

EXECUTIVE SERVICES**10.1.10 WEARNE MASTER PLAN**

File Ref: SUB/2521
Attachments: Nil
Responsible Officer: Mat Humfrey, Chief Executive Officer
Author: Mat Humfrey, Chief Executive Officer
Proposed Meeting Date: 27 March 2018
Author Disclosure of Interest: Nil

SUMMARY

Council is being asked to consider adopting the Draft Master Plan for the purposes of advertising and community consultation.

BACKGROUND

At the Council meeting of 26 April 2016, Council agreed to enter into an Agreement to Lease and Redevelop ('the Agreement') between the four local Councils that own the land on which Lot 555 Cottesloe (Wearne Cottesloe) is situated and Curtin Aged Persons Home Inc., now trading as Curtin Care.

The Agreement defines the obligations of all parties for the duration of the redevelopment and establishes the parameters for a new 25 year lease that commences upon the conclusion of the Stage 1 redevelopment works.

Under the terms of the Agreement, Curtin Care is obliged to produce a Master Plan which addresses development parameters ahead of the completion of more detailed design.

The Master Plan will be advertised for public consultation before it is considered for approval by the landowners. All four Councils are required to agree on the approval of the Master Plan.

Curtin Aged Persons Homes Inc., trading as Curtin Care, was founded in 1979 by Councillors of the Town of Cottesloe to ensure there would always be quality aged care for residents in Cottesloe, Mosman Park, Claremont and Peppermint Grove.

Curtin Care is a not-for-profit, registered charity with the Australian Charities and Not-for-profits Commission (ACNC) and has Public Benevolent Institution (PBI) status. Curtin Care currently provides quality residential aged care at two facilities, at Wearne Cottesloe (88 bed licences) and at RiverSea Mosman Park (44 bed licences), as well as offering 14 retirement living accommodation units at RiverSea Village.

The land on which Wearne Cottesloe is situated is owned by the four Councils of Cottesloe, Claremont, Peppermint Grove and Mosman Park, and is leased to Curtin Care.

The ownership of the site is a conditional tenure, under section 75 of the *Land Administration Act 1997*. The tenure provides ownership so long as the conditions on

the title are met. In this instance, the title limits the use of the land to *'the provision of care, accommodation and residential facilities for aged persons and all activities and matters relating to the provision of such care, accommodation and residential facilities'*. Letters from the relevant department state that this includes the provision of a facility under the *Retirement Villages Act 1992*.

In 2016, Curtin Care embarked on a proposal to redevelop Wearne Cottesloe with the intent to meet the needs of the ageing population in the local community and continue to deliver high quality care.

The Master Plan identifies a development of a 129 bed residential aged care facility and 76 retirement apartments, along with a small allocation of space for complementary uses as permitted under the Lease and the conditional tenure of the land.

STRATEGIC IMPLICATIONS

There are no current strategic implications from this recommendation, as it only relates to advertising.

POLICY IMPLICATIONS

The recommendation to advertise and seek comments is in line with the requirements of the Communication Policy and Community Consultation Policy. However, the policy is being deviated from slightly as the feedback and advertising will be coordinated between the four member local governments, rather than a stand alone process for Cottesloe.

STATUTORY ENVIRONMENT

There are no specific statutory requirements for the advertising of the Master Plan. The Town has previously complied with the requirements in the Local Government Act 1995 for the disposition of property (April 2016). Further consideration by the Town of Cottesloe will be needed if the Draft Master Plan is approved by the four member local governments and this will require consideration against the requirements for the development and adoption of a Local Planning Policy.

FINANCIAL IMPLICATIONS

This consultation is being carried out by the four Local Governments as part of their responsibilities as landowner. The bulk of the advertising is to be through in-house media, however the collective costs will be up to \$2,000, or \$500 per local government.

STAFFING IMPLICATIONS

There are no perceived staffing implications arising from this report or recommendation.

SUSTAINABILITY IMPLICATIONS

There are no perceived sustainability implications arising from this report or recommendation.

CONSULTATION

Various meetings have been held with representatives of Curtin Care during the past 12 months. Meetings between the four affected local governments have also been undertaken.

Representatives of Curtin Care have consulted with the Town of Cottesloe as the planning authority during the development of the Master Plan.

Curtin Care has undertaken extensive voluntary (non-statutory) consultation with the community and neighbouring residents that facilitated the establishment of a series of design principles from which the Master Plan has since been developed.

The Draft Master Plan has been sent to the Minister for Lands for confirmation that the Draft Master Plan complies with the restrictions on the certificate of title prohibiting alternative uses for the site.

It is proposed in this report that the Draft Master Plan be approved for public consultation. This will be undertaken by the four Local Governments as landowners seeking public feedback on the proposal and will be carried out through each local government's media channels. Once the public feedback is gained it will be collated and brought back to the Councils with any recommendations for adjustment to the Draft Master Plan and the recommendation to then adopt the Master Plan in order for it to be submitted for development approval.

STAFF COMMENT

The Agreement to Lease and Redevelop requires Curtin Care to submit a Master Plan to the four co-owners for approval as a condition precedent to the New Lease.

It is anticipated that the four co-owners will require the Master Plan to be subject to public consultation prior to approving the document. It is proposed that the CEO of Claremont lead the consultation process on behalf of the co-owners.

Following the consultation process the Master Plan will be submitted to the four Councils for adoption after considering community feedback on the concept plans.

Under the terms of the Agreement to Lease and Redevelop, the Master Plan approvals provided by Council are limited to the capacity of a registered proprietor and lessor of the land, and not as a responsible local authority.

Once the Master Plan has been formally adopted by the four co-owners, The Town of Cottesloe will incorporate the Master Plan into a Local Planning Policy (LPP) which will be advertised for public comment. The Town of Cottesloe is the approval authority for the LPP. After the LPP has been adopted, Curtin Care will prepare a Development Application, which the four co-owners are required to sign before it can be lodged.

A number of subsequent obligations exist within the Agreement where Curtin Care is required to provide information to the landowning Councils at key milestones to ensure the development continues to satisfy the needs of the landowners.

In addition to compliance with all relevant laws, codes and approvals, these obligations include but are not limited to:

- The Lessee must prepare and submit to the Lessor a risk management plan for the redevelopment project;
- Following the issue of the Development Approval, the Lessee must submit to the Lessor a works programme;
- The Lessee must provide a genuine pre-estimate of the total actual cost the Lessee will incur in respect of the redevelopment project;
- The Lessee must provide confirmation of funding for the redevelopment project; and (Once development works have commenced) the Lessee must provide a report every 6 months which contains particulars of the works completed during the previous 6 months and a financial report showing costs against projected budget to date.
- The Lessee assumes all risks associated with the redevelopment project. At the conclusion of the lease (should the lease not be extended beyond the next 25 year term) the ownership of the buildings and land remains with the four co-owners.

The Proposed Development

The Draft Master Plan identifies a development of a 129 bed residential aged care facility and 76 retirement apartments, along with a modest allocation of space (less than 5 percent) for complementary uses as permitted under the Lease and the conditional tenure of the land.

Curtin Care has identified the proposed complementary uses to include a café, allied health services and arts space, to be provided on a not for profit basis if possible. The lease provisions allow commercial uses if the Lessor is reasonably satisfied that they are ancillary to the Permitted Purpose. Previous advice from McLeod's Barristers and Solicitors confirmed that all of these are complementary to the permitted use. In addition the Draft Master Plan has been forwarded to the Minister for Lands for confirmation that the Draft Master Plan complies with the restrictions on the certificate of title regarding alternative uses for the site.

Stage 1 of the redevelopment is proposed to be sequenced into phase 1a and 1b to ensure continuity of care for existing residents while the new residential aged care facility is constructed.

Phase 1a is proposed to include:

- Early works / Enabling works
- 129 bed residential aged care facility
- 33 Independent living apartments
- Phase 1b is proposed to include:
- Heritage building restoration works
- 43 Independent living apartments
- Recreational and community facilities
- Non-residential spaces (café, allied health)
- Heritage gardens

Under the *Retirement Villages Act 1992* independent living apartments must be provided on a lease for life basis.

Pre-Estimate of Cost and Feasibility Study

Curtin Care has undertaken detailed feasibility analysis based on the concept plans presented in the Master Plan. The analysis conducted to date includes independent market research, consumer research, cost analysis conducted by quantity surveyors and detailed financial feasibility research conducted by Grant Thornton.

The preliminary cost estimate indicates the total cost of the development to be in the order of \$117 million, inclusive of construction costs, professional fees, statutory fees and charges, headworks, fixed furniture and equipment, escalation and contingency.

Approximately \$72 million of the expenditure will be incurred during phase 1a, with the remainder of the redevelopment costs associated with phase 1b.

The cost analysis, market and consumer research and financial feasibility model will continue to be refined on an iterative basis as the redevelopment project progresses through the formal planning process and detailed design.

Funding approval will be sought at the appropriate stage of the project, following the approval of the Master Plan and LPP, and the subsequent completion of detailed design for the development. The development will be funded with cash reserves, resident contributions (as permitted under the Aged Care Act) and senior debt. Peak debt is anticipated to be less than \$50 million.

Confirmation of finance approval will be provided in accordance with the Schedule of the Agreement to Lease and Redevelop.

VOTING

Simple Majority

COUNCILLOR QUESTIONS

Cr Boulter

- Q1 Is a similar report going to each of the member Councils?
- A1 Yes
- Q2 Are you able to circulate a copy of each of those reports to Elected Members?
- A2 No – the Agenda's are prepared at approximately the same time. The recommendation will be the same and I believe each Council makes their Agendas available online.
- Q3 What are the contractual obligations with the Wearne site developers in relation to the officer recommendation?
- A3 Nil. The obligation is on the lessee to attain the consent of all four member Councils to their Draft Master Plan.

- Q4 Does this resolution require an absolute majority given there are advertising costs?
- A4 No – these costs can be met within existing operating budgets.
- Q5 Will the advertising costs be shared equally between each of the Councils?
- A5 Yes
- Q6 I am very concerned that the feedback and advertising process will not be entirely separate from and independent of the Developer.
- A6 Noted – although we do need them to provide the Master Plan and any clarifications of it.
- Q7 Which Councils' Communication and Community Consultation policies will apply to this process?
- A7 No one policy will prevail over the others – we are attempting to meet the requirements of each.
- Q8 In reference to the officer report statement on page 43, what is meant by “in house media”? Is it meant to mean the developer's in house media?
- A8 Social media pages, websites and internal newsletters of each of the Councils.
- Q9 Which Council will be conducting the feedback and advertising? Given it is in Cottesloe and our residents – within and without the development - are the ones who will be affected I hope and trust it is Cottesloe Council?
- A9 The Town of Claremont. As we are the planning authority (and have the burden of dealing with this) it was thought most prudent to have one of the others take the lead for this section.
- Q10 I recall Mayor Pollock being concerned – as was I - about the lack of clearer costings in this document before it goes out to advertising and in particular the cost of the electricity services - ? substation? Has there been any further discussion about better costings being included in the document?
- A10 No – unless the Master Plan is agreed to, there is some difficulty in getting detailed costs like the ones mentioned above.
- Q11 Are all the 4 mayors and CEOs satisfied that the costings in the document are sufficiently clear for this part of the advertising process?
- A11 Yes – the detailed costings you refer to will be required to be provided at a later part of the process.

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OFFICER RECOMMENDATION

Moved Cr Rodda, Seconded Cr Sadler

That Council approve the Draft Master Plan for the purposes of public consultation.

CARRIED 9/0

AMENDMENT

Moved Cr Boulter, Seconded Cr Pyvis

That Council approves the Draft Master Plan for the purposes of public consultation subject to the public consultation process being undertaken by the Town of Cottesloe with resources and costs required for that process to be shared by all participating Councils.

LOST 2/7

For: Crs Boulter and Pyvis

Against: Mayor Angers and Crs Harkins, Rodda, Young, Thomas, Sadler and Tucak

PROCEDURAL MOTION

Moved Cr Rodda, Seconded Mayor Angers

That the Item be put to the vote

CARRIED 9/0

OFFICER RECOMMENDATION & COUNCIL RESOLUTION

Moved Cr Rodda, Seconded Cr Sadler

That Council approves the Draft Master Plan for the purposes of public consultation.

CARRIED 9/0