

19.3 PURCHASE OF LAND - WELLINGTON POINT

Objective Reference:**Authorising Officer:** Louise Rusan, General Manager Community & Customer Services**Responsible Officer:** Graham Simpson, Group Manager Environment & Regulation**Report Author:** Damien Jolley, Senior Property Officer**Attachments:**

1. Locality Map 3-7 Main Rd, Wellington Pt
2. Zone and Overlay Map - 3-7 Main Rd Wellington Pt

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

- (h) *other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.*

PURPOSE

The purpose of this report is to recommend that Council considers the acquisition of 3-7 Main Road, Wellington Point, being Lot 2 on RP51510 and Lot 3 on RP92039.

BACKGROUND

The property at 3-7 Main Road, Wellington Point, is two elevated lots located nearby to the Wellington Point Recreation Reserve and immediately adjacent to a mixed used commercial property (containing a take-away, restaurant and flats) to the north and existing residential dwellings to the south and east. The land has 180 degree panoramic views from the north-west to the south-east looking over Waterloo Bay and Trafalgar Bay to locations such as Wynnum, King Island, Moreton Island, Peel Island and North Stradbroke Island.

The land is not currently developed (refer to Attachment 1) apart from a large crib retaining wall located along the western, northern and eastern perimeter of Lot 2. The total area of the properties is 2857.65m² and access to Lot 2 is via Lot 1 given the retaining wall prevents street access from Main Road or The Esplanade.

The properties are zoned Low Density Residential which provides for residential areas with a high level of amenity, characterised by predominantly detached dwellings and dual occupancies on a range of lot sizes. The properties are also included in the Environmental Significance and Landslide Hazard overlays under the Redland City Plan 2018 (refer Attachment 2).

It is noted that the retaining wall on Lot 2 has previously been the subject of a number of legal actions by Council relating to the original approval, construction, the failure during the 2011 floods and subsequent re-construction. The retaining wall is the dominant feature of the property when viewed from the Wellington Point Recreation Reserve given its elevation of approximately 11 m.

The Wellington Point Reserve Precinct is a unique foreshore destination representing a highly valued landscape. Similarly to Cleveland Point, the historic character of the Point contributes to a strong sense of community and importantly contributes to Redlands Coast identity. Wellington Point is a regionally significant landscape with panoramic Moreton Bay and island views popular with residents and visitors.

Wellington Point became a popular tourism location in the 1920's and during this period a bathing reserve and kiosk were built, and Moreton Bay fig trees planted within the ring road. During the 1930's the jetty was first built and a number of Norfolk Island pines planted on the eastern side.

Retaining walls were also constructed along much of the reserve water frontage. In 1943, the reserve became an American Navy base for the remainder of World War II.

Apart from its history, Wellington Point has a unique geographic isthmus which links the mainland to King Island by a natural sand bank during low tide. This feature provides the reserve with additional recreation opportunities popular with water-sports and walkers.



Figure 1 – Wellington Point in 1929

The property is currently listed for sale at an undisclosed amount but indications are that price expectations are approximately \$3.2 million.

ISSUES

The availability of these properties presents an opportunity to purchase land that provides some capacity to expand the current Wellington Point Reserve.

The additional land would bolster Council's ability to create a regionally significant destination attracting more visitors and tourists to experience the Redlands Coast. The land could complement the open space and recreation values associated with the Wellington Point Reserve by potentially providing an expanded visitor experience or complimentary land use.

It is noted that Council's Open Space Strategy 2012 recommends that a wedding ceremony pergola should be considered for Wellington Point. There is potential for the site to accommodate activities or land uses that take advantage of the significant views of Moreton Bay. For example a multi-purpose space accommodating a viewing platform, and a space for weddings and ceremonies that enhance visitor experience of the Redlands Coast.

Its key attributes are its elevated platform which provides the opportunity for panoramic views across the bay. However, there are a number of constraints to the property which may limit its future use which include:

- Limited and constrained access by vehicles and pedestrians to a small entry and exit point on the south-western side
- The crib wall is problematic for any use that may impose significant loads, as well as being an on-going maintenance and safety consideration
- There is no direct access from the current reserve

However, until further investigation occurs, together with further consultation with Council and the community, the end use of the land is not yet determined.

It would be expected that in the short term the land would be unusable due to access and safety considerations, with a master plan developed in the medium term to best capitalise on the unique nature of this land.

On balance, it is considered that the combination of the cost and identified constraints associated with the site does not support the acquisition of the property.

STRATEGIC IMPLICATIONS

Legislative Requirements

If acquisition of the property is considered appropriate, purchase of the property is consistent with provisions contained in the *Local Government Act 2009* which gives Council an ability to purchase the property for Local Government purposes.

Risk Management

Council would undertake a due diligence assessment of the land before finalising and contract of sale to consider any risks or issues associated with the land.

It is particularly relevant that the due diligence would need to consider the current engineering specifications for the retaining wall on Lot 2. Whilst the retaining wall has been reconstructed and certified, it would be necessary to consider its suitability to support any potential future land uses that may be considered for the property.

It is also noted that the property contains a significant amount of fill, particularly on Lot 2, which would need to be considered in respect future land use activities. The Wellington Point escarpment has a soil profile which does require appropriate geotechnical consideration.

In addition the height of the retaining wall requires it to be secured against potential falls.

Financial

With a desire to maximise opportunities on the land's potential future use/s, and the need to respond to the land purchase opportunity in a timely manner, Council could choose to fund from general revenue or new borrowings.

New borrowings for the acquisition is considered a potentially appropriate funding alternative to reflect the intergenerational and capital nature of the purchase.

If the future use is determined at a later stage, and the use aligns with the purpose of specific constrained cash reserves then officers could subsequently offset the borrowings or general rates revenue from these constrained reserves.

As the land acquisition is not currently included in the FY2018/19 budgeted capital program, the purchase would exceed the current budget. As Council's borrowing application has been finalised for FY2018/19, the acquisition cannot be funded this financial year utilising borrowings. It is considered that budget for the purchase would form part of the 2019/20 budget and most likely be funded through borrowing.

Operational costs to maintain the land have been estimated at approximately \$5,000 for a gate to lock out vehicles and mowing.

The retaining wall does have a balustrade of pool fencing type construction which would not be an adequate barrier if the land was opened to the public. If Council determined a high risk or need in the future to replace the barrier and fence the property, the cost would not be insignificant and would form part of any future capital works associated with the future use of the land.

Additional considerations to this land purchase opportunity should include recent/impending purchases of land parcels in Redlands Coast as well as other significant financial commitments. Council's current cash balances have been utilised for these land purchases and Council is currently compiling its budget for 2019/20, which already has a requirement to apply for new borrowings to ensure Council's long term financial sustainability. Council has other financial commitments including a loan to its subsidiary Redland Investment Corporation following a Council resolution on 12 December 2018

People

There are no known impacts associated with this report

Environmental

The property does have some mapped vegetation of significance located in the south-eastern and south-western corner. This vegetation is mapped in the Environmental Significance overlay in the Redland City Plan 2018.

Social

Potential in enhancing experiences at the Point will contribute to improvements in social connectedness, visitor and recreational opportunities and pride in signature Redlands Coast places.

Alignment with Council's Policy and Plans

The Point is a popular and iconic regional tourism and recreation destination. The Redland City Council Open Space Strategy (OSS) defines Wellington Point Reserve as a T1 Destination Park. The OSS identifies the Point as a signature experience, this precinct offers a recognised point-of-difference and should be promoted as a destination experience.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Finance – Chief Financial Officer	April 2019	Current budget considerations advice
Service Manager Parks and Conservation	16 April 2019	Provided information in regards cost of maintenance and locking off site access

Service Manager Civic and Open Space Asset Management	16 April 2019	Provided information in regards the acquisition and Council's Open Space Strategy 2012
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OPTIONS

Option One

That Council resolves to:

1. not acquire the land; and
2. maintain this report and attachments as confidential as required by any legal or statutory obligation, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

Option Two

That Council resolves to:

1. delegate authority to the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009*, to make, vary, negotiate and discharge a contract, including signing all relevant documents, to acquire the land at fair market value and execute all associated documentation;
2. authorise the allocation of sufficient funds, potentially through borrowings, to acquire the land and to fund establishment and maintenance costs during the 2019/20 financial year; and
3. maintain this report and attachments as confidential until settlement or as required by any legal or statutory obligation, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **not acquire the land; and**
2. **maintain this report and attachments as confidential as required by any legal or statutory obligation, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.**



Red-e-map Plot

Legend

- Land
- Easements**
 - Easement
- Lease Lots**
 - Lease
- Current Land**
 - Current Lot
- Suburbs**
 - Suburb
- Redland City and Surrounds**
 - Redland City LGA
 - Adjoining LGA
 - Moreton Bay

Scale: 1:1200	Date: 9/04/2019
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- Redland City LGA
- Adjoining LGA
- Moreton Bay
- City Plan Version 2**
- Flood and Storm Tide Hazard Overlay**
- 2016 Storm Tide Inundation Area
- 2100 Storm Tide Inundation Area
- Flood Prone Area
- Drainage Constrained Land

Scale:
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