

# CONFIDENTIAL

## DECISION REPORT

<b>REPORT TITLE:</b>	ADJOURNED ITEM 1064 - DEVON STREET PROPERTY PURCHASE
<b>ITEM NUMBER:</b>	1068
<b>DATE OF MEETING:</b>	24 FEBRUARY 2014
<b>AUTHOR:</b>	JOHN DEVINE
<b>JOB TITLE:</b>	GENERAL MANAGER, ASSETS & INFRASTRUCTURE
<b>RESPONSIBLE OFFICER:</b>	PETER TSOKAS
<b>JOB TITLE:</b>	CHIEF EXECUTIVE OFFICER
<b>COMMUNITY GOAL:</b>	Greening 4.2 Our City has innovatively found more open space in non-traditional places
<b>REPRESENTOR/S:</b>	
<b>ATTACHMENTS:</b>	1. MAP 2. FINANCIAL BREAKDOWN

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### **PURPOSE**

To seek Council direction on its desire to purchase one or more of the blocks of land along Devon Street South currently owned by the Department of Planning Transport and Infrastructure (DPTI).

### **RECOMMENDATION**

MOVED:  
SECONDED:

That:

1. The report be received.
2. Council provides advice to Administration on whether it is interesting in considering the potential purchase of one or more of the properties owned by DPTI along Devon Street South.

## **BACKGROUND**

As part of the Goodwood Junction railway project DPTI acquired four properties along Devon Street South.

Throughout 2013, there were on-going discussions between DPTI and the Council related to what the Department intended to do with any surplus land associated with the Goodwood Junction project. Having almost completed the works DPTI now plan to dispose of surplus land (Attachment 1 to Item 1064/14).

*Attachment 1*

## **COMMUNITY ENGAGEMENT**

Residents in the area surrounding the Goodwood Junction project are well aware of the DPTI landholdings and have expressed interest in what will happen to any surplus land once the project has been completed.

If Council did purchase one or more of these properties on Devon Street South, it would seem prudent to consult with residents on development options.

## **DISCUSSION**

DPTI purchased land along Devon Street South as part of its Goodwood Junction project activity. This included construction of a bypass culvert for the Brownhill Keswick Creek (BHKC) Project. In finalising the project, DPTI has now identified surplus parcels of land which it intends to dispose of.

DPTI have categorised this surplus land in two ways – non-commercial and commercial. At its meeting on 28 January 2014, Council accepted an offer from DPTI to transfer land in the first category, highlighted in yellow on the attached aerial photo (Attachment 1 to Item 1064/14), to the City of Unley for no consideration.

Land in the second category will be sold on the open market. Sale proceeds from this land will go against the costs associated with the BHKC culvert works. DPTI advise that the market value of the surplus commercial land in Devon Street South is in the order of \$1.4 - \$1.8 million.

If one or more of these surplus blocks was purchased by Council it would provide the opportunity to undertake some planting and soften the street scape. The benefits would be mainly aesthetic, but there would be the potential for a small area of open activity space. It is noted that residents in this locality are already provided with open space in excess of the minimum requirements specified in the City of Unley Open Space policy (COU 110), with both Forestville Reserve and Goodwood Oval easily accessible from the area, and land adjacent to the tram overpass at the end of Devon Street South has been identified by Council as a priority opportunity for a pocket park.

## **ANALYSIS OF OPTIONS**

### **Option 1 – Express an interest in purchasing one or more of the DPTI properties along Devon Street South**

Administration will discuss the interest with DPTI and organise a resident meeting to advise them of the Council's interest in purchasing one or more properties.

Administration will come back to Council with a paper outlining more detail on the purchase costs, options for the property, and feedback from the community.

### **Option 2 – Advise DPTI that Council has no interest in purchasing the land.**

DPTI will sell the land on Devon Street South on the open market and the purchaser will be free to return the land to housing in accordance with the City of Unley Development Plan..

## **RECOMMENDED OPTION**

There is no recommended option.

## **POLICY IMPLICATIONS**

The sale price of the property is expected to be up to \$1.4 - \$1.8 million (3 blocks). These funds would need to all be borrowed as there is no budget allocation for the acquisition. There would be a further one off cost to develop the site, and ongoing annual maintenance costs estimated to be in the order of \$5 000 to \$10 000.

Whilst the State Government's Planning and Development Fund was established with the primary goal of purchasing or developing land for open space purposes, the State Government has in recent years greatly widened the scope of activities that can be supported from the Fund. Consequently applications greatly exceed funds available and it is considered unlikely that any State Government funding will be available to support the purchase.

## **CONCLUSION**

Discussions have been held throughout 2013 on any surplus land owned by DPTI in the vicinity of Victoria Street.

Council has decided to accept DPTI's offer to transfer ownership for no consideration of two parcels of land to Council. One on Victoria Street, the other on Devon Street South (Attachment 1 to Item 1070/14).

**CONFIDENTIALITY ORDER REMOVED 2/10/14**

DPTI has decided to sell its remaining holdings on Devon Street South at an estimated market value of between \$1.4 - \$1.8 million.

Before DPTI take this land to the open market, Council has the opportunity to purchase one or more of these surplus blocks, at valuation. There would then be additional costs to develop and maintain the site(s).

This report seeks Council direction on its desire to purchase one or more blocks.