

3.9 Former Wyong Grove School Site

TRIM REFERENCE: F2014/00600 - D12170258

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SUMMARY

Approval is sought to acquire part of the property known as Wyong Grove Community and Cultural Hub, Lot 1 DP 123075 and Lot 18 DP 219825 North Road, Wyong.

RECOMMENDATION

- 1 That Council authorise the Acting CEO to acquire the front portion of Lot 1 DP 123075 North Road Wyong occupied by buildings, as shown in Map 1 in this Report ('Land'), at fair market value.**
- 2 That Council authorise the Acting CEO to execute all necessary documentation relevant to the acquisition of the Land.**
- 3 That Council resolve to acquire the Land by compulsory process for the purpose of arts and community facilities, pursuant to Section 186 of the Local Government Act 1993 and in accordance with the requirements of the Land Acquisition (Just Terms Compensation) Act 1991, in the event that negotiations for the acquisition of the Land with the property owner cannot be satisfactorily resolved.**
- 4 That Council resolve to make an application to the Minister and the Governor for approval to acquire the Land by compulsory process pursuant to the Land Acquisition (Just Terms Compensation) Act 1991.**
- 5 That Council propose that the Land be classified as Operational land for the purposes of the Local Government Act 1993, when that land is acquired by Council.**
- 6 That Council advertises the land classification proposal in accordance with Section 34 of the Local Government Act 1993.**
- 7 That Council adopts the land classification if no adverse submissions are received.**
- 8 That Council note that nothing in these resolutions relating to the proposed land classification:**

- a. ***authorises the sale of the Land (section 377(1)(h) of the Local Government Act 1993 provides that any sale of land can only be by resolution of the Council; and***
- b. ***extinguishes or varies the terms of any trust applying to the land.***

BACKGROUND

On 14 October 2015 Council resolved to acquire the whole of the Wyong Grove School Site (Lot 1 DP 123075 and Lot 18 DP 219825) as follows:

“1110/15 That Council authorise the Acting CEO to acquire Lot 1 DP 123075 and Lot 18 DP 219825 North Road, Wyong at fair market value.

1111/15 That Council authorise the Acting CEO to execute all necessary documentation relevant to the acquisition of the site.

1112/15 That Council resolve that Lot 1 DP 123075 and Lot 18 DP 219825 be classified as “Operational “ land for the purposes of the Local Government Act 1993, when that land is acquired by the Council.

1113/15 That the Council resolve to acquire Lot 1 DP 123075 and Lot 18 DP 219825 by agreement or compulsory process pursuant to the Land Acquisition (Just Terms Compensation) Act 1991.

1114/15 That the Council request the Acting Chief Executive Officer seek the approval of the NSW Minister for Local Government for the Council to give an acquisition notice under the Land Acquisition (Just Terms Compensation) Act 1991 for the acquisition of Lot 1 DP 123075 and Lot 18 DP 219825 under that Act.”

On 27 October 2015 the Wyong Grove Site sold at auction on 27 October 2015 for \$4.45 million. Council was an unsuccessful bidder.

It is recommended that Council acquire the front portion of Lot 1 DP 123075 in the approximate location shown in Map 1 below, to secure the current and future use of the land and buildings for arts and community purposes.

A new resolution is required to authorise the acquisition of part of the Wyong Grove School Site and to meet requirements of the Office of Local Government relating to compulsory acquisition procedures.



Attachment 1 - Plan showing the area of Land proposed to be acquired

Background to the Proposed Acquisition

In June 2013, the NSW Department of Education and Communities (DEC) announced that Wyong Grove Public School located on the corner of Pacific Highway and North Road, Wyong (subject site) and Wyong Public School were to be amalgamated in 2014, due to changing demographics and falling enrolments.

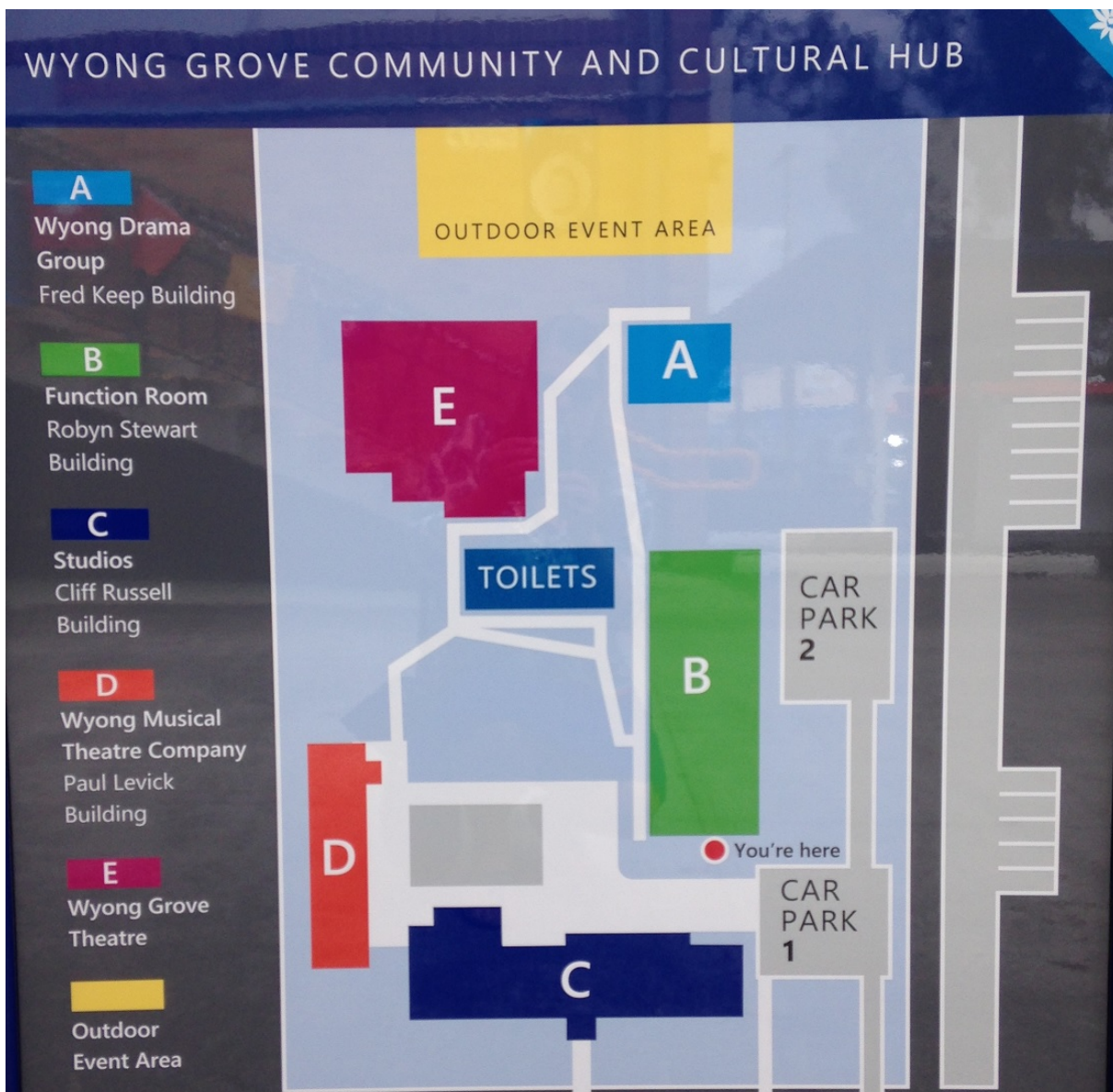
In late 2013, a Committee lead by Darren Webber MP, including DEC Senior Management and representatives from Wyong Council met to decide the future use of the site and it was agreed that Wyong Shire Council's proposal to use the site for community uses was the preferred outcome.

Wyong Shire Council entered into a lease with DEC for the former Wyong Grove Public School. The lease commenced on 11 May 2014 and terminates on 10 May 2016, with a 1 year option term.

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Council currently co-locates a diverse range of arts and community activity at Wyong Grove. It is managed as a site for the development and rehearsal of many amateur and professional groups who will be able to showcase their final works at *The Art House* located one block away. Wyong Grove has also become the new home for Wyong Drama Group and Wyong Musical Theatre Company, since being relocated from the demolished Wyong Memorial Hall. In the 12 months since the Wyong Grove's establishment it has succeeded in significantly increasing the number of arts projects and productions held in Wyong town. To date it has hosted nine locally produced productions with the majority of available building spaces utilised on a weekly basis.

The existing school buildings at Wyong Grove have been refurbished by Council at a cost of ~\$120,000 to form the Wyong Grove Community and Cultural Hub as shown on the photo of the signage board below.



CURRENT STATUS

In response to discussions with a DEC Property Asset Manager advising Council Officers on 23 April 2015 that DEC would not agree to an extension of the lease over the property nor a first right of refusal to purchase the property, at the Ordinary Council Meeting held on 24 June 2015;

“RESOLVED on the motion of Councillor GREENWALD and seconded by Councillor MATTHEWS:

683/15 That Council request the General Manager to write and make representation to the Minister for Education, Adrian Piccoli MP to:

- Acknowledge the current lease arrangement with the State Government at the closed Wyong Grove Public School which is allowing an integrated community campus to flourish, being used for community and arts programs.*
- Request the Minister to ensure the continuity of this very important community campus.*
- Request the Minister, as Wyong Grove Public School has been declared surplus, to vest the site by gift or community trust in the care of the Wyong Shire Council for continued community use, programs and community partnerships.”*

On 23 September 2015, the DEC emailed Council a letter advising that the DEC had determined that it has no future educational need for the site and will shortly commence disposal action of the premises. On that same day the Real Estate Agent CBRE installed a sign at the site, advising that the Auction date is set for 27 October 2015.

A second letter dated 23 September 2015 was sent to Council in response to our representations made to the Minister, Adrian Piccoli, which stated that DEC is required to follow NSW Government Treasury guidelines for the disposal of its surplus properties and that in this case the property will be sold competitively on the open market.

On 1 October 2015, CBRE released the marketing information document for Wyong Grove, together with three other residential development sites in NSW.

Officers from Property Development Unit inspected the site and prepared a planning and development feasibility to assess the potential market value range for the site. An independent valuation was also obtained.

On 27 October 2015 the Wyong Grove Site sold at auction on 27 October 2015 for \$4.45 million. Council was an unsuccessful bidder.

Council has received a Notice of Termination of its lease from DEC, which will take effect on 10 May 2016, the date the current lease expires.

THE PROPOSAL

It is proposed to acquire the front portion of Lot 1 DP 123075 in the approximate location shown in Map 1 above, to secure the current and future use of the land and buildings for arts and community purposes.

Council staff will endeavour to acquire the Land by agreement with the owner of the Wyong Grove School Site. If, however, Council is unable to reach agreement, it will be necessary to apply to the Office of Local Government for compulsory acquisition of the Land.

If the Land is compulsorily acquired, Council will be required to pay compensation determined by the Valuer-General in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*.

It is proposed that only the front portion of the Wyong Grove School Site occupied by buildings is acquired, given the restrictions on the re-sale of land acquired by compulsory acquisition under section 188 of the *Local Government Act 1993* and also to reduce acquisition costs for Council.

Proposed Land Classification

It is proposed to classify the Land as Operational Land under section 31 of the *Local Government Act 1993*, when the Land is acquired by Council.

Council's Policy for Property Transactions – Sales and Acquisitions, adopted 14 May 2014, provides that all future land purchases by Council should generally be designated as operational land irrespective of the intended or existing use. This is to maximise flexibility in the management of and use of Council's property portfolio and improve community and service delivery outcomes.

The Land should be classified as Operational Land in accordance with the Council's Policy for Property Transactions – Sales and Acquisitions.

Under Section 34 of the *Local Government Act 1993*, Council is required to give public notice of the proposal to classify land for a period of 28 days, during which time submissions may be made to Council. Following the expiry of the notification period and after considering any submissions received, a recommendation will be submitted to Council to classify the Land as Operational Land.

OPTIONS

If Council does not purchase the Land it is likely that the community buildings on the site will be demolished and the site re-developed. This will cause a significant loss of facilities and concern in the community.

Asset Management Strategy

The recommendation is to purchase the site in order to secure the future of the current community interests at the site. Approximately \$82,000 per annum of rent and hire fees has been achieved with current lettings and this can continue to be improved on a permanent basis, which will offset outgoings and maintenance of the buildings.

Link to Community Strategic Plan (2030)

Communities will have access to a diverse range of affordable and coordinated facilities, programs and services.

This will encourage connected and sustainable communities.

We will achieve this by:

- a Providing and maintaining local and regional community facilities for recreation, culture, health and education.** This will include major new regional centres in the Shire such as The Art House, cinema complex and Aquatic & Healthy Lifestyle Centre as well as maintaining and supporting existing facilities such as surf clubs and the Bateau Bay sports fields.
- b Providing and maintaining a range of community programs focused on community development, recreation, culture, environment, education and other issues.** This will support a wide range of community activities.
- c Providing recurrent funding for community support and development services.** This should target all ages and abilities and include business support programs, cultural and recreational programs as well as educational and health services.
- d Promoting community facilities to help maximise their benefits and use.** This should ensure people know what facilities are available, how to make use of them, how to participate in the programs offered and how they can help maintain and manage them.
- e Balance the varying provision of facilities and amenities between towns/suburbs to enhance the quality of life in the Shire.** This includes review and enhancement of current use of facilities.
- f Maximise the access to, and potential for, new and existing facilities/infrastructure to support growth.** This includes expanding use of facilities and innovative ways of providing facilities and infrastructure.

Council Contribution: Council has a major role to play in the delivery of this Objective. It has primary responsibility for action on all of the above strategies in close partnership with the community. In most cases State government support and funding will be needed to carry out the strategy to a high standard.

STRATEGIC LINKS

Wyong Shire Council Strategic/ Annual Plan

Nil Impact

Contribution of Proposal to the Principal Activity

Nil Impact

Long term Financial Strategy

Nil Impact

Asset Management Strategy

Nil Impact

Workforce Management Strategy

Nil Impact

Link to Community Strategic Plan (2030)

Nil Impact

Budget Impact

Should Council be successful in acquiring the site, compensation will be determined by the Valuer-General. Funding for the acquisition will need to be identified within the 2015/16 CAPEX budget as part of the quarterly review process.

CONCLUSION

Wyong Council's efforts to reach a long term agreement with the Department of Education for Wyong Community and Cultural Hub have not been heard and the property has been sold.

ATTACHMENTS

Nil.