



DISPOSAL OF SURPLUS LAND OPTIONS PAPER

TENTH STREET, (115 PRINCES HIGHWAY) TALEM BEND

22 November 2023

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1. INTRODUCTION AND PURPOSE

This Community Engagement Options Paper is presented to assist community members to understand opportunities arising from the vacant surplus land at 115 Princes Highway Tailem Bend following relocation of the Tailem Bend Tennis Club to The Tailem Bend Sports and Recreation Hub. This piece of land is a valuable community asset, consideration of its disposal and future use, represents a significant decision for Council. The Paper provides background, advice on relevant legislative and policy provisions and a number of options with consideration of advantages and disadvantages of each.

The Paper will assist community members providing feedback to Council.

2. BACKGROUND

The land previously occupied by the Taillem Bend Tennis Club is located at 115 Princes Highway Taillem Bend (see Image below) and has boundaries to both Tenth Street, Railway Terrace and Princes Highway.



Figure 1 Aerial image of 111 Princes Hwy, Taillem Bend

The site has the following key statistics:

AREA:	approximately 11,000 m ²
SERVICES:	CWMS, SA Water, SAPN and NBN.
ACCESS:	Street access on 3 sides.
ZONING:	Neighbourhood (Residential)-primarily envisages housing allowing for a range of types and development associated with residential areas such as recreational services.
PROXIMITY TO SERVICES:	Walkable distance to shops and services in town centre.



Figure 2 View from Railway Tce



Figure 5 Tennis Clubhouse



Figure 3 View towards Tennis Courts



Figure 6 Tennis courts



Figure 4 Toilet block



Figure 7 View from Service Road



Figure 8 View from Tenth Street



Figure 9 Opposite side Tenth Street dwellings not orientated towards park.

DEVELOPMENT SUITABILITY

Flat land readily developed, subject to additional Site contamination investigation (see Summary Preliminary Soil Contamination report pending).

CWMS INFRASTRUCTURE

As can be seen from image below a CWMS drain traverses the allotment with a diversion around the edge of the tennis court. Otherwise, the CWMS drain runs at rear of adjoining allotments servicing septic tanks located in rear yards of these properties.



Figure 10 Aerial image depicting location of CWMS infrastructure

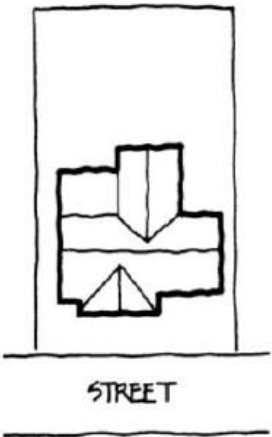
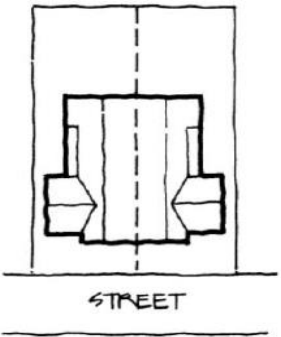
LAND DIVISION

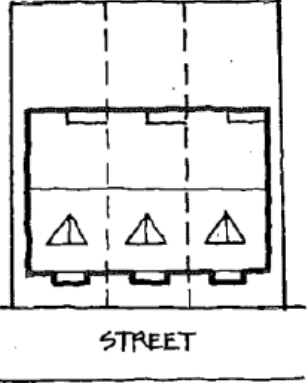
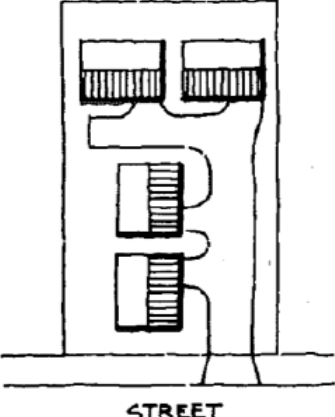
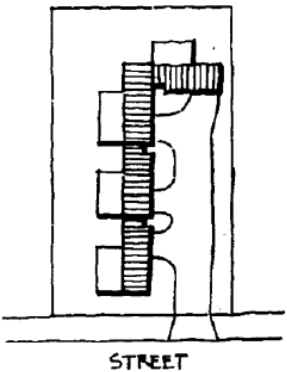
The Planning and Design Code provides the following limits for land division in the Neighbourhood Zone.

MINIMUM LOT SIZE / STREET FRONTAGE

- Detached dwelling 750m² / 15m
- Semi detached dwelling 400m² / 8m
- Row 400m² / 8m
- Group or Flat dwelling 400m² / 20m

DWELLING TYPES

 <p>The diagram shows a single building footprint within a rectangular lot. The building has a central section with a gabled roof and two side wings. A horizontal line below the lot is labeled 'STREET'.</p>	<p>Detached Dwelling</p> <p>A “detached dwelling” is a building that is not attached to any other building and which contains only one dwelling.</p> <p>The dwelling must be the only one on that site and it must have frontage to a public road</p>
 <p>The diagram shows two building footprints side-by-side within a rectangular lot, separated by a vertical dashed line. Each building has a gabled roof. A horizontal line below the lot is labeled 'STREET'.</p>	<p>Semi-Detached Dwelling</p> <p>A “semi-detached dwelling” is a dwelling that is one of two dwellings erected side by side, joined together and forming one building.</p> <p>Each semi-detached dwelling has frontage to a public road and has its own exclusive site (i.e. front yard and back yard).</p> <p>Other names for semi-detached dwellings are maisonettes and duplexes.</p>

	<p>Row Dwelling</p> <p>A “row dwelling” is a dwelling that is one of three or more dwellings erected side by side, joined together and forming one building.</p> <p>Each row dwelling has frontage to a public road and has its own exclusive site (i.e. front yard and back yard).</p> <p>Other names for row dwellings are terrace or town houses.</p>
	<p>Group Dwelling</p> <p>A “group dwelling” is one of a group of two or more building, each of which contains only one dwelling, and where one or more of the buildings does not have frontage to a public road.</p> <p>A typical feature of development involving group dwellings is a shared driveway providing access to the dwellings.</p>
	<p>Residential Flat Building</p> <p>A “residential flat building” is a single building that contains two or more dwellings, but does not include a semi-detached dwelling, row dwelling or group dwelling.</p> <p>A typical feature of a development involving a residential flat building is a shared driveway and dwellings joined together and/or constructed above other dwellings.</p> <p>Many examples of this form of development were constructed in the 1970s but modern apartment development also falls into this category.</p>

POTENTIAL YIELD FROM LAND DIVISION EXAMPLES

- Potential allotment yield & options require compliance with planning and design code
- 10 detached dwellings with surplus land
- 6 detached dwellings and 10 or more group / row or flat dwellings
- Other combinations possible

3 LEGISLATION, POLICIES AND PROCESSES

LOCAL GOVERNMENT ACT

The Local Government Act 1999

DISPOSAL OF COUNCIL LAND AND OTHER ASSETS POLICY

Council's Disposal of Council Land and Other Assets Policy provides guidance for the disposal of surplus land assets. Consistent with the Local Government Act 1999 (the Act) this policy sets out the principles and processes which apply when Coorong District Council is disposing of land and other assets including major and minor plant and equipment. It applies to all Council actions for the disposal of physical items owned by Council.

The Policy establishes principles to be considered in all disposal activities as follows:

a. Open and effective competition

Encouragement of open and effective competition. Fair and equitable consideration will be given to all prospective purchasers.

b. Value for money

This is not restricted to price alone. The value for money assessment must include consideration, as applicable, of:

- I. The contribution to Council's Long Term Financial Plan and strategic management plans
- II. Any relevant direct and indirect benefits to Council, both tangible and intangible;
Efficiency and effectiveness;
- III. The costs of various disposal methods;
- IV. Internal administration costs;
- V. Risk exposure; and
- VI. The value of any associated environmental benefits.

c. Ethical behaviour and fair dealing

Council employees involved in disposal are to:

- I. Behave with impartiality, fairness, independence, openness, integrity, and professionalism in all discussions and negotiations;
- II. Provide all prospective purchasers with equal opportunity to make an offer;

- III. Use straight forward and user-friendly documentation;
- IV. Adopt clear and easy to understand evaluation criteria and methodology;

Considerations prior to Disposal of Land and Assets

Any decision to dispose of land and assets will be made after considering (where applicable):

- the usefulness of the asset;
- the current market value of the land or asset;*
- the remaining useful life, particularly of an asset;
- the annual cost of maintenance;
- any alternative future use of the land or asset; *
- any duplication of the land or asset or the service provided by the asset;*
- any impact the sale or disposal of the land or asset may have on the community;*
- any cultural or historical significance of the land or asset; *
- the positive and negative impacts the sale or disposal of an asset may have on the operations of the Council; *
- the long term plans and strategic direction of the Council (for example meeting the objectives of the Council's Strategic Management Plan, Long Term Financial Plan and Asset Management Plans); *
- Council Policies on: - Council Services - Range and Levels; - Internal Financial Controls; - Prudential Management;
- a benefit and risk analysis of the proposed disposal; *
- the results of any community engagement process; *
- any restrictions on the proposed disposal (e.g. land held in trust); and
- the content of any community land management plan. Council will receive and consider a report from the Chief Executive Officer prior to the sale of Council land or buildings. The report will include an assessment of relevant factors including those outlined above. Council will seek to sell or dispose of land at or above current market valuation

* Key considerations for Tenth Street surplus land disposal.

The reasons for selecting the method of sale, including the reasons for entering into any contract for the sale of land other than by a tender process, will be documented in a resolution of Council.

Council will seek to dispose of Land at or above current market valuation by whichever method is likely to provide Council with a maximum return, unless there are reasons for Council to accept a lesser return which is consistent with the Council's overall strategic direction. These reasons must be documented in writing.

4 NATIVE VEGETATION

The site was established as recreation grounds in 1960's. Care was taken to plant and nurture a number of native trees which have provided amenity, shade and biodiversity.

A review of native vegetation was undertaken to catalogue species type and biodiversity value (see *Appendix One*). Whilst the trees are most likely not naturally occurring and hence not likely protected under the Native Vegetation Act, Council should consider their value and contribution to the local amenity, biodiversity and cooling effect which could be of benefit to residents should the land be developed.

Council may consider influencing sale of the land or subsequent development outcomes to retain a portion of the native vegetation according to position and biodiversity value.



Figure 11 Tree Identification aerial view (see appendix 1)

5 OPTIONS

5.1 OPTION ONE-SELL LOT AS IS ON OPEN MARKET

Option	Description	Advantages	Disadvantages
Sell lot as is	Selling the entire allotment with nil modifications	Simple Minimal risks Seen as normal Council business	Potential revenue significantly less than divided land. Rules out opportunities to influence land use outcomes i.e., % affordable / social housing.
Sell lot cleared of buildings and structures including tennis court.	Selling land after demolition of buildings and tennis court / fencing.	Relatively simple May achieve higher returns and or quicker sale. Acceptable Council business Demolition and site clearing could be delivered in house or with local contractor.	As above. Potential added costs from building / soil contamination discovered during demolition and clearance i.e. not identified in Preliminary Site Assessment.

DISCUSSION

The options to sell the entire allotment as is, significantly simplifies the process of disposal and manages a number of risks as tabled above. However, the revenue generated would be less than a further divided site. It represents a typical risk / reward scenario.

Clearing the site is relatively simple and would either generate more value and / or potentially expediate sale and development of the land.

In a buoyant market (sellers' market) a simple option such as selling the land as is, without clearing buildings and structures presents a fair rationale given value and expediency should be realised regardless i.e. in a strong market with limited supply, people want to buy and develop to secure land and benefit from demand for affordable housing. However recent increases in interest rates have dampened the market and could result in either lower prices or land remaining on the market for sale for a longer period to achieve desired revenue.

5.2 OPTIONS TWO- SELL LOT AS IS TENDER PROCESS WITH DEFINED OBJECTIVES i.e. % affordable / social housing.

Option	Description	Advantages	Disadvantages
Sell lot as is but with specific desired / required outcomes.	Through a Tender process, seek sale of land within set parameters and to meet defined objectives. These objectives may include outcomes such as percentage of development dedicated to affordable or social housing. The Tender may follow an Expression of Interest to narrow the field of participants in a Select Tender process aimed at greater efficiency in achieving overall objectives.	Relatively straightforward process. Number of similar processes followed by Councils previously i.e. acceptable Council business. Specific desirable outcomes beyond economic needs of community i.e. affordable / social housing.	Likely lower value gained from sale compared to open market with nil conditions. EOI process and Probity risks require additional resources to manage disposal process.

DISCUSSION

A Tender process allows for potential developers to consider their ability to meet Council expectations, whilst achieving their own business objectives. It sets up for a good 'fit' between Council and the successful tenderer. Added administration activity is required to draft a Tender, obtain Council approval, issue, evaluate and, through Council, award the Tender. The process could alternatively be managed through LG Procurement which would assist in ensuring probity obligations are adhered to.

Council would need to develop a proposal establishing their objectives i.e. 50 % of site developed as affordable (NOTE: will require definition). The draft proposal should either reflect community engagement outcomes or be subject to an appropriate level of community engagement.

An EOI process would narrow the field of prospective Tender participants making the Tender process easier to manage and likely to result in better quality tenders.

The primary requirement for this option is that Council is clear on its desired objectives, and it accepts an opportunity cost for choosing this approach for disposal of a surplus asset. Effectively Council would be placing a value on achieving a social outcome, accepting that the pure financial outcome of the transaction is likely to be less than an unencumbered open market approach.

5.3 OPTION THREE- AFFORDABLE HOUSING PROJECT

Option	Description	Advantages	Disadvantages
Identify land for Affordable Housing Project.	The SA Affordable Housing Project Feasibility Study is completed as supported by Coorong District Council, Tatiara, Naracoorte Lucindale and Southern Mallee Councils. The Tenth Street site is likely to be a suitable parcel of land should the Project progress to implementation phase.	<p>Location, size and other attributes combine to make land suitable candidate for Project.</p> <p>Provides for very specific affordable housing outcomes.</p> <p>Foster relationship between Council and Affordable Housing Provider.</p> <p>May address significant housing gap for lower income individuals and families in the community.</p>	Revenue outcomes may be less and / or generated over longer term.

DISCUSSION

Along with Tatiara, Naracoorte Lucindale and Southern Mallee Councils, Coorong District Council has collaborated in researching feasibility of an Affordable Housing Project which would combine Council and Affordable Housing Provider resourcing to deliver Affordable Housing outcomes in the district. The Tenth Street site has potential to meet the development site criteria for the Project.

This option would involve committing the site to the principles of an Affordable Housing Project and inclusion in the Regional Precinct Partnership Grant application for development of legal instruments, land division plan and infrastructure plan for the site. The outcome of the SA Affordable Housing Project provides valuable guidance for a project of this nature. This option involves Council taking an active role in facilitating affordable housing on the site in collaboration with a non-government organisation specialising in affordable housing.

5.4 OPTION FOUR-COUNCIL FACILITATED LAND DIVISION AND SALE OF LOTS

Option	Description	Advantages	Disadvantages
Council arranges for site clearance and land division, creating separate lots for sale by open market or public auction.	Council either directly, or through a suitable firm, arranges site clearance and land division to create individual lots for Certificate of Title and sale. The configuration of allotments can be considered by Council to balance financial returns and mix of dwellings types to promote a level of affordable housing.	Significant increase in potential revenue generated. Division would reflect Council's vision for the land and surrounds.	Greater complexity and risks. May not be seen as Council business i.e. developer. Utilises internal resources if not completely outsourced. May result in longer period for building given numerous separate allotments as opposed to single site sale to developer.

DISCUSSION

The land has potential to yield up to at least 20 allotments depending on size and configuration. Significantly more dwellings could be achieved depending on dwelling types i.e. group or row dwellings. As opposed to one single allotment, the sale of any volume between 10 and 20 allotments, would likely generate significantly greater income even when accounting for additional development costs.

Requirements are:

- Survey and Land Division Plan / Application.
- Servicing and road frontage to all blocks created.
- Issuing of Titles and marketing of allotments.

Risk / reward considerations are central to considering this option. Whilst the revenue generated is likely to be significantly greater than selling the Allotment as is, the costs and risks are much greater. Council should not directly deliver professional services outside of its expertise and core business. In this option a Project Manager / Firm with appropriate skills and experience would be engaged to undertake management of the land division and marketing on behalf of council.

There are numerous examples of such projects resulting in excellent outcomes for councils. However, numerous examples also exist whereby risks have materialised, and potential revenue outcomes not been realised. This latter outcome has the added consequence of impacting upon a council's reputation negatively and potentially having long lasting impacts.

A very cautious and thoroughly planned approach, taking great care to consider risk mitigation measures, is recommended if this option is to be further considered.

5.5 OPTION FIVE: Retain Land For Non-Residential (Recreational) Use

Option	Description	Advantages	Disadvantages
Retain land for non-residential community use such as recreational or sport facility.	Choose not to sell the land but to retain as a non-residential community asset. Options would include recreational facilities or passive parklands.	Maintain an open space in local community. Likely to receive local community support. Open space for nearby residents with limited transport or mobility.	Revenue from disposal of asset not realised. Continued cost of maintaining an asset.

DISCUSSION

Community engagement is likely to result in a reasonable number of people wanting the land retained as open recreation space. In particular this is a likely desire for those living in vicinity of the site.

If Council were in a position that it was evident the loss of this community space would result in detriment to the Tailem Bend Community due to a lack of alternative nearby open space, it may consider retaining the land for such purposes. However, similar parks exist nearby and the Tennis Club has relocated to the Sports and Recreation Hub. The immediate neighbourhood is well serviced with open spaces and parks within walking distances. The sale of this surplus asset in a residential zone could generate income supporting Council's ability to fund upgrades of existing Council reserves for the benefit of the wider community.

A compromise position may involve selling a portion of the land and retaining a further portion as a reserve. Alternatively depending on the option chosen the developer / buyer could be obliged to establish a portion of public open space in a designated area. The irregular shape of the allotment lends to a strip of reserve along Tenth Street being a feasible consideration i.e. squaring off the area for residential development.

5.6 OPTION SIX: Hybrid Options Three And Four

(COUNCIL PREFERRED)

At its meeting held on November 21st 2023 Council resolved that its preferred option prior to engaging in community consultation was a mix of options three and four. The land could effectively be split allowing a portion to be divided for traditional sized single dwellings and sold on the open market. The balance of the land could then be devoted to the affordable housing model. This provides for the benefits of both options and as such generates income which can support the overall development and local surrounds.

6 FRANK CLAPP MEMORIAL

Within the land parcel exists a memorial for Frank Clapp a former Railway employee and significant contributor to community service in the district (image below).



Figure 12 Frank Clapp Memorial

The following words regarding Frank Clapp are provided by Cllr. Brenton Qualmann

“Frank Clapp joined the South Australian Railways on 5th of January 1959 as a fitter and turner at Peterborough. Then sometime later in the mid-sixties he was promoted to Locomotive foreman at Port Pirie. The Port Pirie loco department became redundant in the late seventies, so Frank was transferred as Loco Foreman to Tailm Bend around 1979. Frank was a community minded man and with a caring nature, he became an

active committee member of the Railways Institute [railway social club]. Thus, he was involved in various activities which I will list:

- 1. Retired railway employees annual Luncheon.*
- 2. Assisting with maintenance of the AN institute recreation centre, what is now known as the Tennis courts reserve}. About 1990, because of excessive water bills at the recreation centre, the committee decided to upgrade with the installation of pop up sprinklers ,receiving water via councils' waterline to the football oval. This was a rather big challenging task for us, but Frank provided knowledge, men, and material to get the job done.*
- 3. Around early December every year Frank would be Father Christmas not only for the railway kids here, but would travel up to Loxton, Pinnaroo and Wolseley and all the stations in between, delivering Christmas presents to all the kids.*
- 4. Frank was also very funny, for how bad or down you are, he would always make me laugh."*

Discussions have been held with the Clapp Family and will continue to ensure that, if Council deems relocation of the memorial is necessary, it is re-established at a location and in a manner that meets with the family's approval. There is potential to include such in the Taillem Bend Streetscape rejuvenation project and in association with storytelling about Taillem Bend and its Railway history.

7 NEXT STEPS

Following consideration of community feedback Council may determine the direction it seeks to take, in respect to its preferred option, or it may further consider other options.

Feasibility, costings and a project plan will be developed. A report may be required to confirm the proposed direction and activity satisfies appropriate prudential expenditure and risk profile of a local government authority. It is important that Council demonstrates an appropriate level of community engagement and scrutiny of the proposed disposal strategy, prior to commencing actions such as engaging consultants or issuing Expressions of Interest or Tenders for Acquisition.

8 APPENDICES

1. NATIVE VEGETATION REPORT