acceptable sale be achieved.*

3. *Subject to not receiving any submissions from the advertising process, delegates authority to the Chief Executive Officer to execute the sale documents on behalf of the Shire of Corrigin*