



Business Plan for Major Land Transaction

Proposed Acquisition and Development
of a portion of Reserves 27559, 31348 and
34364, Forrestfield

Cambridge Reserve

October 2021



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Attachment 115

Version 1.0	Updated October 2021
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1. Introduction

This business plan has been prepared in relation to the proposed acquisition and development of a 32,786m² (approx. 3.28ha) portion of Cambridge Reserve, Forrestfield and subsequent design and delivery of the City's Cambridge Reserve Community Enhancement Project (Cambridge Reserve Project), which is proposed to incorporate aged residential care, residential development, and significant public open space improvements.

It is considered that the acquisition of a portion of Cambridge Reserve, in preparation for and together with the broader land sale and development activities required to deliver the Cambridge Reserve Project, will constitute a "Major Land Transaction" as defined under Section 3.59 of the *Local Government Act 1995 (LG Act)* and the *Local Government (Functions and General) Regulations 1996 (LG Regulations)*.

A Major Land Transaction means the acquisition, disposal or development of land where the value of the transaction is more than the amount prescribed by the Local Government (Functions and General) Regulations 1996, which is the lesser of:

- a) \$10,000,000; or
- b) 10% of the operating expenditure incurred by the City from its municipal fund in the last completed financial year.

The purpose of this Business Plan is to satisfy the provisions of Section 3.59 of the *LG Act* and provides an overall assessment of the Major Land Transaction. This Business Plan has been prepared and public submissions sought in order to comply with the City's obligations for major land transactions.

Submissions on this Business Plan are to be forwarded to the Chief Executive Officer – City of Kalamunda, PO Box 42, KALAMUNDA WA 6926.

Further enquiries should be directed to the City's Strategic Planning Services on 9257 9999 or by email to enquiries@kalamunda.wa.gov.au

2. Land Description

2.1 Location and Context

The subject land is located in the eastern Perth foothills suburb of Forrestfield approximately 500 metres south-east of the Forrestfield District Centre, 6 kilometres south east of Perth Airport and 15 kilometres east of the Perth Central Business District.

More specifically, the subject lots are situated on the north-western corner of the intersection between Moira Avenue, York Street and Cambridge Road.

The subject site is located in close proximity to community amenities such as schools and shops and has good access to both Tonkin and Roe Highway that passes approximately 3 kilometres east of the subject lots via Hale Road. Tonkin Highway provides good access to Perth Airport and the Perth CBD. Under the Metropolitan Regional Scheme (MRS), the subject lots are zoned "Urban" and is reserved for "Local Open Space" under the City of Kalamunda's Local Planning Scheme No. 3 (LPS 3).

Cambridge Reserve is currently unimproved containing degraded bushland with portions of uncleared native vegetation. The site has been the subject of anti-social behaviour and degradation over past decades. The housing surrounding Cambridge Reserve provides little surveillance and there are safety concerns stemming from the lack of lighting, formal paths and surveillance. The site contains areas of good quality vegetation but also areas of degraded vegetation, introduced species, and signs of erosion. Despite this, the site is valued by surrounding residents for its informal walking paths, native bushland, and wildlife.



Figure 1: Locality Plan



Figure 2: Aerial Image

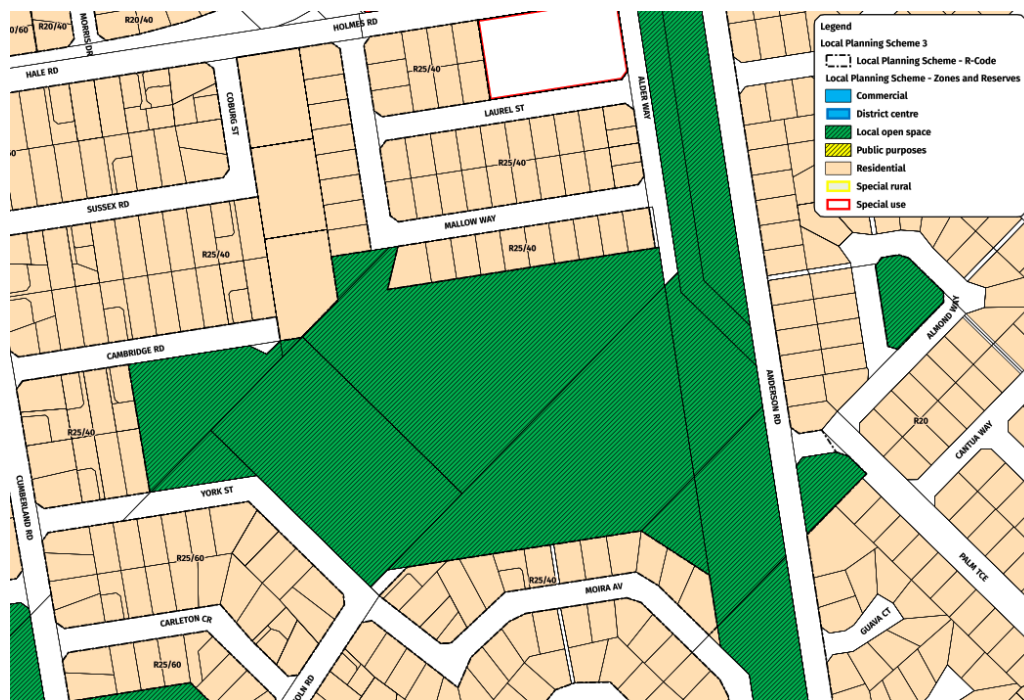


Figure 3: Local Planning Scheme No. 3 Zoning

2.2 Land Particulars

Current Owner	State of Western Australia Crown land contained in Crown Land Title
Address	Cambridge Reserve, Forrestfield – Reserves 27559, 31348 and 34364
Legal Description – Title Particulars	<p>Reserve 27559:</p> <ul style="list-style-type: none"> • Lot 3677 on Diagram 42077 being Crown land contained in Crown Land Title, Volume 3119, Folio 74. • Lot 7876 on Plan 8160 being Crown land contained in Crown Land Title, Volume 3005, Folio 780. <p>Reserve 31348:</p> <ul style="list-style-type: none"> • Lot 2346 on Plan 175280 being Crown land contained in Crown Land Title, Volume 3005, Folio 780. <p>Reserve 34364:</p> <ul style="list-style-type: none"> • Lot 2850 on Diagram 49338 being Crown land contained in Crown Land Title, Volume 3137, Folio 923. • Lot 3487 on Diagram 55585 being Crown land contained in Crown Land, Title Volume 3137, Folio 924. • Lot 3059 on Plan 12494 being Crown land contained in Crown Land Title, Volume 3137, Folio 925. • Lot 3097 on Plan 12493 being Crown land contained in Crown Land Title, Volume 3137, Folio 926. • Lot 9835 on Diagram 53851 being Crown land contained in Crown Land Title, Volume 3137, Folio 927.
Land Area	<p>Reserve 31348: 20,158m² Reserve 27559: 9,746m² Reserve 34364: 59,911m²</p> <p>Total: 89,815m²</p> <p>Cambridge Development Area: 32,786m²</p>
Zoning	Local Reserve – Local Open Space

Table 1: Land Particulars of Cambridge Reserve



Figure 4: Lot Plan and Major Land Transaction Area

3. Cambridge Reserve Community Enhancement Project

The Cambridge Reserve Community Enhancement Project (Cambridge Reserve Project) is a key project for the City that is expected to deliver much needed aged residential care, public open space improvements and provide an income source that will facilitate additional community facilities in the Forrestfield locality.

On 15 December 2020, the Council adopted a concept plan for the Cambridge Reserve Project and adopted Amendment 104 to LPS 3 to introduce an Urban Development zone required for the City to implement the concept. The adopted concept plan incorporated the following key attributes:

- a) A site identified for aged residential care (options for either a 1 ha or 1.5ha area);
- b) Areas identified for residential development which will provide for 35-42 lots and will assist with passive surveillance of the public open space;
- c) Retention and protection of three areas of Threatened Ecological Communities;
- d) Significant public open space improvements including an activity hub and nature playground, managed parkland and a circuit of interactive paths providing opportunities for public art, fitness equipment, interpretive signage and other activity nodes;

- e) A new road extending east-west linking Cambridge Road to Mallow Way with a potential additional north-south connecting road adjacent to the aged care site; and
- f) A relocated drainage basin and modified drainage channel to incorporate Water Sensitive Urban Design principles.

In the course of the City's preparation and due-diligence for the Cambridge Reserve concept plan, the following technical investigations have been completed:

- a) Flora Survey and Floristic Community Type Analysis;
- b) Preliminary Environmental Management Plan;
- c) Geotechnical Report;
- d) Water Modelling and Local Water Management Strategy;
- e) Bushfire Management Plan;
- f) Landscaping cost estimates;
- g) Infrastructure and Servicing Report and subdivision cost estimates; and
- h) A Technical Note and Planning Summary Report.

A summary of the reports and findings on the Cambridge Reserve Project are available on the project page on the City's website:

<https://www.kalamunda.wa.gov.au/building-development/planning/projects/cambridge-reserve>



Figure 5: Cambridge Reserve Project Concept Plan



Figure 6: Concept Plan with Option for 1 ha Aged Care site

The City has an extensive history of strategically identifying sites which may be suitable for aged care accommodation. Cambridge Reserve is located close to shops, community services and amenities, and has good access to services including sewer which is preferred for an integrated aged care development.

Development of the proposed 32,786m² (approx. 3.28ha) portion of Cambridge reserve is anticipated to generate the funds to make much needed upgrades to the reserve and, potentially, other community facilities in the Forrestfield locality.

4. Proposed Acquisition and Future Development

The City of Kalamunda (City) has progressed negotiations with the Department of Planning, Lands and Heritage (DPLH) to acquire 32,786m² (approx. 3.28ha) of the site from the State of Western Australia for the purposes of implementing the Cambridge Reserve Project.



Figure 7: Land area subject to acquisition

Valuations at full commercial land value have been prepared for this acquisition in consultation with Landgate on behalf of DPLH and the City's independent land valuer and identified a total unimproved land value of \$2.9m. Given the broader community benefits associated with the proposed Cambridge Reserve Project, DPLH has offered, subject to Ministerial approval, to sell the 32,786m² (approx. 3.28ha) developable portion of the site for a discounted price of \$536,500.

The costs associated with subdivision, having regard to contingencies and changing market factors, development and servicing of the land ready for subsequent individual lot sale is estimated to be up to approximately \$10m*. The anticipated revenue from the sale of land is estimated at approximately \$14.5m.

The net revenue to the City is estimated to be approximately \$4.5m.

**Based on the Infrastructure and Servicing Report prepared by Pritchard Francis, 2020 and the Landscape Plan opinion of estimated costs prepared by Urbis in 2020.*

***Preliminary estimates based on residential sales evidence in the Forrestfield locality.*

5. Local Government Act 1995 Requirements

This Business Plan has been prepared to comply with the provisions of Section 3.59 of the LG Act and the LG Regulations. In relation to the Major Land Transaction, the following sections of this Business Plan includes details of:

- a) Its expected effect on the provision of facilities and services by the local government;
- b) Its expected effect on other persons providing facilities and services in the district;
- c) Its expected financial effect on the local government;
- d) Its expected effect on matters referred to in the local government's forward plan;
- e) The ability of the local government to manage the performance of the transaction; and
- f) Any other matter prescribed for the purpose of this subsection.

Advertising of this Business Plan will occur in the West Australian newspaper inviting public submissions on the proposal for a period of six weeks. Additionally, public notice will be included on the City's website, local newspapers, and notification signs will be placed in a prominent position at the subject site.

Following the conclusion of the submission period, the Council will consider any submissions made and may resolve by Absolute Majority to proceed with the transaction as proposed. If the Council makes significant changes to the proposal, a further six week advertising period will be required.

The notice to be used for this proposal is provided in Attachment 1.

Submissions on this Business Plan are to be forwarded to the Chief Executive Officer – City of Kalamunda, PO Box 42, KALAMUNDA WA 6926.

Further enquiries should be directed to the City's Strategic Planning Services on 9257 9999 or by email to enquiries@kalamunda.wa.gov.au.

5.1 Expected effect on the provision of facilities and services by the local government

The City's Public Open Space Strategy in 2018 indicates that Forrestfield contains approximately 21.37ha of public open space (POS) (as at 2018). The suburb of Forrestfield contains 7ha of POS above the usual 10% benchmark and a majority of Forrestfield's urban area is located within 400m of POS. The Major Land Transaction will not reduce the overall POS allocation to less than 10% in the locality.

The Major Land Transaction will not have any undue impact on the normal provision of facilities and services by the City of Kalamunda.

5.2 Expected effect on other persons providing facilities and services in the district

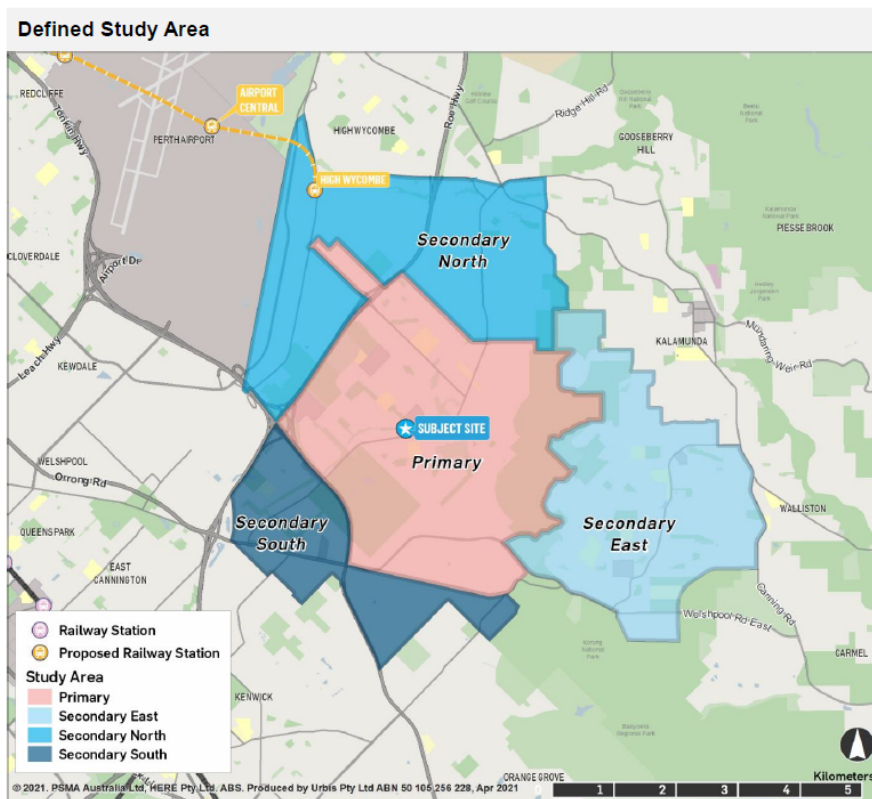
The development vision for the site is an aged care facility, childcare, and residential development. The impact of the development on those facilities and services is summarised as follows:

Aged Care

The City's Local Housing Strategy (2021) identifies significant shortages of aged accommodation with a potential shortfall of between approx. 480 – 730 aged accommodation beds by 2036 depending on the uptake of approved and envisaged aged accommodation developments. Based on the forecast aging population and shortages, the proposed development of 120 bed aged care facility will not adversely impact the provision of aged accommodation in the City and will seek to assist with providing a critical service needed for the City's aging demographic.

Childcare

An analysis of the Forrestfield locale indicates that the health, welfare, community, and services floorspace categories are undersupplied in comparison to the Greater Perth Benchmark. This indicates that the provision of childcare services would be unlikely to be adversely affected by the provision of that service through the Cambridge Reserve Project and will assist with providing a needed service to the community.



Floorspace Benchmarking (sq.m per capita), Study Area, 2015/17

USE	PRIMARY	SECONDARY NORTH	SECONDARY EAST	SECONDARY SOUTH	TOTAL STUDY AREA	GREATER PERTH BENCHMARK
Entertainment / Recreation / Culture	0.7	0.2	0.0	0.0	0.3	0.7
Health / Welfare / Community / Services	0.1	0.2	0.1	0.0	0.1	0.8
Manufacturing / Processing / Fabrication	3.7	0.0	0.0	0.0	1.5	2.0
Shop / Retail	1.3	0.1	0.3	0.1	0.6	1.8
Service / Industry	2.4	0.0	0.0	0.0	1.0	1.3
Office / Business	3.0	0.3	0.1	0.0	1.3	3.2
Primary / Rural	0.0	0.0	0.0	0.0	0.0	0.0
Other / Retail	0.3	0.1	0.0	0.0	0.1	0.7
Storage / Distribution	19.1	0.0	0.0	0.0	8.0	3.8
Residential	0.1	0.0	0.0	0.4	0.1	1.0
Utilities / Communications	1.2	0.0	0.0	0.0	0.5	0.7
Total Occupied	31.9	0.9	0.6	0.5	13.7	15.9

Source: DPLH Land Use and Employment Survey; Urbis
 NB: Residential Use refers to commercial residential and is defined by PLUC as: "Includes all types of residential land use ranging from single housing to nursing homes for the aged, residential hotel, motels, other holiday housing, institutions and religious housing. Floorspace and employment on private Residential land uses are not included in the output of the Commercial Land Use Survey."

Figure 8: Land use analysis

Residential Development

The Western Australian Planning Commission (WAPC) North-East Sub-Regional Planning Framework (NE Framework) estimates future population growth and identifies dwelling targets for each local government area within the north-east metropolitan area to ensure housing supply can meet projected demand. The North-East Sub-Regional Planning Framework target for additional dwellings for the City is approx. 11,450 by 2050. Current projections within the City's Local Housing Strategy (2021) estimate that between 10,163 – 14,518 additional dwellings may be developed in the City by 2050. The additional 34 – 42 lots envisaged by the development vision for the site are not considered to significantly impact dwelling supply in the City.

5.3 Expected financial effect on the local government

The City is estimated to receive approximately \$4.5m of revenue from the Major Land Transaction after all expenses associated with the delivery of the Cambridge Reserve Project. The proceeds will be used to fund improvement and/or redevelopment of other community facilities in the Forrestfield locale.

The City will allocate all income and outgoing funds associated with the Cambridge Reserve Project into an auditable restrictive asset account/Reserve Fund and will be subject to formal auditing requirements.

The Major Land Transaction is not expected to have any impact on the normal operating revenues of the City. The initial purchase of the land from the State Government will be funded by the City and development costs are intended to be loan funded and recouped with income from the sale of the acquired property. This loan is intended to be drawn down and repaid within a 5-year timeframe. From a financial perspective, the City has more than sufficient borrowing capacity to loan fund the development

5.4 Expected effect on matters referred to in the local government's current plan prepared under section 5.56

The proposal is consistent with Kalamunda Advancing 2031 Strategic Community Plan (Kalamunda Advancing) in the following areas:

Priority 1 – Kalamunda Cares and Interacts

Objective 1.1 To be a community that advocates, facilitates, and provides quality lifestyles choices

Strategy 1.1.1 Ensure the entire community has access to information, facilities and services.

Priority 2 – Kalamunda Clean and Green

Objective 2.1 To protect and enhance the environmental values of the City

Strategy 2.1.4 Increasing and protecting local biodiversity and conservation, wherever possible, through integrating ecosystem and biodiversity protection into planning processes including schemes, policies and strategies.

Priority 3 – Kalamunda Develops

Objective 3.1 To plan for sustainable population growth

Strategy 3.1.1 Plan for diverse and sustainable activity centres, housing, community facilities and industrial development to meet future growth, changing social, economic and environmental needs.

Objective 3.2 To connect community to key centres of activity, employment and quality amenities

Strategy 3.2.2 Develop improvement plans for City assets such as parks, community facilities, playgrounds to meet the changing needs of the community

Objective 3.3 To develop and enhance the City's economy

Strategy 3.3.1 Facilitate and support the success and growth of businesses.

Strategy 3.3.2 Attract and enable new investment opportunities

Priority 4 – Kalamunda Leads

Objective 4.2 To proactively engage and partner for the benefit of community

Strategy 4.2.2 Increase advocacy activities and develop partnerships to support growth and reputation

The projected revenues will provide the City with an opportunity to generate additional revenue to finance activities set out in Kalamunda Advancing.

5.5 The ability of the local government to manage the undertaking or the performance of the transaction

The City employs qualified and experienced staff who have the experience, expertise and ability to manage the proposed transaction. This will also be supported by the engagement of external agents such as professional property agents, valuers, lawyers, and consultants as required. The City has undertaken a land development project of a similar scale in the past at Lot 5 (614) Welshpool Road East, Wattle Grove, which incorporated the land development and sale of approximately 30 lots.

5.6 Any other matter prescribed for the purpose of this subsection

Nil.

Attachment 1

Advertisement for the proposed acquisition of a portion of Reserves 27559, 31348 and 34364, Forrestfield

PROPOSED ACQUISITION OF A PORTION OF RESERVES 27559, 31348 and 34364, FORRESTFIELD

The City of Kalamunda is seeking to acquire 32,786m² (approx. 3.28ha) from lots comprising Reserves 27559, 31348 and 34364 (Cambridge Reserve), and is proposing to develop and dispose of the land to facilitate the Cambridge Reserve Community Enhancement Project, which is proposed to incorporate aged residential care, childcare, residential development, and public open space improvements.

A Business Plan has been prepared for advertising in accordance with the Council's resolution dated XX. A copy of the Business Plan can be inspected at the City of Kalamunda Administration Centre, 2 Railway Road, Kalamunda, all of the City's Libraries, and on the City's Website: www.kalamunda.wa.gov.au

Comments must be made in writing and addressed to:

City of Kalamunda
PO Box 42
KALAMUNDA WA 6926.

Or by email to: enquiries@kalamunda.wa.gov.au

For further information contact the City's Strategic Planning Services on 9257 9999 or by email to enquiries@kalamunda.wa.gov.au.

Submissions close: XX