

CONFIDENTIAL ITEMS 2003 – MARCH 2024

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
234	4 March 2024	Hahndorf Strategic Land Opportunity	1. Pursuant to Section 90(3)(b) Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer, General Manager Infrastructure, General Manager Corporate Services, Executive Manager, Head of Wastewater, Manager Wastewater Capital Delivery, Manager Wastewater Business Development and Customer Relations, and the Minute Secretary be excluded from attendance at the meeting for the Agenda Item 18.1 titled Confidential: Hahndorf Strategic Land Opportunity. The Council is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council. In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.	Council report, related documents and all minutes	The Council is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council. In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been	Council report, related documents and all minutes be retained in confidence until the settlement of the purchase of the subject land by council has occurred or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.		Within 12 months	Report released on website 8 April 2024 Minutes released on website 11 April 2024

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			Section 91(7) Order 5. Pursuant to Section 90 (3) (b) That having considered Agenda Item 18.1 Confidential: Hahndorf Strategic Land Opportunity in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until the settlement of the purchase of the subject land by council has occurred or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.		outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.				

RELEASED

18. CONFIDENTIAL REPORTS

18.1 REPORT TITLE: CONFIDENTIAL: HAHNDORF STRATEGIC LAND OPPORTUNITY

DATE OF MEETING: 4 MARCH 2024

FILE NUMBER: DOC/24/26779

**ATTACHMENTS: 1 -DOC/23/160379 – SITE LOCATION PLAN
 2 - DOC/23/161454 – CERTIFICATE OF TITLE
 3 - DOC/24/7657 – CURRENT LAND VALUATION**

Key Contact Nathan Franklin, Senior Strategic Planner

Manager/Sponsor Alex Oulianoff, General Manager Corporate Services

Community Plan 2020-2035:

CW Goal 5 - Transport solutions, infrastructure and trails allow people to move to, from and within the district in a convenient, efficient and accessible manner.

EP Goal 3 - Add value to the growth of the district by exploiting new economy opportunities aligned with the key strengths of liveability, sustainability and low emissions.

Annual Business Plan:

The annual business plan 2023/24 does not include any specific budget allocation towards initiatives considered below and would be subject to future budget adjustment as part of Council's 2023/24 budget review process or Council's 2024/25 budget preparation.

Purpose:

To seek authority to proceed with negotiations for the strategic land purchase of 108 Mount Barker Road, Hahndorf.

Summary – Key Issues:

1. Hahndorf Main Street is a popular tourist destination of State relevance, and as is typical of regional towns, most people visit by motor vehicle. This leads to some car parking competition in key locations in the Main Street.
2. Council has undertaken a number of car parking studies and strategies for Hahndorf inclusive of the Hahndorf Township Plan. As contemplated at the May, October, December 2023 Council meetings and most recently at the

January 2024 meeting it is important that Council remain proactive in supporting and assisting to remedy this long known community concern.

3. Council staff are proactive in exploring both short and long term opportunities and will seek to present various interventions to assist to alleviate car parking supply and demand issues within Hahndorf.

Recommendation:

That Council:

1. Pursuant to Section 90(3)(b)

Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer, General Manager Infrastructure, General Manager Corporate Services, Executive Manager, Head of Wastewater, Manager Strategic and Community Planning, and the Minute Secretary be excluded from attendance at the meeting for the Agenda Item 18.1 titled Confidential: Hahndorf Strategic Land Opportunity.

The Council is satisfied that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council.

In addition the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in continued non-disclosure of this information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.

- 2. Authorise the Chief Executive Officer, (together with any delegate) to negotiate the purchase of 108 Mount Barker Road, Hahndorf (the land) highlighted in Attachment 1 (DOC/23/160379) for a purchase price of no more than \$2,550,000.00 excluding GST and authorise the Chief Executive Officer to execute all required documents for the purchase.**
- 3. Request that the Chief Executive Officer explore all potential opportunities for any and other alternate funding contributions relating to this land purchase (such as the Hahndorf Business and Tourism Association)..**

4. **Exclude 108 Mount Barker Road, Hahndorf from classification as community land pursuant to Section 193 of the Local Government Act 1999.**

Section 91(7) Order

5. **Pursuant to Section 90 (3) (b)**

That having considered Agenda Item 18.1 Confidential: Hahndorf Strategic Land Opportunity in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until the settlement of the purchase of the subject land by council has occurred or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.

Background:

1. Deliberation on this Confidential Report should be considered in context with the related public facing Council Report *Hahndorf Parking Options and Opportunities March 2024* within the 4 March Council Agenda.
2. As per this report occasionally Council becomes aware of property that is offered for sale on the open market and in the context of supporting Hahndorf as the continuing tourist destination of state importance, Council staff are diligent at looking at these opportunities that could result in assisting to better manage car parking within the township.

Discussion:

3. A strategic land purchase opportunity has been presented to Council staff and the property, namely 108 Mount Barker Road, Hahndorf is considered to demonstrate a level of merit that is worthy of Council deliberation. The property agent has advised Council that the asking price is \$2.55 million. As far as we are aware, the property has only been offered to Council at the moment.
4. The property is 4,150 square metres in size maintaining a street frontage of approximately 16 metres and an overall depth of 150 metres. The land currently contains an existing dwelling (non-heritage listed State or Local), existing vegetation including several regulated trees and is bisected by an existing creek. The property is located within the State Heritage Area of Hahndorf and this does provide a level of guidance for redevelopment but this is not heavily restrictive or onerous.

5. While constrained to a degree by topography, heritage considerations, trees and the water course the land does have potential to be redeveloped and repurposed for a number of uses including but not limited to car parking. The land has the potential to be repurposed for Council use, commercial lease opportunities (café/shop/offices/paid parking), event space, public amenities or partly activated for open space. Importantly the land is located immediately adjoining Carl Nitschke Memorial Car Park presenting options to expand or connect with this land.
6. Preliminary design investigations undertaken by Council staff have indicated that a potential car parking yield of between 88-95 car parks conservatively is possible on this property.
7. No independent cost analysis has been undertaken regarding this opportunity however given the specifics of the site the cost to develop this potential site for car parking would not be insignificant. Council staff have quantified an estimated development cost within the range of approximately \$750,000-\$925,000 to develop as car parking only. Any building alterations and additions would naturally increase this investment.
8. A current independent valuation (Attachment 3) for the land was obtained and assessed a current market value of \$1.9 million. The valuation assessment also provided commentary in relation to any premium that may exist for this land given its strategic potential. This commentary concludes that the desired sale price of \$2.55 million appears somewhat opportunistic and represents a substantial premium. As stated within the valuation *'Inevitably the premium over and above market the Council is willing to pay, and the price the Vendor(s) are willing to accept will be a commercially negotiated outcome with motivations beyond market metrics.'*
9. To be clear it would be the intent of Council staff to negotiate with the vendor to ensure best value for money. Nevertheless, should it be necessary the upper limit of \$2.55 million represents an acceptable upper limit given the strategic location next to existing Council land and the limited availability of land within Hahndorf on the main street at the entrance to the township.
10. The property has an existing building sited upon that would be suitable for adaptive reuse and/or redevelopment for a range of potential uses (offices, consulting rooms for example). Historically there have been a number of development applications that have been approved for this building and there is a current application for a wellness centre noting that none of these development applications have been implemented, The beneficial commercial potential for the redevelopment of this land should not be underestimated.
11. Council has allocated \$2.7 million within its Long Term Financial Plan (LTFP) towards the redevelopment of the Hahndorf Main Street Upgrade project. As

a funding mechanism for this opportunity there is potential to reallocate this forecasted budget towards a strategic land purchase.

12. The withdrawal of pledged State and Federal funding for the Hahndorf Traffic Improvements Project is indicative of the State/Federal appetite to proceed with the main street upgrade. It was never the intent for Council to fund the Hahndorf main street upgrade alone and State and/or Federal contribution was and will always be required.
13. Should this scenario proceed then Council would strongly advocate with the State and Federal Governments that the funding commitment (through this strategic land acquisition initiative) is representative of the total Council contribution towards any future main street upgrade.
14. As a separate funding potential it is the intent of Council staff to actively engage with the Hahndorf Business and Tourism Association (HBTA) to seek financial contribution towards this initiative.
15. There would always be the opportunity for Council to on sell this property in the future should it be necessary. In this context, should the land be purchased it is not recommended that this property be included on Councils community land register.

Summary

16. Council receives ongoing community and business concerns regarding parking in Hahndorf. Councils current short term strategies show a commitment to help to address these and a strategic longer term initiative such as this strategic land acquisition opportunity, would further demonstrate a commitment by Council for its community and the continued growth of tourism and economic activities within Hahndorf.
17. This report seeks endorsement for an opportunity to purchase land with strategic potential. Council should consider this report on balance in the context of other Council priorities for Hahndorf (such as the main street upgrade and open space improvements) and more broadly within the Mount Barker District.

Community Engagement:

Informing only	Confidential Report
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Policy:

N/A

Long Term Financial Plan:

The adopted Long Term Financial Plan does not specifically reference any of the initiatives discussed or to be investigated within this report.

As per the discussion above, a potential funding mechanism for this opportunity could be the reallocation of the \$2.7 million budget for the Hahndorf Main Street Upgrade project which is included in the Long Term Financial Plan.

Budget:

The annual business plan 2023/24 does not include any specific budget allocation towards initiatives within this report and would require consideration as part of Councils budget review process or future budget considerations.

Statutory/Legal:

None at this stage.

Staff Resource Requirements:

Any further preliminary investigations and associated conceptual design work can occur within existing staff resources. Any future development of the land would require Project Management and associated external resources for design and construction.

Environmental:

No contamination or testing has been formally undertaken on the land noting that the land being considered has been historically used for residential purposes only. Further environmental considerations such as any potential tree removal will need to be contemplated pending the Council deliberations of the options discussed within this report.

Social:

The opportunities considered have the ability to provide for an improved Council assets to the social and economic benefit of the community.

Risk Assessment:

The risk in not meeting community expectations that have been strategically aligned through the Hahndorf Township Plan and the identified parking supply and demand concerns of community need to be managed should any initiative not proceed.

It is relevant for Council to consider the benefit of having a proactive approach to address parking issues in Hahndorf in the context of the recently withdrawn \$200m Federal funding commitment for the Hahndorf Traffic Improvements Project. The current community sentiment is one of frustration and a proactive solution focussed commitment from Council would assist to demonstrate community alignment and township support.

There is a risk that the current owner will decide not to sell the property. This can only be tested by entering into negotiations, if approved by Council.

The current construction cost estimate is only indicative and will be subject to detailed design.

Asset Management:

This opportunity has the potential to expand Council asset provisions within Hahndorf and increase Councils existing built form, community focussed and car parking assets.

Conclusion:

Within this Council agenda Council staff have considered and assessed a number of potential parking solutions for Hahndorf and this strategic land acquisition is considered worthy of deliberation resulting in a level of support for the continued economic performance and place making priorities of Hahndorf.

Previous Decisions By/Information Reports to Council

Meeting Date	4 December 2023	CM Reference	DOC/23/160378
Title	Confidential Hahndorf car parking options and opportunities		
Purpose	To advise Council on a number of options and opportunities being considered and investigated by Council staff to assist to remedy car parking concerns in Hahndorf.		

Meeting Date	3 October 2023	CM Reference	DOC/23/127167
Title	Hahndorf Parking Management Update		
Purpose	To provide an update on car parking improvements being planned for Hahndorf ahead of the peak visitation period across December 2023 to January 2024.		

Meeting Date	1 May 2023	CM Reference	DOC/23/35643
Title	Hahndorf Car Parking Management		
Purpose	To provide an update on car parking management in Hahndorf.		

18. CONFIDENTIAL REPORTS

18.1	REPORT TITLE:	CONFIDENTIAL: HAHNDORF STRATEGIC LAND OPPORTUNITY
	DATE OF MEETING:	4 MARCH 2024
	FILE NUMBER:	DOC/24/26779
	ATTACHMENTS:	1. DOC/23/160379 SITE LOCATION PLAN 2. DOC/23/161454 CERTIFICATE OF TITLE 3. DOC/24/7657 CURRENT LAND VALUATION

Moved Councillor Voogt that Council:

1. Pursuant to Section 90(3)(b)
Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except the Chief Executive Officer, General Manager Infrastructure, General Manager Corporate Services, Executive Manager, Head of Wastewater, Manager Wastewater Capital Delivery, Manager Wastewater Business Development and Customer Relations, and the Minute Secretary be excluded from attendance at the meeting for the Agenda Item 18.1 titled Confidential: Hahndorf Strategic Land Opportunity.

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disclosure of Council's commercial position may prejudice Council's ability to be able to negotiate a cost-effective proposal for the benefit of the Council and the community in this matter.

Seconded Councillor Hewett

CARRIED
OM20240304.22

9:29pm The Mayor sought and was granted leave of the meeting for a break no longer than 5 minutes.

9:34pm The meeting recommenced.

Moved Councillor Hewett that Council:

2. Authorise the Chief Executive Officer, (together with any delegate) to negotiate the purchase of 108 Mount Barker Road, Hahndorf (the land) highlighted in Attachment 1 (DOC/23/160379) for a purchase price of no more than \$2,550,000.00 excluding GST and authorise the Chief Executive Officer to execute all required documents for the purchase.
3. Request that the Chief Executive Officer explore all potential opportunities for any and other alternate funding contributions relating to this land purchase (such as the Hahndorf Business and Tourism Association).
4. Exclude 108 Mount Barker Road, Hahndorf from classification as community land pursuant to Section 193 of the Local Government Act 1999

Seconded Councillor Hardingham

10:00pm Moved Mayor Leach that Pursuant to clause 4.9 of Council's Code of Practice for Meeting Procedures that the Council meeting continue until the conclusion of the order of business on tonight's agenda and that the meeting will conclude no later than 10:30pm.

Seconded Councillor Szilassy

CARRIED
OM20240304.23

Debate recommenced from the point of interruption

The motion was PUT and LOST

Councillor Hewett called for a DIVISION

Councillors voting in the Affirmative: Councillors Hewett, Seager, Hardingham, Orr, Westwood

Councillors voting in the Negative: Councillors Grosser, Szilassy, Voogt, Harding

The Mayor declared the resolution as

CARRIED
OM20240304.24

Moved Councillor Westwood that Council:

Section 91(7) Order

5. Pursuant to Section 90 (3) (b)

That having considered Agenda Item 18.1 Confidential: Hahndorf Strategic Land Opportunity in confidence under 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the council report, related documents and all minutes be retained in confidence until the settlement of the purchase of the subject land by council has occurred or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.

Seconded Councillor Hewett

CARRIED
OM20240304.25

