

**INVESTIGATION OF LAND TRANSFER**

**Objective Reference:** **A2016718**  
**Reports and Attachments (Archives)**

**Authorising Officer:**



**Bill Lyon**  
**Chief Executive Officer**

**Responsible Officer:**

**Peter Kelley**  
**Chief Executive Officer, Redland**  
**Investment Corporation**

**Report Author:**

**Anca Butcher**  
**Lawyer**

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**PURPOSE**

The officer seeks a resolution to transfer the land at 110-112 Queen Street Cleveland, to Redland Investment Corporation (RIC).

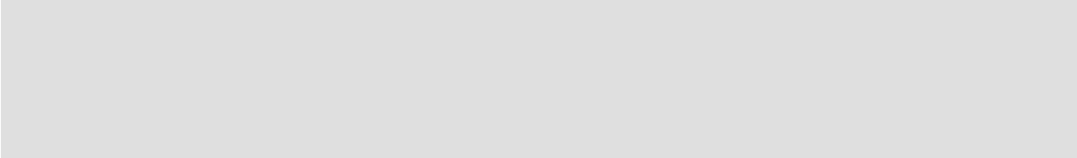
**BACKGROUND**

1. The land at 110-112 Queen Street Cleveland (land) is owned by Council and used as a car park. The land adjoins the Stockland Cleveland Shopping Centre (with the Woolworths supermarket).
2. In early 2007, Council undertook an Expression of Interest process to sell or redevelop the land. The Expression of Interest process was not successful and Council discontinued the process.
3. On 28 May 2008, Council resolved that the land was surplus to its needs and Council resolved to sell the land to Stockland, subject to approval from the Minister of Local Government.
4. On 20 November 2008, approval to sell the land was granted by the Minister.
5. Between 2008 and 2009, the sale of the land to Stockland failed for numerous reasons, including the constraints on the land.
6. The land is significantly constrained by 24 easements burdening the land. The easements benefit various owners of adjoining properties and mainly provide rights for access.
7. The land is further constrained by a historic rezoning agreement dated 1983, requiring Council to maintain 220 car parking spaces for the benefit of Stockland.
8. Stockland has made a new offer to purchase the land for [REDACTED] subject to the opening of Waters Street to Queen Street, the reconfiguration of the land to create a new road, and subject to the extinguishment or surrender of the easements burdening the land. The offer requires Council or RIC to procure the surrender, or extinguishment of the easements on the land.

## ISSUES / REASONS FOR RESOLUTION

The officer recommends that the land be transferred to RIC for the following reasons:

1. If Council were to sell the land to Stockland, council would be required to:
  - a. Offer the land to the public by tender or auction; or
  - b. Obtain another approval from the Minister.

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2. The extinguishment of the easements may require extensive and protracted commercial negotiations with the owners of the easements. RIC is experienced in commercial negotiations and has the expertise to manage the process.
  3. The sale of the land to Stockland will release Council of the obligations in the historic rezoning deed to maintain the 220 car parks on the land.
  4. RIC has the expertise to project manage the reconfiguration of the land to create a new road.
  5. The proceeds of the sale to Stockland will release currently restricted capital for Council.

## STRATEGIC IMPLICATIONS

### Legislative Requirements

The *Local Government Act 2009* and *Local Government Regulation 2012* are relevant to this report. Council is acting in accordance with these Acts.

### Risk Management

Council has received legal advice that the risks in transferring the land to RIC are limited.

### Financial

There are limited financial risks to Council in transferring the land to RIC.

### People

Ongoing support will be required from officers in the following groups: City Planning and assessment, City Infrastructure, General Counsel Group, Strategic Planning and Planning Assessment.

### Environmental

The transfer to RIC will not contravene Environmental Laws.

### Social

The transaction will enable Council to facilitate development of the site to provide extra services to the community and free up constrained capital.

### **Alignment with Council's Policy and Plans**

The recommendation is in accordance with previous resolutions by Council.

### **CONSULTATION**

Consultation has occurred between senior staff of Council and external legal team advice.

### **OPTIONS**

1. That Council transfer the land described as Lot 11 SP 237926 known as 110 to 112 Queen Street Cleveland, to Redland Investment Corporation.
2. That Council request further information from the officer.

### **OFFICER'S RECOMMENDATION**

**That Council resolves to:**

1. **Adopt Option 1; and**
2. **Note that this report remains confidential.**