

AMENDED ITEM

25 June 2014
To the Ordinary Council Meeting

Director's Report
Property and Economic Development

3.4 Terrace Towers

TRIM REFERENCE: F2004/12799 - D08522040

MANAGER: Steven Mann, Manager

AUTHOR: Paul Bowditch; Manager

SUMMARY

Reporting on the proposed acquisition of land at Jilliby and Doyalson by Council.

RECOMMENDATION

- 1 ***That Council endorse the actions taken by the General Manager in regard to the negotiations for the purchase of the land described in the report.***
- 2 ***That Council approve the purchase of the land described in the report subject to a thorough due diligence and valuation exercise.***
- 3 ***That Council note the purchase prices of - \$10,000,000 for the land owned by Warner Business Park Pty Ltd and \$7,000,000 for the land owned by Woodbury Park Pty Ltd.***
- 4 ***That Council authorise the General Manager and the Mayor to execute all necessary documentation relevant to the purchase of these lands.***
- 5 ***That Council authorise the Common Seal of Wyong Shire Council to be affixed to the formal documents as required between Wyong Shire Council and the vendor.***

BACKGROUND

The Terrace Tower Group has approached Council offering its land holdings at Jilliby and Doyalson for sale to Council. The holdings are owned by two separate companies which are members of the Terrace Towers Group being Warner Business Park Pty Ltd for the Jilliby land and Woodbury Park Pty Ltd for the Doyalson land.

Plans showing the location of each holding are attached and the table below provides details of the parcels of land involved.

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WARNER BUSINESS PARK PTY LTD - JILLIBY		
ADDRESS	PARCELS	AREA (m²)
225 Sparks Road, Jilliby	Lot 15 DP 259530	44,410
671 Hue Hue Road, Jilliby	Lot 16 DP 259530	106,300
689 Hue Hue Road, Jilliby	Lot 17 DP 259530	81,600
701 Hue Hue Road, Jilliby	Lot 18 DP 259530	99,670
725 Hue Hue Road, Jilliby	Lot 4 DP 239704, Lot 25 DP 259530, Lot 26 DP 259530	132,308
749 Hue Hue Road, Jilliby	Lot 19 DP 259530	100,900
781 Hue Hue Road, Jilliby	Lot 6 DP 239704	103,700
791 Hue Hue Road, Jilliby	Lot 7 DP 239704	103,200
811 Hue Hue Road, Jilliby	Lot 8 DP 239704	107,500
	Total	879,588
WOODBURY PARK PTY LTD - DOYALSON		
ADDRESS	PARCELS	AREA (m²)
1550 Thompson Vale Road, Doyalson	Lot 31 DP 586913	182,100
200 Thompson Vale Road, Doyalson	Lot 762 DP 746526	349,600
740 Thompson Vale Road, Doyalson	Lot 32 DP 586913, Lot 78 DP 755245	908,400
	Total	1,440,100

The General Manager has negotiated with the Terrace Towers Group over the potential purchase of these lands by Council. Terrace Towers Group has confirmed that it would offer the identified parcels of land to Council on the following terms:

1. **Warner Business Park Pty Ltd** comprising the lots listed below, for a purchase price of **\$10M**, paid in five instalments - \$1M on exchange, \$2.5M by 31 December 2014, \$2M on 1 July 2015, \$2.5M by 31 December 2015 and \$2M on settlement:
 - a. Lot 15 DP 259530 (225 Sparks Road, Jilliby NSW);
 - b. Lot 16 DP 259530 (671 Hue Hue Road, Jilliby NSW);
 - c. Lot 17 DP 259530 (689 Hue Hue Road, Jilliby NSW);
 - d. Lot 18 DP 259530 (701 Hue Hue Road, Jilliby NSW);
 - e. Lot 19 DP 259530 (749 Hue Hue Road, Jilliby NSW);
 - f. Lot 6 DP 239704 (781 Hue Hue Road, Jilliby NSW);
 - g. Lot 7 DP 239704 (791 Hue Hue Road, Jilliby NSW);
 - h. Lot 8 DP 239704 (811 Hue Hue Road, Jilliby NSW); and
 - i. Lot 4 DP 239704 and Lot 25 DP 259530 (725 Hue Hue Road, Jilliby NSW).

2. **Woodbury Park Pty Ltd** comprising the lots listed below for a purchase price of **\$7M**, paid in five instalments - \$2M on exchange, \$1.5M by 31 December 2014, \$1M on 1 July 2015, \$1.5M by 31 December 2015 and \$1M on settlement:
 - a. Lot 31 DP 586913 (1550 Thompson Vale Road, Doyalson, NSW);
 - b. Lot 762 SP 746526 (200 Thompson Vale Road, Doyalson, NSW); and
 - c. Lot 32 DP 586913 and Lot 78 DP 755245 (740 Thompson Vale Road, Doyalson, NSW).

Council has also requested that each contract:

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- A. Provide for exchange on or after 1 July 2014 and require that the subject sale be completed on or after 1 July 2016; and
- B. Include a requirement that the Vendor provide Council with copies of all documents relating to any development consent for, or works constructed on, the subject lands, with such documents to include but not be limited to surveys, geological reports, ecological reports, contamination reports and acoustic studies; and
- C. Include or be accompanied by a licence that permits Council to undertake further studies and any identified works on the subject land from the date of exchange of contracts to the completion of the sale as well as entitle Council to enter into early possession of the sites; and
- D. Include the Vendor's irrevocable consent, as owner of the land, to Council submitting any application under the *Environmental Planning and Assessment Act 1979* to a consent authority in respect of the land; and
- E. If the Vendor intends to continue its primary producer status so as to sell the lands as a going concern, an obligation on the Vendor to continue to use the land in a manner that causes it to be entitled to maintain its status as a primary producer; and
- F. Include a requirement that Council pay all Council rates in respect to the subject land.

Both holdings are located in areas of strategic importance to Council. The Warner Business Park Land at Jilliby is located within the Strategic Investigation Area for the proposed Central Coast Regional Airport and also contains an existing Part 3A approval for an industrial subdivision. The Woodbury Park Land is located adjacent to the Freeway Link Road at the north boundary of the Shire and will likely provide opportunities for future employment and environmental offset lands.

It is recommended that Council continue to negotiate with the Terrace Towers Group over this purchase with a view to acquiring the land subject to a valuation and due diligence exercise.

The Terrace Towers Group have been advised that the General Manager has no power to make or accept any offer for the purchase of the land due to the constraints imposed by Section 377 of the Local Government Act. As such, the Terrace Towers Group are aware that any decision to proceed with the acquisition would be subject to a Council resolution.

ATTACHMENTS

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|---|--|-----------|
| 1 | Warner Business Park - Jilliby - Zones | D08525234 |
| 2 | Woodbury Park Estates - Doyalson - Zones | D08525240 |