



TOWN OF  
VICTORIA PARK

# Special Council Meeting Minutes – 29 August 2023

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**WE'RE OPEN**  
**VIC PARK**

Please be advised that an **Special Council Meeting** was held at **6:30 PM** on **Tuesday 29 August 2023** in the **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

**Her Worship the Mayor Karen Vernon**  
6 September 2023

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# 1 Declaration of opening

*Mayor Karen Vernon opened the meeting at 6:30pm and read the Acknowledgement of Country.*

## Acknowledgement of the traditional owners

*Ngany djerapiny Wadjak – Noongar boodja-k yaakiny, nidja bilya bardook.*

I am honoured to be standing on Whadjuk - Nyungar country on the banks of the Swan River.

*Ngany kaaditj Noongar moort keny kaadak nidja Wadjak Noongar boodja. Ngany kaaditj nidja Noongar birdiya – koora, ye-ye, boorda, baalapiny moorditj Noongar kaaditjin, moort, wer boodja ye-ye.*

I acknowledge the traditional custodians of this land and respect past, present and emerging leaders, their continuing cultural heritage, beliefs and relationship with the land, which continues to be important today.

*Ngany youngka baalapiny Noongar birdiya wer moort nidja boodja.*

I thank them for the contribution made to life in the Town of Victoria Park and to this region.

# 2 Announcements from the Presiding Member

## 2.1 Recording and live streaming of proceedings

In accordance with clause 39 of the *Town of Victoria Park Meeting Procedures Local Law 2019*, as the Presiding Member, I hereby give my permission for the administration to record proceedings of this meeting.

This meeting is also being live streamed on the Town's website. By being present at this meeting, members of the public consent to the possibility that their image and voice may be live streamed to public. Recordings are also made available on the Town's website following the meeting.

## 2.2 Public question time and public statement time

As this is a Special Council Meeting, any public questions or statements must relate to the business of the agenda.

There are guidelines that need to be adhered to in our Council meetings and during question and statement time people speaking are not to personalise any questions, or statements about Elected Members, or staff or use any possible defamatory remarks.

In accordance with clause 40 of the *Town of Victoria Park Meeting Procedures Local Law 2019*, a person addressing the Council shall extend due courtesy and respect to the Council and the processes under which it operates and shall comply with any direction by the presiding member.

A person present at or observing a meeting shall not create a disturbance at a meeting, by interrupting or interfering with the proceedings, whether by expressing approval or dissent, by conversing or by any other means.

When the presiding member speaks during public question time or public statement time any person then speaking, is to immediately stop and every person present is to preserve strict silence so that the presiding member may be heard without interruption.

### **2.3 No adverse reflection**

In accordance with clause 56 of the *Town of Victoria Park Meeting Procedures Local Law 2019*, both Elected Members and the public when speaking are not to reflect adversely on the character or actions of Elected Members or employees.

### **2.4 Town of Victoria Park Meeting Procedures Local Law 2019**

All meetings of the Council, committees and the electors are to be conducted in accordance with the Act, the Regulations and the *Town of Victoria Park Meeting Procedures Local Law 2019*.

### **3 Attendance**

**Mayor**

Ms Karen Vernon

**Banksia Ward**

Deputy Mayor Claire Anderson  
Cr Peter Devereux  
Cr Wilfred Hendriks

**Jarraah Ward**

Cr Jesse Hamer  
Cr Bronwyn Ife  
Cr Jesvin Karimi  
Cr Vicki Potter

**Chief Executive Officer**

Mr Anthony Vuleta

**Chief Operations Officer**

Ms Natalie Adams

**Chief Financial Officer**

Mr Duncan Olde

**Manager Governance and Strategy**

Ms Bernadine Tucker

**Manager Strategic Projects**

Mr Pierre Quesnel

**Manager Property Development and Leasing**

Mr Paul Denholm

**Coordinator Governance and Strategy**

Ms Tracey Wilson

**Secretary**

Ms Felicity Higham

**Public liaison**

Ms Alison Podmore

**Public**

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#### **3.1 Apologies**

**Banksia Ward**

Cr Luana Lisandro

#### **3.2 Approved leave of absence**

Nil.

## 4 Declarations of interest

### 4.1 Declarations of financial interest

Nil.

### 4.2 Declarations of proximity interest

Nil.

### 4.3 Declarations of interest affecting impartiality

Name/Position	Mayor Karen Vernon
Item No/Subject	9.1 - Edward Millen House - Business Plan - Consideration of submissions and approval of agreement for lease and Lease
Nature of interest	Impartiality
Extent of interest	I have had communications by email, phone and in person with various community members about this proposal.

Name/Position	Cr Wilfred Hendriks
Item No/Subject	12.1 - Community Sport and Recreation Facilities Fund (CSRFF) - Small Grants Application - Victoria Park Carlisle Bowling Club Synthetic Green.
Nature of interest	Impartiality
Extent of interest	I have spoken with several members of the public regarding this project.

Name/Position	Cr Bronwyn Ife
Item No/Subject	12.1 - Community Sport and Recreation Facilities Fund (CSRFF) - Small Grants Application - Victoria Park Carlisle Bowling Club Synthetic Green.
Nature of interest	Impartiality
Extent of interest	have had discussions with a number of individuals and community groups about this matter, including the Vic Park Progressives.

Name/Position	Cr Jesvin Karimi
Item No/Subject	12.1 - Community Sport and Recreation Facilities Fund (CSRFF) - Small Grants Application - Victoria Park Carlisle Bowling Club Synthetic Green.
Nature of interest	Impartiality
Extent of interest	I have received correspondence and held numerous discussions with residents about the Edward Millen House – Business Plan and Lease.

Name/Position	Cr Peter Devereux
Item No/Subject	12.1 - Community Sport and Recreation Facilities Fund (CSRFF) - Small Grants Application - Victoria Park Carlisle Bowling Club Synthetic Green.
Nature of interest	Impartiality
Extent of interest	I have had discussions with some members of the community about this item and am part of a Facebook group organised by Vic Park progressives and they are providing a deputation on this item.

## 5 Public question time

*Public question time opened at 6:37pm.*

### **Ronhda Potter, Carlisle**

*1. Has or will there be a needs assessment for the child care centre proposal?.*

The Manager Strategic Projects advised the Town has not conducted a needs assessment for this proposal and it is not known what feasibility Blackoak has undertaken. It is within the conditional uses of the tenure, as an educational facility and will be assessed again in the development application process.

*2. Who pays for the changing spaces facility and have these ever been sponsored by a private industry or funded by government grants?*

Mayor Karen Vernon advised that the changing places facility is not related to the item on tonight's agenda but encouraged Ms Potter to submit a request to the Town's staff who can provide a response.

### **Lisa Hollands, Victoria Park**

*1. Could we have a yearly figure of the financial commitment required by the Town?*

The Manager Property Development and Leasing advised the Town does not have a yearly figure. The lease document places the obligation on the proposed tenant to maintain, repair and renew the property, with a residual responsibility for the Town.

*2. Why is the Town handing over the restored buildings to the developer to generate income?*

The Manager Property Development and Leasing advised that as per the agreement for lease (clause 8), as money is drawn down from the heritage funding it will be paid to Blackoak.

*3. Why is it being done this way when the project is being funded by the federal government?*

Mayor Karen Vernon advised that federal government grant funding is only for the heritage restoration of the buildings. The Blackoak proposal is for an investment of over \$12 million for building development next to the heritage building, for community use and recreation. It comes after a long period of consultation with the community and decisions by Council.

## **Vince Maxwell, Victoria Park**

*1. During the recent consultation process, was a copy of the draft lease agreement and lease documents made available to the public?*

The Manager Strategic Projects advised the draft lease agreement and lease documents were made available to the public in the Council resolution to create and publish the business plan. So it has been made available prior to the business plan being advertised.

Mayor Karen Vernon asked if the document was made available during the public consultation period which didn't start until after the Council resolution to put the business case out to the public?

The Manager Strategic Projects advised it was not available, the business plan was published and captured the intent and financial details of the lease.

Mayor Karen Vernon asked if that was in relation to the business plan meeting the requirements of section 3.59 of the Local Government Act.

The Manager Strategic Projects confirmed yes, it is.

*2. If submitters were not provided with a draft lease or draft agreement to lease, what did they place their submissions on?*

Mayor Karen Vernon advised that the question would need to be directed to the submitters and she cannot comment on the submissions of third parties.

*3. If the rent is capped 2.5% by the lease, in a high inflation environment will the ongoing park maintenance costs also be capped at 2.5%, and if not, why wasn't this explained in the business case?*

The Manager Strategic Projects advised the rental figure was not calculated specifically to cover the maintenance obligations of the park. It was separately derived and will contribute to park maintenance.

Mayor Karen Vernon asked if the additional rent over and above park maintenance would be placed in reserves or municipal funds?

The Manager Strategic Projects advised it is part of the conditional tenure of the park and the funds will be placed in reserve and spent on this site.

## **Sam Zammit, St James**

*1. Who called for this meeting under section 5.4 of the Local Government Act?*

Mayor Karen Vernon advised that she did.

*2. Can you explain why this is being done before the next election?*

Mayor Karen Vernon advised that the timing for advertising the business plan, consultation, reporting to Council and the deadline for federal government funding contributed to the reasons for calling a Special Council meeting. The community has had since 10 August to read the agenda.



*3. It is possible there could be a new Council, why did you call it now?*

Mayor Karen Vernon advised that this question has been answered.

**John Gleeson, Carlisle**

*1. How long is this lease?*

The Manager Property Development and Leasing advised the lease is publicly available, however the initial period is 20 years, with five options for 10 year rights of renewal, so potentially a total of 70 years.

*2. Why is the lease for this length of time, can they sell it on?*

Mayor Karen Vernon advised the lease contains terms prohibiting sub-letting without Council approval.

*3. Who is the firm taking this on and what is their worth?*

The Manager Property Development and Leasing advised that the current capital of company is relatively small however lease documentation provides security by a \$2 million bank guarantee, which will be modified as the matter progresses.

Mayor Karen Vernon advised that Blackoak Capital Ventures have a special purpose trust vehicle to be the tenant of this redevelopment. As a company they do not have millions of dollars on paper, but they do have many years of experience with heritage restoration. Their credentials have been included in business plans and reports to Council over 3 years and they have expertise in the area.

**Paul Richardson, East Victoria Park**

*1. On what basis is a childcare centre being proposed, has there been a needs survey and how will it be staffed?*

Mayor Karen Vernon advised no survey has been completed by the Town, when disposing of property to a commercial operator, they are the ones to determine the feasibility of the types of business they intend to operate on the site.

The Manager Strategic Projects advised that yes it was included in plans that have been published and described in the business plan. It would provide daytime activation to the site, which is hospitality heavy and provides diversification of revenue. There is the possibility of a 104 place centre with approximately 20 staff.

*2. Will traffic management be considered given the proximity to the Carson Street school as it is hectic during the day and needs room for bus drop off and pick up times?*

Mayor Karen Vernon advised that when the development application is submitted by Blackoak that will be assessed by Joint Development Assessment Panel (JDAP) and won't be a decision by this Council. However the report to the panel would be prepared by the Town and the development application would usually have conditions around traffic management.

## **Lyle Swithenbank, East Victoria Park**

*1. There was a proposal in the business plan for the introduction of animals to the area, what restrictions are there on farm animals in a residential area?*

Mayor Karen Vernon advised the Town does have laws in relation to this.

The Strategic Projects Manager advised that yes that is proposed for a small scale interaction and will be assessed in the development application process. There are strict rules, and it is subject to planning policy.

Mayor Karen Vernon advised the farmers' market has mobile petting zoos which bring activation to events, but the development application will assess this.

*2. Has consideration been given to the evening activation and nightlife facilities as the area already has the Balmoral Hotel, restaurants and other venues in the area. This is a very quiet residential street will consideration be given to restrictions on noise and activities?*

Mayor Karen Vernon advised this is not able to be answered as it is out of the scope for the Special Council Meeting as it must relate to the lease.

*3. Will there be restrictions for the proposed gastro pub?*

Mayor Karen Vernon advised this will form part of the development application relating to operating hours etc.

## **Lara Sappal, East Victoria Park**

*1. A pub is included in the business proposal which adds to the existing alcohol venues in the area and has a high impact on health. Who decides what is developed?*

Mayor Karen Vernon advised the proposal meets the approved zoning uses of this land and following long periods of consultation, the community wants the area activated with the key theme being hospitality. The decision to grant the agreement to lease and lease to Blackoak sits with Council.

*2. So the lease is with Blackoak, and they make the decision based on the list of options?*

Mayor Karen Vernon advised that Blackoak have presented a concept plan and the parameters of this have largely been endorsed by Council. With the agreement to lease, Blackoak will proceed with a development application which fits the footprint of the lease area and fulfils the lease requirements. It also needs to be consistent with the planning regulations and the Town Planning Scheme. Blackoak will determine if a gastro pub is a viable business for the site, having regard to the zoning.

*3. Does Blackoak need to adhere to the proposed Town of Victoria Park Health and Wellbeing strategy?*

Mayor Karen Vernon advised the Town's Health and Wellbeing Strategy is yet to be adopted. The strategy is about the Town's wishes for the community, not necessarily about limiting the kinds of business activities can go on within the Town by private operators.

## **Gerald Siero, Burswood**

*1. Does anybody know what is proposed on how the Ed Millen project will tie into proposals for the Oats Street Precinct over the next 20 years or more?*

Mayor Karen Vernon advised that precinct planning is outside of the scope of tonight's agenda, but questions can be emailed to the Town or comments provided via the 'Your Thoughts' consultation on the Oats Street Precinct Plan.

## **Elliot Tingey St James**

*1. How long will it take to redevelop the Ed Millen site?*

The Manager Strategic Projects advised there are a lot of factors, however it is expected it will be the end of 2025 to be wrapping up and beginning of 2026 for businesses to open.

*2. Was there another childcare centre recently being built down the road from this development?*

Mayor Karen Vernon advised there is a childcare centre being built on Albany Highway but is not aware of any other developments. These are not the subject of tonight's topic, and some may be approved by the Joint Development Assessment Panel and the WA Planning Commission so the Town cannot comment on them.

*Public question time closed at 7:16pm.*

## **6 Public statement time**

*Public statement time opened at 7:16pm.*

### **Lisa Hollands**

Made a statement that this is not a good deal for residents and ratepayers, and it could be retained by the Town to restore the building and increase income providing a better deal for ratepayers not just developers.

### **Vince Maxwell, Victoria Park**

Made a statement about the business that will be operating the site, the Town owns the land and should decide what goes there, once the lease is signed everything will be decided by JDAP.

### **Jennifer Ammons Noble,**

Made a statement in support of the officer's recommendation, the Victoria Park community celebrates progressing the activation of the heritage site with funding to make it a destination venue and acknowledged the community, staff and Councillors how have encouraged this project.

### **Gerard Siero, Burswood**

Made a statement in support of adopting the lease, to save this significant building, enliven the area and celebrate the heritage and public open space. This will be increasingly important with the Oats Street redevelopment. But hoping there is acknowledgement the site was once used as a camp by women.

### **Ronhhda Potter, Lathlain**

Made a statement that Ed Millen house had sadly been neglected but is looking forward to activation in that end of Victoria Park. The site is a huge undertaking but is comfortable it is in safe hands. With oversight of Council and the community it will be accessible to everyone and is looking forward to it.

### **Murray Masters,**

Made a statement that he 100% supports the proposal as it has great potential for the people of Victoria Park and thanked everyone for the work that has been done on this project.

### **Lara Sappal, East Victoria Park**

Made a statement that she lives nearby and uses the Ed Millen area with her toddler but is concerned about the addition of another venue in the area that will sell alcohol. She wants her area to be safe with less not more alcohol related issues.

### **John Gleeson, Carlisle**

Made a statement that Council have been voted in to help, and as an older resident he would like Councillors to look at us and speak to us.

### **Amy Holdsworth, Burswood**

Made a statement about her concerns over the 70 year lease and capping the income that could benefit ratepayers. Signing the project over to Blackoak may be good for their business and profit but may not be good for the Town.

### **Lark Hare, East Victoria Park**

Made a statement around scale and impact of the development on the residents and safety concerns relating to alcohol use in the residential area, she hopes that Blackoak can drive the peace that residents in the Lathlain area have around their new precinct.

### **Sky Croeser, East Victoria Park**

Made a statement in support of the officer's recommendation and added her enthusiasm for activation, safer spaces and mixed use. She is looking forward to the discussions on the development and consideration of energy use in building design.

### **Elliot Tingey, St James**

Made a statement that he supports the area being opened up with cafés as it will be a nice community place to for young people, families and the community in general.

*Public question time closed at 7:36pm.*

## **7 Presentations**

### **7.1 Petitions**

Nil.

### **7.2 Presentations**

Nil.

## 7.3 Deputations

### Officer Recommendation and COUNCIL RESOLUTION (193/2023):

**Moved:** Cr Jesse Hamer

**Seconded:** Cr Jesvin Karimi

That Council receives the following deputations from:

1. The Victoria Park Ratepayers Association represented by Vince Maxwell identifying risks contained in the proposed lease.
2. The Vic Park Progressives represented by Gerry Prewett and Jodie Thompson in support of the proposed lease.

**Carried (8 - 0)**

**For:** Mayor Karen Vernon, Deputy Mayor Claire Anderson, Cr Peter Devereux, Cr Jesvin Karimi, Cr Jesse Hamer, Cr Vicki Potter, Cr Wilfred Hendriks and Cr Bronwyn Ife

**Against:** Nil

*There were no questions from elected members in relation to the deputations.*

## 8 Method of dealing with agenda business

Nil.

## 9 Chief Operations Officer reports

### 9.1 Edward Millen House - Business Plan - Consideration of Submissions and Approval of Agreement for Lease and Lease

<b>Location</b>	East Victoria Park
<b>Reporting officer</b>	Manager Property Development and Leasing
<b>Responsible officer</b>	Chief Operations Officer
<b>Voting requirement</b>	Absolute majority
<b>Attachments</b>	<ol style="list-style-type: none"><li>Attachment 1 - Submissions and responses for Council consideration amended [9.1.1 - 13 pages]</li><li>Attachment 2 - 2023-05-15 DRAFT Agreement for Lease with Annexures - Edward Millen Precinct [9.1.2 - 140 pages]</li><li>Attachment 3 - 2023-05-15 DRAFT Lease - Edward Millen Precinct [9.1.3 - 50 pages]</li></ol>

#### Recommendation

That Council:-

- Having received and considered the submissions in Attachment 11.1 further to the publication of a business plan in line with Section 3.59 of the Local Government Act 1995, approves the Agreement for Lease and Lease with Blackoak Capital – Elizabeth Baillie Pty Ltd in Attachments 11.2 and 11.3 for the ‘Edward Millen Heritage Redevelopment’.
- Authorises the Chief Executive Officer to execute the Agreement for Lease and Lease in Attachments 1 and 2, including authority to negotiate any reasonable and necessary amendment(s) or variation(s) in order to implement the proposed transaction;
- Authorises the Chief Executive Officer to administer the Agreement for Lease and Lease with Blackoak Capital – Elizabeth Baillie Pty Ltd on behalf of the Town as Landlord in relation to the Property.

#### Purpose

To consider submissions received to the advertising of a Business Plan for the proposed agreement for lease and lease to Blackoak Capital and seek Council approval to enter into transaction documentation.

#### In brief

- Further to a competitive tender under TVP/20/13 ‘Edward Millen Adaptive Heritage Redevelopment’ and detailed transaction negotiations, the Town has advertised a Business Plan describing the Agreement for Lease (AFL) and ground lease (Lease) it proposes entering into with Blackoak Capital (the selected preferred tender submission).
- The Business Plan invited further public comment on the proposed transaction over a six week advertising period, in line with Section 3.59 of the Local Government Act 1995.
- A range of public comments have been received and are reported to Council for consideration and to request approval to execute and implement the AFL and Lease, which in due course will grant Blackoak access for restoration and redevelopment works.

- The AFL and Lease will facilitate the heritage restoration and adaptive reuse of the Edward Millen Heritage Precinct, creating a hospitality precinct that will ensure the heritage buildings once again play a significant role in the community.

## Background

1. Since the transfer to the Town in 2006 of the Edward Millen property (the Property) on a conditional freehold basis, the Council has sought to realise the full potential of the heritage-listed buildings and expansive reserve to minimise the costs of maintaining the precinct and maximise the benefit to the community of the heritage assets.
2. The Edward Millen Adaptive Heritage Redevelopment has sought appropriate uses to facilitate greater use of the Property and balance the potential benefits of the redevelopment with the financial cost to Council.
3. To attract the significant investment and expertise required, a Tender and marketing package was created to entice the private sector, aimed at achieving the best possible outcome for the Town of Victoria Park community. A long term ground lease was envisaged, to provide sufficient security for private sector capital investment into preservation and adaption of the state heritage listed buildings, with a view to securing long term preservation, maintenance and active use.
4. The Town advertised Tender TVP/20/13 for the Edward Millen Adaptive Heritage Redevelopment, with tender submissions closing on 27 January 2021.
5. Tenderers were requested to provide a ground lease offer. Additionally, Tenderers were requested to consider the \$4 million Federal Government Community Development Grant within their submission. The Purpose for which the completed project is required to be used is to restore and repurpose the Edward Millen Hospital series of heritage buildings to both protect the heritage of the site and activate certain areas for new purposes, thereby stimulating local commerce and investment.
6. An evaluation of the tender submissions against the prescribed criteria was completed, and Blackoak Capital Ventures (Blackoak) were selected as the preferred submission. On 18 May 2021, Council resolved (93/2021) that the Town enter into negotiations with Blackoak as the preferred lessee.
7. The Town negotiated with Blackoak and reported back to Council on 2 August 2021 (173/2021).
8. From 24 August 2021 to 8 September 2021, the Town advertised the proposed Agreement for Lease and Ground Lease by public notice pursuant to section 3.58 of the *Local Government Act 1995*.
9. Council Resolution 11/2022 dated 15 February 2022 accepted the funding agreement from the Federal Government providing for up to \$4,000,000 (ex GST) funding to undertake heritage restoration to the buildings.
10. Following negotiations with Blackoak to settle the AFL and Lease, Council resolved by resolution 129/2023 dated 20 June 2023:-
 

*That Council approves the publication of a business plan in line with Section 3.59 of the Local Government Act for a proposed lease to Blackoak Capital for the Edward Millen Heritage precinct.*
11. Further to Council resolution 129/2023 dated 20 June 2023, the business plan has been advertised by way of a fresh consultation to invite public comment over a six week advertising period, in line with Section 3.59 of the *Local Government Act 1995*.

Thirty eight (38) public submissions have been received and are reported to Council for consideration and to request approval to execute and implement the AFL and Lease, which in due course will grant Blackoak access to the site to begin restoration and redevelopment works.



## Strategic alignment

Civic Leadership	
Community priority	Intended public value outcome or impact
CL3 - Accountability and good governance.	The Town has sought and obtained consent from Blackoak to make certain public disclosures pertaining to the confidential Contract in the interests of accountability and promoting perceptions of good governance.

Economic	
Community priority	Intended public value outcome or impact
EC1 - Facilitating a strong local economy.	The overall vision and objective of the Edward Millen redevelopment will directly deliver a place for commerce, tourism, employment, and Entrepreneurship.
EC2 - Connecting businesses and people to our local activity centres through place planning and activation.	Redevelopment of the Town and adjoining land holdings will upgrade the existing streetscape and provide a cleaner place to visit. The additional increase in pedestrians and tenancies will potentially build out criminal occurrences with additional passive surveillance

Environment	
Community priority	Intended public value outcome or impact
EN1 - Protecting and enhancing the natural environment.	The transaction will achieve an overall design outcome that opens the area for a more considered pedestrian lead design opportunity, this will allow a design with greater focus on place planning and place activation.
EN5 - Providing facilities that are well-built and well-maintained.	The redevelopment of Edward Millen will aim to deliver a well-built, well maintained and well managed facility. It also aims to transform an unsafe and inaccessible asset to a safe and accessible destination place.

## Engagement

Internal engagement	
Stakeholder	Comments
Property Development and Leasing	The property development and leasing team have led the negotiations with Blackoak Capital that have resulted in the draft AFL and Lease.
Urban Planning	The Urban planning team has been engaged for advice and guidance on the formalisation of the draft proposal and its relationship to permitted uses for the site and heritage considerations.
Place Planning	The Manager Place Planning and Place Leader Urban Design (East Victoria Park) have been involved in review of legal and design documents and provided advice and guidance.
Manager Stakeholder	The business plan was advertised extensively through a wide range of media to

Relations	maximise reach to the local community. Details of advertising are provided in paragraph 13 of the report.
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External engagement	
Stakeholders	We have previously published a public advertisement for the proposed ground lease in line with the requirements of Section 3.58 of the Local Government Act 1995.
Period of engagement	From 23 June 2023 to 7 August 2023.
Level of engagement	2. Consult
Methods of engagement	Compliance with Local Government Act 1995 advertising requirements.
Advertising	<ul style="list-style-type: none"> <li>• The West Australian Newspaper;</li> <li>• Town’s website and Your Thoughts site;</li> <li>• July and August e-vibe newsletters;</li> <li>• Direct email</li> <li>• Social media posts (Facebook, Instagram and LinkedIn);</li> <li>• Digital advertising (Facebook and Instagram)</li> <li>• Noticeboards – Admin and Library</li> </ul>
Submission summary	38 submissions received as at the close of the advertising period on 7 August 2023 of which 26 were in favour (18 in support, 8 in support with comment expressing concern(s)/queries/amendment or similar), 4 neutral and 6 objections.
Key findings	See attached table of submissions at Attachment 11.1.5.

Other engagement	
Stakeholder	Comments
Department of Heritage, Planning and Lands	The Department of Heritage and Lands has been involved in the lease negotiations process providing advice on aspects of land use, heritage, and conditional tenure arrangements.
Deloitte Australia	Deloitte Australia have been consulted regarding high level Tax regulations and principals.

## Legal compliance

[Section 3.58 of the Local Government Act 1995](#)  
[Section 3.59 of the Local Government Act 1995](#)

## Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council's risk appetite	Risk treatment option and rationale for actions
Financial	If the Town fails to reach an agreement with Blackoak, the lack of associated financial contributions and Ground Lease divestment will result in ongoing heritage maintenance obligations.	Moderate	Likely	High	Low	TREAT risk by proceeding with the transaction
Environmental	The existing contract document incorporates a higher standard of environmental development requirements than would otherwise apply to a development of the property under the planning system.	Moderate	Likely	High	Medium	TREAT risk by accepting the Tender allowing the redevelopment to occur which will de contaminate the structure of HAZMAT Materials.
Health and safety	Property remains undeveloped. Vacant land can reduce the quality of streetscapes and potentially become a dumping ground for waste or antisocial behaviour.	Moderate	Possible	Medium	Low	TREAT risk by proceeding with the agreement for lease to have the site developed.
Infrastructure/ ICT systems/ utilities	Not applicable.					
Legislative compliance	Ensure compliance with					TREAT risk by advertising the

	Section 3.58 & 3.59 of the <i>Local Government Act 1995</i> .					transactions as required within the Act.
Reputation	Not accepting the Tender, associated financial contributions and Ground Lease divestment may result in the continued reputational loss having not achieved activation and redevelopment of the Edward Millen State Heritage Listed Buildings.	Moderate	Possible	Medium	Low	TREAT risk by accepting the Tender and associated investment resulting in the redevelopment and revitalisation of the Edward Millen State Heritage Listed buildings.
Service delivery	Not applicable.					

## Financial implications

<b>Current budget impact</b>	Sufficient funds exist within the annual budget to address this recommendation.
<b>Future budget impact</b>	<p>Future budget impact involves the following:</p> <ul style="list-style-type: none"> <li>• Edward Millen Heritage Buildings - Will be informed by an Asset Management Plan which will be attached to the ground lease – overall given the divestment as a ground lease the Edward Millen Heritage Buildings will require limited ongoing financial commitments by the Town.</li> <li>• Income – The annual rental has been negotiated at \$122,000 net per annum exclusive of GST and outgoings with CPI (Consumer Price Index) increase set at a maximum of 2.5% and a minimum of 1% from year 21.</li> <li>• Income – a \$2,000,000 upfront payment will be made by Blackoak to the Town and be used to fund the upgrade of Edward Millen Park.</li> <li>• Income –Future rates revenue will be generated from the future commercial operations of the precinct and will have a positive financial benefit to the Town.</li> </ul>

## Analysis

12. The business plan was advertised extensively to invite public submissions for a 6 week period from 23 June to 7 August with a closing date of 7 August 2023. The following means of publication were used:-

- The West Australian Newspaper
- Town's website and Your Thoughts site

- July and August e-vibe newsletters
  - Direct email to subscribers and previous Edward Millen project participants
  - Regular social media posts (Facebook, Instagram and LinkedIn)
  - Digital advertising (Facebook and Instagram)
  - Noticeboards – Admin and Library
13. To illustrate the extensive publicity that the Town sought to generate for these proposals, the Town's 'Your Thoughts' consultation tool alone attracted a total recorded number of 683 web page visits. Further, the direct emails received high open and click through rates, with an average open of 50.9% and click rate of 12.8% (industry average is 19.4%/2.8% respectively). Social media posts (across Facebook, Instagram and LinkedIn) received an average engagement rate of 1.2% (between 1-5% is considered good engagement). These stats depict the solid engagement generated by promotional efforts for the business plan, and further that our community had a keen interest.
  14. 38 submissions were received as at the close of the advertising period on 7 August 2023 of which 26 submissions are in favour (18 submissions in support, a further 8 submissions in support with comment expressing concern(s)/queries/amendment or similar), 4 neutral submissions and 6 objection submissions. Attachment 11.1.1 provides a table of submissions received and comments for consideration by Council.
  15. After the last day for submissions, the Council is required to consider submissions made and may decide to proceed with the undertaking and enter into the AFL and Lease for the Edward Millen Heritage Redevelopment.
  16. The AFL and Lease define the parties' obligations for the duration of the redevelopment and its operation over the long term.
  17. The AFL requires the Tenant to prepare a Development Application for approval in accordance with the Tenants' plans and any applications for Heritage approval. Additionally, it permits the Landlord to grant a licence of the Premises for the Tenant to undertake the Tenants Works to carry out the redevelopment and obligates the Tenant to obtain all the necessary consents and approvals required to undertake the Tenants Works.
  18. Blackoak propose to deliver the following key outcomes with consideration to the permitted uses by complementing the parkland, providing services to the community and preserving the heritage fabric of the site. These community outcomes include:
    - (a) Deliver a world-class destination that attracts visitors from the greater community through an innovative and creative mix of uses operating in an environmentally sustainable way.
    - (b) Create a hub with real community purpose by providing both for-profit and not-for-profit services, delivering community access to arts, crafts, theatre, and music, and creating public green spaces accessible to all.
    - (c) Preserve the history of the Edward Millen buildings, by fully refurbishing the heritage buildings, sympathetic design, and incorporating a museum space into the project.
    - (d) Contribute to realising the Edward Millen Park plan by making a \$2M upfront lease payment to assist with the upgrade.

These are significant revitalisation and community benefit outcomes.

19. The proposed redevelopment includes businesses and activities directly owned and operated by Blackoak Capital Ventures as well as external specialist operators. Directly operated businesses and activities include:
  - (a) mixed hospitality offerings, which include an artisan café, garden bistro dining and gastro pub;
  - (b) internal and external events and function spaces; and

(c) Vegetable and herb gardens, and local produce store.

20. External operators include:

- (a) Farmers market;
- (b) Artisan food and craft operators;
- (c) Woodfired bakery; and
- (d) Museum and other community use and services.

## Relevant documents

Not applicable.

### OFFICER RECOMMENDATION

**Moved:** Mayor Karen Vernon

**Seconded:** Cr Vicki Potter

### AMENDMENT:

**Moved:** Mayor Karen Vernon

**Seconder:** Cr Bronwyn Ife

1. Amend point 1 of the recommendation as follows:

"The title of the Attachments are renumbered to 9.1, 9.2 and 9.3 respectively rather than 11.1, 11.2 and 11.3".

2. Amend point 2 of the recommendation to read as follows:

"Authorises the Mayor and the Chief Executive Officer to execute the Agreement for Lease and Lease in Attachments 1 and 2";

**Carried (8 - 0)**

**For:** Mayor Karen Vernon, Deputy Mayor Claire Anderson, Cr Peter Devereux, Cr Jesse Hamer, Cr Wilfred Hendriks, Cr Bronwyn Ife, Cr Jesvin Karimi and Cr Vicki Potter

**Against:** Nil

#### Reason:

The lease documents require the Town's common seal which can only be applied by execution of the Mayor and CEO, and there is no reason to depart from that procedure for this transaction. Given the significance of this transaction, any amendments or variations that may be sought to the lease documentation after it is signed should be referred to Council for approval in the interests of good governance.

## **COUNCIL RESOLUTION (194/2023):**

**Moved:** Mayor Karen Vernon

**Seconded:** Cr Vicki Potter

That Council:-

1. Having received and considered the submissions in Attachment 9.1 further to the publication of a business plan in line with Section 3.59 of the Local Government Act 1995, approves the Agreement for Lease and Lease with Blackoak Capital – Elizabeth Baillie Pty Ltd in Attachments 9.2 and 9.3 for the 'Edward Millen Heritage Redevelopment'.
2. Authorises the Mayor and Chief Executive Officer to execute the Agreement for Lease and Lease in Attachments 1 and 2;
3. Authorises the Chief Executive Officer to administer the Agreement for Lease and Lease with Blackoak Capital – Elizabeth Baillie Pty Ltd on behalf of the Town as Landlord in relation to the Property.

**Carried (8 - 0)**

**For:** Mayor Karen Vernon, Deputy Mayor Claire Anderson, Cr Peter Devereux, Cr Jesse Hamer, Cr Wilfred Hendriks, Cr Bronwyn Ife, Cr Jesvin Karimi and Cr Vicki Potter

**Against:** Nil

**10 Public question time**

*Public question time opened at 8:33pm.*

**John Gleeson, Victoria Park**

*1. I have been living here for 85 years but I am surprised at how little of the Town's history is known by Councillors.*

Mayor Karen Vernon advised this is a statement being made during public question time and it is an adverse reflection on Councillors.

*2. How many people alive today will be here is 75 years?*

Mayor Karen Vernon advised that calls for speculation so she is unable to answer the question.

*Public question time closed at 8:35pm.*

**11 Public statement time**

*Public statement time opened at 8:35pm.*

Nil.

*Public statement time closed at 8:35pm.*

**12 Meeting closed to the public**

Nil.

**13 Closure**

There being no further business, Mayor Karen Vernon closed the meeting at 8.35pm.

I confirm these minutes to be true and accurate record of the proceedings of the Council/Committee.

Signed: .....

Dated this: ..... Day of: .....2023