

# Special Meeting of Council

## Notice of Meeting | 11<sup>th</sup> August 2020

Dear Councillors

Pursuant to Section 5.5(2) of the Local Government Act 1995 and Regulations of the Local Government (Administration) Regulation 1996, notice is hereby given that a Special Meeting of Council will be held on Tuesday 11<sup>th</sup> August 2020 in the Shire Council Chambers commencing after the Strategic Planning Committee Meeting.

The purpose of the meeting is for Council to consider the Officer's Report on the Lease of Council Property No 81 (Lot 29) Heal Street – Farmarama Pty Ltd.

The Meeting will be closed to the Public under Part 5 Division 2 Section 5.23 (2)(b)(c)(e) of the Local Government Act 1995 as the Item relates to: -

- (b) the personal affairs of any person; and
- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and
- (e) a matter that if disclosed, would reveal –
  - (i) a trade secret; or
  - (ii) information that has a commercial value to a person; or
  - (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government;

MEETING AGENDA ATTACHED

Graeme Fardon

**Graeme Fardon**  
**CHIEF EXECUTIVE OFFICER**

Date: 7<sup>th</sup> August 2020

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### Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire of Quairading during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Quairading. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

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# SHIRE OF QUAIRADING

## ITEM 1 OPENING & ANNOUNCEMENTS

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The Shire President opened the Meeting at \_\_\_\_\_ pm.

"Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar / Ballardong land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting".

## ITEM 2 ATTENDANCE AND APOLOGIES

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### Councillors

Cr WMF Davies	Shire President
Cr JN Haythornthwaite	Deputy Shire President
Cr BR Cowcill	
Cr JW Haythornthwaite	
Cr JR Hippiisley	
Cr B McGuinness	
Cr PD Smith	
Cr TJ Stacey	

### Council Officers

Mr GA Fardon	Chie Executive Officer
Mr N Gilfellon	Executive Manager of Corporate Services
Mr RM Bleakley	IPR/Strategic Projects Officer

### Observers/Visitor

Nil.

### Apologies

Mr A Rourke	Executive Manager of Works & Services
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### Leave of Absence Previously Granted

Nil

## ITEM 3 PUBLIC QUESTION TIME

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Meeting closed to the public under *Part 5 Division, 2 Section, 5.23 (2)(b)(c)(e) of the Local Government Act 1995*.

## ITEM 4      DECLARATIONS OF INTEREST

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Councillors to use pro forma declaration of interest handed to Chief Executive Officer prior to meeting or verbal declaration of interest.

- Declarations of Financial Interest – Local Government Act 1995 Section 5.60a
- Declarations of Proximity Interest – Local Government Act 1995 Section 5.60b
- Declarations of Impartiality Interest – Administration Regulations 1996 Section 34c.

## ITEM 5 MATTERS FOR CONSIDERATION – BUILDING AND TOWN PLANNING

### 5.1 Confidential: Lease of Council Property No 81 (Lot 29) Heal Street – Farmarama Pty Ltd

<b>Meeting Date</b>	26 <sup>th</sup> March 2020
<b>Responsible Officer</b>	CEO Graeme Fardon
<b>Reporting Officer</b>	CEO Graeme Fardon
<b>Attachments</b>	(i) Farmarama EOI Letter (ii) Plan – Factory Unit Lots (iii) Council correspondence dated 30 <sup>th</sup> July 2020
<b>Owner/Applicant</b>	Mr John Simpson, Farmarama Pty Ltd, Brookton
<b>Disclosure of Interest</b>	Nil

### OFFICER RECOMMENDATION

**MOVED Cr \_\_\_\_\_ SECONDED Cr \_\_\_\_\_**

That Council: -

1. Receive the Expression of Interest from Farmarama Pty Ltd to Lease the Factory Unit located at No 81 (Lot 29) Heal Street for Agricultural Retail purposes.
2. Subject to a successful Development Application for the Change of Land Use, Council lease the Factory Unit at No 81 (Lot 29) to Farmarama Pty Ltd for a period of 23 months.
3. Subject to Council Consideration, support the Concessional Rent of \$210.00 (incl. GST) for the first 12 months of the Tenancy and the Rent revert to \$275.00 (incl. GST) for the remainder of the Term of the Lease.
4. Authorise the Chief Executive Officer to prepare and Execute the Lease document with Farmarama Pty Ltd.
5. Support the relocation of Mr John Greenwood to the Factory Unit located at No.83 (Lot 80) Heal Street and continuation of the Lease (12 Months).

**CARRIED \_\_\_/\_\_\_**

### VOTING REQUIREMENTS – Simple Majority

#### IN BRIEF

- Farmarama Pty Ltd have written to the Chief Executive Officer (CEO) expressing interest in taking up tenancy of Council's Factory Unit at No 81 (Lot 29) Heal Street, Quairading.
- The Company are planning to commence an Agricultural Supply Retail business from the Premises.
- The Company are represented locally by Mr Trevor Sandercock and plan to employ local community members.
- This proposal has come about with the combining of Landmark and Primaries Franchises in Town.
- The current Tenant of the Factory Unit, Mr John Greenwood of CWB Electrics is agreeable to relocate to the smaller Unit at 83 Heal Street for the remainder of his lease.

- The current occupier of the small Factory Unit, the Quairading Hospital Auxiliary Op Shop have been advised of the Commercial interest in the premises and is currently, with the assistance of the CEO seeking out a suitable alternative location for the Op Shop.
- The basis of the Rent Free arrangement for the Hospital Auxiliary was that the premises would be vacated if there was a Commercial tenant requiring the premises.
- Council has adopted a Rental of \$275.00 (incl. GST) for both of the Factory Units.
- Council does have the Option to grant a Concessional Rent to a new Business to Town for the first 12 Months.
- There will be some shared use of the Factory Unit as Council still has its Emergency Bush Fire Siren equipment on the roof of the Premises. The continued Shared Use is supported by the Applicant.

### **MATTER FOR CONSIDERATION**

Proposal to Lease the Factory Unit at No 81 Heal Street to Farmarama Pty Ltd and the relocation of Mr John Greenwood (CWB Electrics) to the Factory Unit at No 83 Heal Street.

### **BACKGROUND**

Council's Town Planning Consultant has recommended that the Applicant submit a Development Application (DA) for a Change of Land Use from "Warehouse/Storage" to "Trade Supplies". The Application will also provide Council and its Officers with details on the planned Operation and layout of the business on Council's property.

The DA will be considered by the CEO under Delegated Authority (P1) previously granted by Council.

Council's Town Planning Consultant Mr Douglas has invited the Applicant's Representatives to liaise directly with him to ensure that the Planning process is "user friendly", effective and timely.

### **STATUTORY ENVIRONMENT**

Section 3.58 Local Government Act 1995

In summary, Leasing of Council Property is defined as a "Disposal of Property" under Section 3.58 of the LG Act.

Local Government (Functions and General) Regulations 1996 Reg 30

Regulation 30 provides Exemptions from the need to obtain a Sworn Valuation for Market Rental and for the Proposal to be advertised in a newspaper circulating in the District prior to Council deciding to enter into the Lease.

One of these exemptions is for the Lease period to be less than 2 years and for the Tenant not to have exclusive use of the land.

### **POLICY IMPLICATIONS**

#### **Council's Delegation Register**

The CEO has Delegated Authority on the Disposal of Council property (Delegation Reference A.13) in accordance with Section 3.58 of the Local Government Act on the Condition that the disposition is in Council's Adopted Annual Budget.

The Matter has been referred to Council for the leasing (disposal) of the Property through a Lease and also for Council to consider the granting of a Concessional Rent for the first 12 Months for a new Business to the District.

Business Attraction Strategy 2020-2022 adopted 26<sup>th</sup> March 2020.

## FINANCIAL IMPLICATIONS

It is envisaged that there will be minor Building maintenance expenditure on both Factory Units, which will be within Council's Building Maintenance Budget Provision. Council will receive additional Rental Income by having both Factory Units let to Commercial enterprises.

Any improvements to the property (i.e. Fencing and Signage) will be at the Applicants Cost.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

### Economic Objective: Growing economy and employment opportunities

ITEM	OUTCOMES AND STRATEGIES
ED1	Economic diversity and resilience
ED1.1	Economic and tourism development

## COMMUNITY CONSULTATION

No Community Consultation undertaken during the preparation of this Report.

Consultation with the Applicant and the affected Stakeholders has occurred.

## RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating assessed as Low. It is envisaged that there will be minor Building maintenance expenditure on both Factory Units, which will be within Council's Building Maintenance Budget. Council will receive additional Rental Income by having both Factory Units let to Commercial enterprises.

Health - Risk Matrix Rating assessed as Low

Reputation – Risk Matrix Rating of Low. The Shire President and the CEO have been approached with preliminary discussions on the proposal to commence another agricultural trade sales business in Town.

There would be a heightened reputational risk if Council were not to consider and approve the Leasing of the Factory Unit to the Applicant given that one of Council's Key Focus Areas is Economic Development and Council has an Adopted Business Attraction Strategy. It is highlighted that there may be some reputational risk of granting the Concessional Rental on the first 12 months Tenancy with possible complaint from the existing Agricultural Trades Sales business in Town.

The economic and community benefit of the additional business will counter any criticism of a Rental Concession being granted to Farmarama.

Operation – Risk Matrix Rating assessed as Low. It is considered that the Proposal will not have any adverse effect upon Council's operations.

Natural Environment – Risk Matrix Rating assessed as Low.

## COMMENT

The proposal has come about with the rationalisation of the Primaries and Landmark franchises.

Farmarama Pty Ltd are seeking the initial leasing of one Factory Unit, but have now verbally expressed interest in renting both factory units with a view to proposing to purchase the Factory Units in the future.

The CEO will have further discussions with Mr John Greenwood on his future intentions on leasing Council's Factory Unit.

The CEO has arranged for a Sworn Valuation to be obtained for both Factory Units for future discussions and reference.

## ITEM 6 CLOSURE

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There being no further business, the Chairman closed the Meeting at \_\_\_\_\_ pm.



SHIRE OF QUAIRADING	FILE NO: Page 9 of 13
	- 8 JUL 2020
	TO: COPY TO:



John Simpson  
Unit 1 / 100 Brookton Hwy  
Brookton WA 6306  
8/07/2020

Shire of Quairading  
Jennaberring Rd  
Quairading WA 6383

To Shire of Quairading:

I am a Managing Director of Farmarama and intend to open a branch in Quairading. As such I would like to lease the commercial premises located at 81 Heal St Quairading.

The lease agreement will be for the premises mentioned above, commencing 10/08/2020 and be for a minimum of 12 months.

My conditions on this transaction will be suitability to operate an agricultural supplies business from the said premises and vacancy of the premises.

Please note that this letter is not an official offer and that all details would need to be negotiated and executed through a formal Purchase (or other) Agreement.

Sincerely,

John Simpson  
FARMARAMA PTY LTD  
P O BOX 68  
UNIT 1 / 100 BROOKTON HIGHWAY  
BROOKTON WA 6306  
Email : john@farmarama.com.au  
Mobile : 0409 110 568



Your Ref: EOI FACTORY UNIT

Our Ref: COUNCIL PROPERTIES 05.04 #04

Thursday, 30 July 2020

10 Jennaberring Road  
Quairading WA 6383  
PO Box 38, Quairading WA 6383  
T: (08) 9645 2400  
F: (08) 9645 1126  
E: shire@quairading.wa.gov.au

Mr John Simpson  
Farmarama Pty Ltd  
PO Box 68  
**BROOKTON WA 6306**

Email: [john@farmarama.com.au](mailto:john@farmarama.com.au)

Dear John,

***Re: Expression of Interest – Council Factory Unit (81 Heal Street)***

On behalf of Council, I formally acknowledge receipt of and welcome your Company's Expression of Interest for the leasing of Council's Factory Unit located at 81 Heal Street, Quairading for minimum of 12 Months.

I confirm that both the Shire President Cr Wayne Davies and Myself have been in regular communications with Mr Trevor Sandercock on the feasibility and progress of the Proposal.

I confirm that the matter of leasing of the property under the Local Government Act will be presented to Council during August 2020. As discussed with Mr Sandercock, Council is able to lease property for a period under 2 Years (i.e. 23 months) without requiring to secure a Sworn Market Rental Valuation or Public Advertising of the Proposal.

The lease of the property is also based on the premise that the tenant does not have exclusive use of the premises. Council seeks to retain the Emergency Bush Fire Siren on the roof of the Factory Unit to cover the Western end of the Townsite. Continuation of the Siren in this location will mean that the non-exclusive use of the premises has been satisfied. I confirm that the Siren is operated remotely from the Fire Station and not from inside the Premises and only in case of Emergency.

The Current Weekly Rental in Council's Fees & Charges is \$275.00 (per Week incl. GST).

A Concessional Rental of \$210.00 (per Week, incl. GST) can be offered for a new Business to Town for the first 12 months.

I advise that the current tenant of the building is agreeable to re-locate to the adjoining Factory Unit to facilitate the Proposal.

I advise that an Application for a "Change of Use" of the Factory Unit from "Warehouse/Storage" to "Trade Supplies" needs to be submitted for Consideration.

I advise that a Town Planning Application is required. Copies of the relevant Form and Guidelines are attached for your use.

I have discussed the Proposal with Council's Town Planning Consultant Mr Joe Douglas and he invites Trevor and / or Yourself to contact him direct on ph. 0429 303 100 or email joe@urp.com.au to assist you with the Application Process.

The Consideration and Approval of the Application will be dealt with under the Delegated Town Planning Authority granted to the CEO from Council.

I commit that subject to the Change of Use Application being submitted and approved that the lease resolution can be determined by Council during August.

Mr Sandercock has advised the Writer that there may be interest by the Company in considering the purchase of the two Factory Units in the future.

To this end, I advise that Council have engaged a Licensed Valuer to assess and provide a Sworn Market Rental Valuation and an Outright Purchase Valuation to assist in future discussions.

I look forward to further communications with Yourself and Trevor Sandercock to progress initially the Leasing Proposal.

Please do not hesitate to contact Myself on ph. 96452400 or 0429 4510 001 to discuss any matters in more detail.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Fardon', with a long, sweeping horizontal stroke extending to the right.

**GRAEME A FARDON**  
**Chief Executive Officer**

## **Anthea Strauss**

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**From:** Graeme Fardon  
**Sent:** Wednesday, 29 July 2020 8:43 AM  
**To:** Joe Douglas  
**Cc:** Anthea Strauss  
**Subject:** Council Factory Units - 81 and 83 Heal Street  
**Attachments:** Heal Street Factory Units.pdf; FARMARAMA 08072020.pdf

Good Morning Joe

Further to our previous discussions (around 8 or 9<sup>th</sup> July) - Just advising that the Enquiry to rent Council's factory Unit is progressing to the next stage.

I have attached the letter of EOI for your information and reference.

I have also attached an aerial of the 2 Factory Units and best measurements on floor area and Lot dimensions.

Further following the Rental, the Company have indicated they would like to discuss the purchase of both factory Units in due course.

This is all very positive news.

Would you please resend me the previous initial Planning Advice you gave me on the way forward to consider the initial Land use application – I have been unable to easily locate this Advice.

I recollect our conversation on the recommended Land use definition and also the ability for me to consider under Delegated Authority.

I would like to commit this information in writing back to the Proponent.

Is it okay for me to direct John Simpson and / or Trevor Sandercock ( will be the local person operating the business) to yourself to progress the Planning Application.

I have said to we do have some Planning processes to undertake but will try to minimise the "red tape" (if possible)

I have agreement for the Electrician, John Greenwood who is currently leasing 81 Heal Street to locate to 83 Heal Street premises. He mainly uses the factory unit to Store his stock and his Electrical Trades Licence etc. is based from his Quairading residence.

**Regards**

**Graeme Fardon**

**CHIEF EXECUTIVE OFFICER**

**T:** 9645 2400 | **M:** 0429 451 001 | **E:** [ceo@quairading.wa.gov.au](mailto:ceo@quairading.wa.gov.au)


PO Box 38, 10 Jennaberring Road, Quairading WA 6383



[www.quairading.wa.gov.au](http://www.quairading.wa.gov.au)





 2 Factory Units on Heal Street - Quairading

979sqm - LOT 80 ON DEPOSITED PLAN 412325

1012sqm - LOT 29 ON DEPOSITED PLAN 223072



Coordinate System: GDA 1994 MGA Zone 50

