

1 QUESTIONS WITH NOTICE - Councillor Denise Pendleton

File Number: CLM/14/1/4/10 - BP14/1385

Question 1

Meeting with the Mayor: The Mayor's diary published in CIB for 23 October 2014 lists a meeting of Hycorp and Council staff: who was present at the meeting; what was discussed; and will the minutes and/or meeting notes be made available to all Councillors on BoardVantage?

Answer 1

Please see **attached** minutes taken by Vince Galletto at the meeting held on 23 October 2014.

Question 2

Investment Property Portfolio:

- (a) What is the purpose of Council's "Investment Property Portfolio" and what specific properties are currently listed in the Investment Property Portfolio?
- (b) If a site is currently listed in the Investment Property Portfolio, does this preclude it from further consideration by Council for upgraded or alternative community purposes – even if those purposes may not generate a significant income stream?

Answer 2

- (a) Council had established the objective to optimise the return achieved from its investment properties. In order to enhance its future revenue base to deliver long term benefits to the community, Council determined to formalise its properties within its Property Investment Portfolio.

Council formally adopted its Investment Property Portfolio at its meeting on 26 November 2013. Council further adopted the Management Framework and Objectives for the Portfolio at Council's meeting on 8 April 2014.

The general purpose of the Property Investment Portfolio is to improve Council's revenue base and to close the projected funding gap by managing and measuring the Portfolios performance in a manner consistent with a commercial property portfolio. The Management Framework has several objectives under each of the Management Criteria of Strategic, Operational, Financial and Other.

QUESTIONS WITH NOTICE 1 (continued)

The Portfolio will be managed under two (2) categories being;

- 1/ Development Properties – suitable for more intensive use
- 2/ Investment Properties – aim to maximise revenue and occupancy

Some of these objectives are;

- Maximise value and income with an emphasis on income maximisation
- Development property strategies will target long term income streams
- To maximise financial returns to Council Portfolio properties should be managed and viewed as commercial investments
- Forecast performance budgets and target outcomes will be set for each property
- Any development property initiative will be undertaken with comprehensive community consultation

Accordingly, on 26 November, 2013 Council resolved to include 17 properties in Council's Property Investment Portfolio. The Portfolio comprises:

- 2 Dickson Avenue, West Ryde
- 1A Station Road, West Ryde
- 8 Chatham Road, West Ryde
- 202 Rowe Street, Eastwood
- 226 Victoria Road, Gladesville
- 7 Anthony Road, West Ryde Car Park site, West Ryde
- Herring Road Air Space Rights
- 7 Coulter Street, Coulter St Car Park, Gladesville
- 6-12 Glen Street, Glen Street Car Park, Eastwood
- 2 Pittwater Road, John Wilson Car Park, Gladesville
- 150 Coxs Road, Coxs Rd Car Park, North Ryde
- 33-35 Blaxland Road, Argyle Centre, Ryde
- 19-21 Church Street and 16 Devlin Street, Ryde
- 1 Constitution Road, Operations Centre, Ryde
- 741-747 Victoria Road, Ryde
- 53-71 Rowe Street, Eastwood
- 6 Reserve Street, West Ryde

Council further resolved to bring the above properties into Council's financial accounts as its Property Investment Portfolio.

QUESTIONS WITH NOTICE 1 (continued)

It should be noted that only properties classified as Operational Land under the Local Government Act have been considered for the Property Investment Portfolio. The 17 properties contained within the Property Investment Portfolio comprise an area of 3.4 hectares, being 10.3% of all Operational Land held by Council. This further represents 0.9% of total Council controlled land.

The rationale behind the establishment of the Property Investment Portfolio was to capture properties with potential to deliver ongoing revenue, investment returns and value to Council. Ongoing revenue will fund future Council initiatives.

It should be noted that the Investment Property Reserve will support the initiatives of the Property Investment Portfolio.

By formally recognising these properties within the Property Investment Portfolio, these properties have been earmarked from Council's other properties, allowing a specific focus on revenue generating activities, consistent with growing Council's revenue base to support future Council initiatives.

- (b) While Council can always change its position on the makeup of the Property Investment Portfolio, Council's decision on 26 November 2013 was a considered decision in determining the properties that make up the Portfolio.

Scoping and project development takes some time to plan and achieve. Scoping out options; concept development; feasibility assessment; planning, obtaining approvals and funding sources take considerable time and must be undertaken for these types of projects.

In view of the complexity and lead times involved in developing a project, it was envisaged that the properties comprising the Investment Portfolio would not be altered. In view of the lengthy lead times for project development, any changes to the properties contained within the Portfolio would impact on the delivery of these projects.

The Property Investment Portfolio does not comprise a large number of properties, especially in the context of Council's Community Land holdings which constitute some 90% of Council's total land holdings. The Property Investment Portfolio represents less than 1% of Council's total land portfolio.

The recommendations to Council in endorsing the Property Investment Portfolio included that 'any recommendations as to future portfolio changes would be reported to Council for consideration.

QUESTIONS WITH NOTICE 1 (continued)
Question 3

Argyle Theatre site: In each of the five full financial years prior to the closing of the Argyle Centre with the relocation of Council staff, how much was spent per year on building repairs / maintenance, planned refurbishment and any services upgrades (excluding normal expenses such as office cleaning)?

Answer 3

The following table provides figures for the Financial Years 2008-2009 to 2013-2014 (i.e. the most recent six financial years) for the three cost centres (Offices, Public Hall and Theatre) which together comprise the Argyle Centre. These figures cover expenditure across contractors, materials, utilities, insurance, plant hire, fire protection and general repairs and maintenance.

It should be noted that 'Office Cleaning' as an expense could not be separated out from other expenses as it is coded as a contractor service.

The Argyle Centre closed late 2012 and full accounts are only available from the financial year 2008/09 due to a systems change. Therefore, there are only four full financial years' figures available prior to that time.

Account	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
10508. 33-41 Blaxland Road - Argyle Centre Offices	\$87,297	\$83,870	\$108,230	\$115,247	\$66,937
10509. 33-41 Blaxland Road - Argyle Centre Public Hall	\$26,289	\$35,856	\$30,116	\$16,294	\$7,408
10510. 33-41 Blaxland Road - Argyle Centre Theatre	\$6,997	\$5,635	\$31,942	\$10,174	\$895
	\$120,583	\$125,361	\$170,288	\$141,715	\$75,240

Question 4

Mayor's Diary, CIB number 36: Is the Mayor's Diary as published in CIB Number 36 for the period 26 August - 9 September 2014 complete?

Answer 4

On Thursday, 4 September 2014, Mayor Maggio attended a "Bollywood" fundraiser. This was noted in the working copy of the Mayor's Diary retained by the Mayor's EA so as not to double book the Mayor but was not included in the CIB as it was a Liberal Party fundraiser.

Council, dated 24 November 2014, submitted on 25 November 2014.

MEETING RECORD

Subject:	Meeting with Tony Abboud and Hyecorp representatives regarding 120-128 Blaxland Road, Ryde	
Date:	23 October, 2014	Time : 2.00pm
Location :	Mayoral Suite	
File:		
Present:	COR	Proponent/
	The Mayor Councillor Pickering	Tony Abboud & Assistant Snowden Parks Real Estate
	Dominic Johnson Acting General Manager	Stephen & Michael Abolalian Hyecorp Property Group
	Vince Galletto Team Leader Building & Development Advisory Service	

Details of Meeting

Meeting arranged by Tony Abboud with the Mayor and Acting General Manager to discuss possible future redevelopment of the site which may include adjoining land owned by the Anglican Church which comprises a number of currently occupied residential flat buildings.

Dominic J - opened the meeting with details of previous discussion that were held with the previous General Manager John Neish regarding a redevelopment of the site and a possible planning proposal across a number of sites including land owned and occupied by Anglican Church.

Emphasis was placed on retaining the current façade of the old bank building standing on 128 Blaxland Road and its curved nature which accentuates the corner with Devlin street. This is further reflected with the Top Ryde shopping centre building opposite.

Michael A – explained that discussions have been held with the Anglican Church, however they have been receiving mixed signals from them due to change of management.

Stephen A – further explains that they pursued an earlier pre lodgement meeting with Council's UDRP and planning staff, however were uncertain as to how proceed further due to site constraints and what are perceived as unrealistic expectations from panel's advice regarding the proposed buildings, through site links and what to do with the Telstra Buildings adjoining their site.

Dominic J – explained the role of the UDRP in providing independent advice regarding development proposals.

Michael A – asked if Council would assist with any meeting with the Church in terms of discussions for future redevelopment of the site and was advised that it would be inappropriate for council to initiate any such meetings, however Council's property manager would attend such meeting as an interested landowner.

Dominic J – further explained that higher FSR and height were previously suggested to Council for the site, however this was not accepted by Council and that Hyecorp should take heed of this in formulating any future proposals.

Tony A – highlighted that an holistic approach for the precinct would be a positive outcome and further highlighted possibilities of a bus interchange as well as taking care of the public domain area on the other side of Church street which was left out from the last upgrade.

The Mayor Councillor Pickering – explained at the meeting that due to Michael & Stephen from Hyecorp been previous clients of his, he would not be involved or part take in any further meetings and deliberations regarding the redevelopment of these sites.

Dominic J –suggested as way forward is to initiate meeting and conversation with the Church, and to establish dimension of planning study area. Further highlighted the following:

- Owners should not try to duplicate the size and scale of the Top Ryde shopping centre (given it is much greater than 5-6 stories) and has the highest council approved FSR in Ryde.
- a bus interchange was never considered for that side of Blaxland Road and proponents should look at social housing and workers housing as part of any redevelopment proposal as this is more likely to get support from Council.