

Option 1 - Do Not Purchase Land

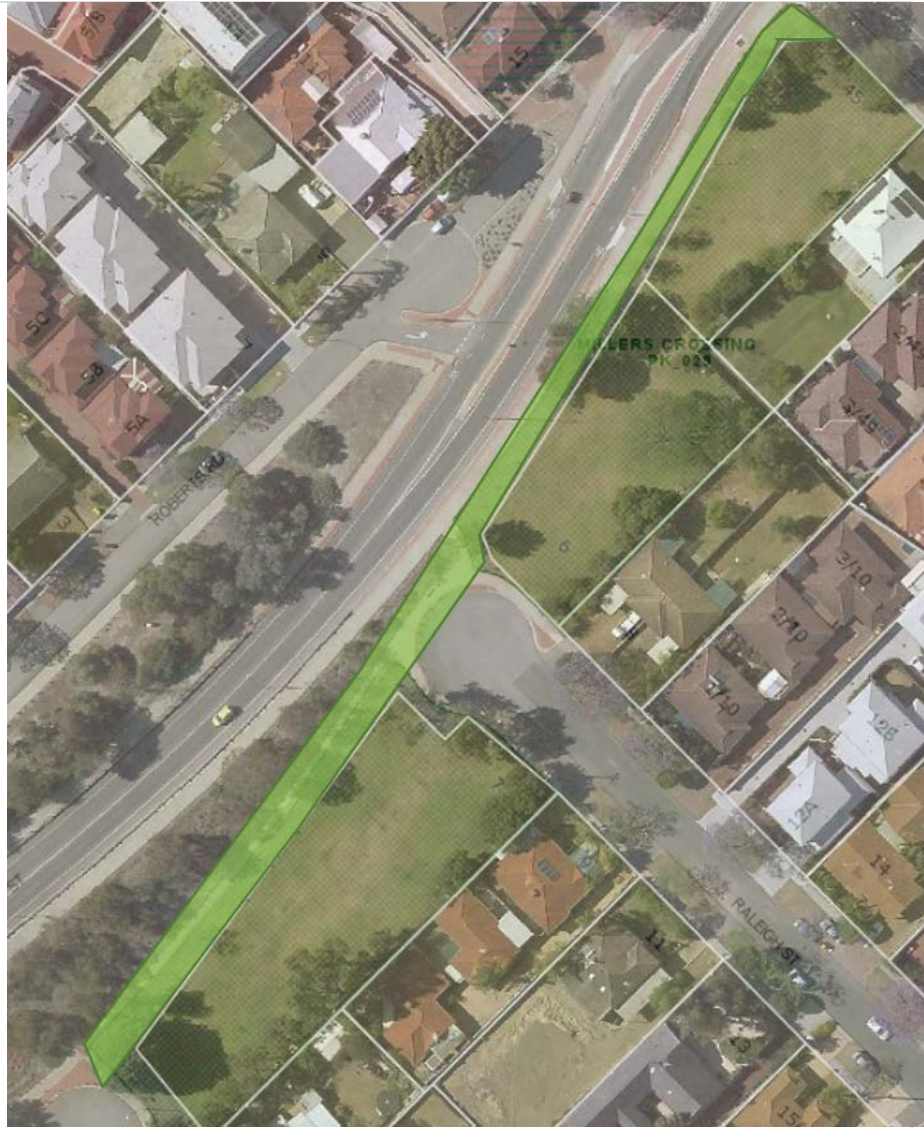
Description	Council does not acquire property from WAPC.
CONSIDERATIONS	
Time	Nil time considerations.
Cost	No cost to Council
Risks	Inability to replicate loss of Public Open Space due to findings of Public Open Space Strategy.
Community Benefit	No benefit, reduce Public Open Space.
Strategic Impact	Whilst not zoned as 'Parks and Recreation' the land known as Millers Crossing has been used as passive open space since 2004. The Public Open Space strategy does not identify a shortfall in the provision of public open space in the immediate area surrounding Millers Crossing but does identify a shortfall in Carlisle as a whole.
Finance Benefit	Increase of rates from resulting property owners, and additional infill to meet local and state infill targets.
OUTCOME	
Forecast Revenue	13 new dwellings x \$1600pa = \$20,800

Option 2 – Acquire all lots for Public Open Space

Description	Acquire all lots from the Western Australian Planning Commission/Department of Planning with independent valuations.
CONSIDERATIONS	
Time	Would involve a 4-5 months process for negotiations, council approvals, valuation procurement, and business case development.
Cost	<p>The below figures have been provided from the Department of Planning for negotiation the purchase of the lots prior to independent valuations.</p> <p>7 Raleigh St, Carlisle (Lots 1003) – R30; 6 Unit development potential, dual street frontage, close to rail and bridge.</p> <p style="padding-left: 40px;">WAPC Value Range = \$1,140,000 - \$1,200,000</p> <p style="padding-left: 40px;">Independent Value = \$1,020,000</p> <p>6 Raleigh St, Carlisle (Lot 1004) - R30; 4 Unit development potential, close to bridge, busy road.</p> <p style="padding-left: 40px;">WAPC Value Range = \$805,000 - \$875,000</p> <p style="padding-left: 40px;">Independent Value = \$725,000</p> <p>45 Bishopsgate St, Carlisle (Lot 1005) - R30; 3 Unit development potential, busy street.</p> <p style="padding-left: 40px;">WAPC Value Range = \$750,000 - \$810,000</p> <p style="padding-left: 40px;">Independent Value = \$625,000</p> <p>Total acquisition cost = \$2,370,000 – \$2,900,000 Stamp Duty = \$0 (Town is exempt) Settlement = \$1500</p>
Risk	Minimal risk
Community Benefit	Public Open Space is maintained for community use.
Strategic Impact	The Public Open Space strategy does not identify a shortfall in the provision of public open space in the immediate area surrounding Millers Crossing but does identify a shortfall in Carlisle as a whole.
Finance Impact	The spending of approximately \$2.9M on Public Open Space, will remove funding for other projects. Given this would be most likely a budget request change the opportunity cost of the investment should also be taken into account. This would be included within a more thorough business case analysis.
OUTCOME	
Design outcomes	Maintaining of a linkage to green space and lineal parklands system for Carlisle
Forecast revenue	Nil

Option 3 – Acquire only some lots for Public Open Space

Description	<p>With the acquisition of all lots potentially being a large financial burden, option 3 is to just acquire specific lots. Some options may include but are not limited to:</p> <table border="1" style="margin-left: 20px;"> <tr><td>OPTION</td></tr> <tr><td>3a Purchase Lot 1003</td></tr> <tr><td>3b Purchase Lot 1004</td></tr> <tr><td>3c Purchase Lot 1005</td></tr> <tr><td>3d Purchase Lots 1004 &1005</td></tr> <tr><td>3e Purchase Lots 1003 and 1004</td></tr> <tr><td>3f Purchase Lots1003 and 1005</td></tr> </table>	OPTION	3a Purchase Lot 1003	3b Purchase Lot 1004	3c Purchase Lot 1005	3d Purchase Lots 1004 &1005	3e Purchase Lots 1003 and 1004	3f Purchase Lots1003 and 1005
OPTION								
3a Purchase Lot 1003								
3b Purchase Lot 1004								
3c Purchase Lot 1005								
3d Purchase Lots 1004 &1005								
3e Purchase Lots 1003 and 1004								
3f Purchase Lots1003 and 1005								
CONSIDERATIONS								
Time	Would involve a 5-6 month process for negotiations, community consultation, council approvals, valuation procurement, and business case development.							
Cost	Refer to option 2 – Depends on which lot or lots would be seen as the most appropriate to acquire for Public Open Space.							
Need	In anticipation of the Public Open Space strategy to be finalised. Carlisle is low in its current Public Open Space percentage. Maintaining some of Millers Crossing, could still be seen as a need for the community.							
Community Benefit	Public Open Space is maintained for community use.							
Strategic Impact	The Public Open Space strategy does not identify a shortfall in the provision of public open space in the immediate area surrounding Millers Crossing but does identify a shortfall in Carlisle as a whole.							
Finance Impact	The spending of approximately \$800k - \$1.6M (reduced lot purchase) on Public Open Space, will remove funding for other projects. Given this would also be most likely a budget request, the opportunity cost of the investment should also be taken into account.							
OUTCOME								
Design outcomes	Potential to maintain a linkage to green space and even a walkable link along Millers Street even with loss of certain lots. Meaning if the Town only bought 1 or 2 lots there will still be linkage and walkability. Width appears to be only approximately 4m in some sections shown below:							



Forecast Revenue

The lots which are not acquired for Public Open Space will provide revenue from rates when Western Australian Planning Commission sells the lots to developers.

Option 4 – Acquire all lots and develop into 13 housing lots for sale.

Description	The Town of Victoria Park to acquire all lots and develop into housing lots for sale on the open market.
CONSIDERATIONS	
Time	Redevelopment of the site is likely to take approximately 10-12 months.
Feasibility Analysis	<p>The cost of redeveloping the property into 13 allotments will be in the order of \$314,000 excl. GST. The following assumptions have been adopted in this estimate:</p> <ul style="list-style-type: none"> ▪ Assumes standard conditions for subdivision. ▪ Assumes some engineering input. ▪ Assumes fencing, headworks, statutory fees, surveying costs, site works, some tree clearing, and minimal fill. ▪ Assumes GST input credits. ▪ Assumes borrowing costs <p>Option 4 results in the following financial returns:</p> <p>Profit - \$482,859 Gross Revenue - \$3,900,000 Peak debt - \$3,067,600 Profit and Risk – 15% return based on \$2.7M* acquisition costs.</p>
Risks	<ul style="list-style-type: none"> ▪ The Town may be unable to sell the lot in the current market. ▪ The construction cost may have unforeseen variations. ▪ The return is a small percentage based on overall profit and risk and capital required.
Community Benefit	Income received as part of the redevelopment could be used by the Town to fund projects for the wider community benefit.
Finance Benefit	Net income received from the sale of the property could be used by the Town to fund and partake in other more profitable development, or reinvest into a financially better investment.
OUTCOME	
Forecast Revenue	As provided in the feasibility analysis above.

* Note. The analysis presented in Option 4 is based on the highest possible purchase price considered.

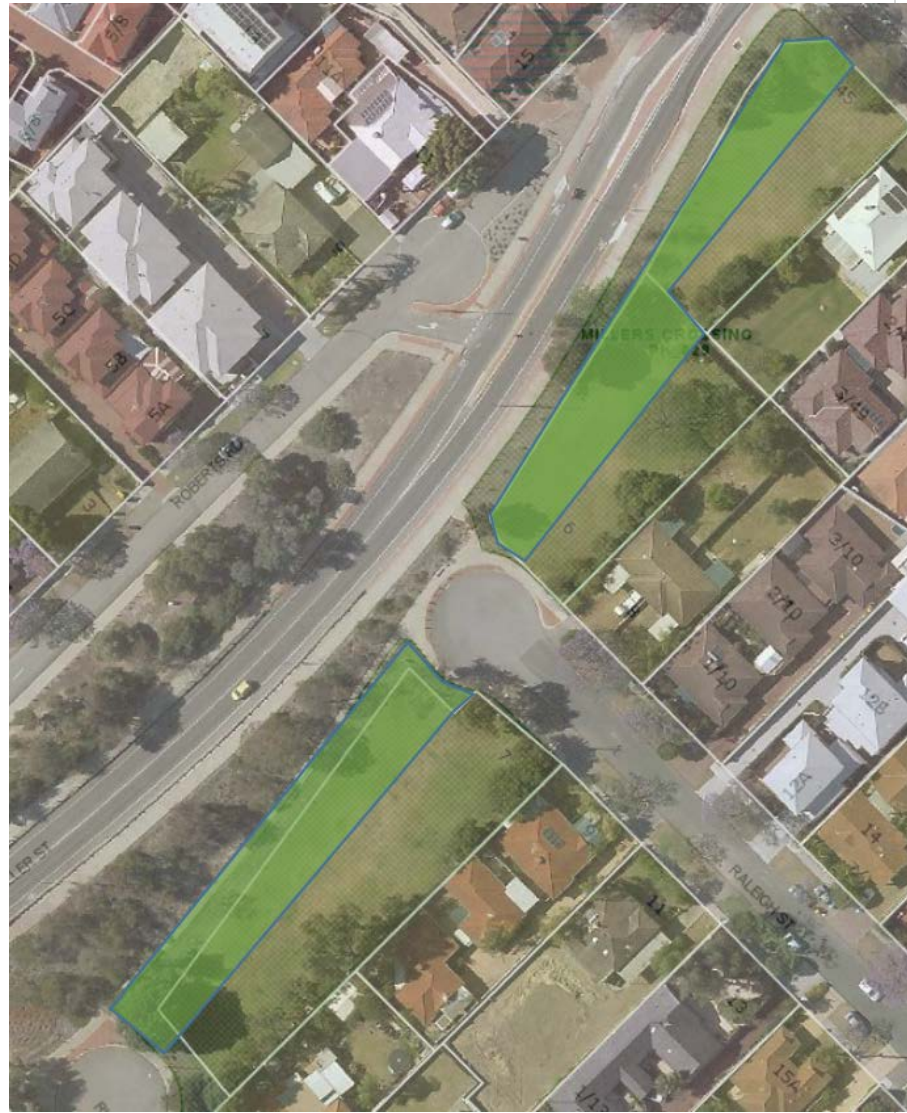
Option 5 – Acquire all lots and develop into 8 housing lots, and maintain a reduced linkage to green space

Description	The Town of Victoria Park would acquire all lots and maintain a linkage to green space albeit a reduced area. This would help lower the cost burden whilst allow to maintain a greater linkage to green space than that which would otherwise result from not acquiring the lots.
CONSIDERATIONS	
Time	Redevelopment of the site is likely to take approximately 8-12 months. However the resulting linkage to green space would be achieved prior to the creation of the resulting lots for sale.
Feasibility Analysis	<p>The cost of redeveloping the property into 8 allotments will be in the order of \$201,600 excl. GST. The following assumptions have been adopted in this estimate:</p> <ul style="list-style-type: none"> ▪ Assumes standard conditions for subdivision. ▪ Assumes some engineering input. ▪ Assumes fencing, headworks, statutory fees, surveying costs, site works, some tree clearing, and minimal fill. ▪ Assumes GST input credits. ▪ Assumes borrowing costs <p>Option 5 results in the following financial returns:</p> <p>Profit - \$309,458 Gross Revenue - \$2,400,000 Peak debt - \$2,901,600 Profit and Risk – 15% return</p> <p>Gross Development Profit is \$1.77M which is a \$933,000 difference from the acquisition cost of \$2.7M*. This difference is the cost to the Town of Victoria Park of the resulting linkage to green space.</p>
Risks	<ul style="list-style-type: none"> ▪ The Town may be unable to sell the lot in the current market. ▪ The construction cost may have unforeseen variations. ▪ The resulting Public Open Space area may not be utilised given the smaller footprint created.
Community Benefit	<p>The community will maintain a linkage to green space and Public Open Space albeit of a smaller and reduced area.</p> <p>The Public Open Space area created is shown in the design outcome below, this area is approximately 1187 sqm which is a reduction from the 4581 sqm which Millers Crossing provides.</p>
Finance Benefit	There is no net profit return from this process. Also the resulting Public Open Space area represents a cost rate per sqm of approximately \$530/sqm to create the 1187 sqm. Which is about only a 10% reduction in overall acquisition costs.

An additional 8 lots will provide rates to the Town of Victoria Park showing \$12,800 pa.

OUTCOME

Design outcome



* Note. The analysis presented in Option 5 is based on the highest possible purchase price considered.