



Agenda

Finance, Policy, Operations and Legislation Committee

Wednesday, 8 December 2021, 6.00pm

CITY OF FREMANTLE
NOTICE OF A FINANCE, POLICY, OPERATIONS AND LEGISLATION
COMMITTEE MEETING

Elected Members

A Finance, Policy, Operations and Legislation Committee meeting of the City of Fremantle will be held on **Wednesday, 8 December 2021** in the North Fremantle Community Hall, located at 2 Thompson Road, North Fremantle commencing at 6.00 pm.

A handwritten signature in black ink, appearing to read 'M. Hammond', with a stylized flourish at the end.

Matt Hammond
Acting Director City Business

3 December 2021

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CITY OF FREMANTLE

Finance, Policy, Operations and Legislation Committee

Agenda

1. Official opening, welcome and acknowledgement

We acknowledge the Whadjuk people as the traditional owners of the greater Fremantle/Walyalup area and we recognise that their cultural and heritage beliefs are still important today.

2. Attendance, apologies and leaves of absence

There are no previously received apologies or approved leave of absence.

3. Disclosures of interests by members

Elected members must disclose any interests that may affect their decision-making. They may do this in a written notice given to the CEO; or at the meeting.

4. Responses to previous questions taken on notice

There are no responses to public questions taken on notice at a previous meeting.

5. Public question time

Members of the public have the opportunity to ask a question or make a statement at council and committee meetings during public question time.

Further guidance on public question time can be viewed [here](#), or upon entering the meeting.

6. Petitions

Petitions to be presented to the committee.

Petitions may be tabled at the meeting with the agreement of the presiding member.

7. Deputations

7.1 Special deputations

A special deputation may be made to the meeting in accordance with the City of Fremantle Meeting Procedures Policy 2018.

There are no special deputation requests.

7.2 Presentations

Elected members and members of the public may make presentations to the meeting in accordance with the City of Fremantle Meeting Procedures Policy 2018.

8. Confirmation of minutes

OFFICER'S RECOMMENDATION

The Finance, Policy, Operations and Legislation Committee confirm the minutes of the Finance, Policy, Operations and Legislation Committee meeting dated 10 November 2021.

9. Elected member communication

Elected members may ask questions or make personal explanations on matters not included on the agenda.

10. Reports and recommendations

10.1 Committee delegation

FPOL2112-1 PROPOSED LEASE FOR WALYALUP CIVIC CENTRE – OFFICE SPACE

Meeting date:	08 December 2021
Responsible officer:	Acting Director City Business
Decision making authority:	Committee
Attachments:	1. Walyalup Koort Leasing Prospectus
Confidential Attachments:	1. EOI – Walyalup Civic Centre Lease (Confidential)

SUMMARY

This purpose of this report is to seek Council approval for the proposed lease terms that have been negotiated with an applicant for office space within the Walyalup Civic Centre.

The applicant proposes an office space in a 260m² portion of level 3 of the Walyalup Civic Centre.

This report recommends that Council approve the proposed lease terms.

BACKGROUND

The Walyalup Civic Centre includes a selection of spaces that have been made available for commercial lease. This includes over 1000m² of office space available across level 3 of the main civic centre and levels 1 and 2 of the triangular section of the civic centre.

The City has advertised the space as being available on a variety of platforms including realcommercial.com since shortly after the project commenced construction.

An initial Expression of Interest (EOI) process was run in 2019 seeking interest from organisations wishing to lease the space however no suitable submissions were received at that time. The spaces have remained available since then and the City has welcomed proposals from proponents as and when received.

Since the completion of the building the City has experienced an increase in interest for leasing office space in the Walyalup Civic Centre, and an offer has been received from Apsyrtus Biotechnology (VetChip).

FINANCIAL IMPLICATIONS

The proposed rent for the premises is \$78,000 per annum + GST. This is calculated at a rate of \$300m² per annum +GST.

Outgoings for the property have been estimated at \$37,960 for the first year. This equates to approx. \$146m².

The fit-out contribution from the City requested by the prospective tenant for the lease includes:

- City contribution of up to \$200,000 towards lessee fit out.

There is no rent-free period so rent will be payable from the commencement of the lease.

The requested lease term is three years, with a first further term of three years at VetChip's discretion (3+3). The lease will also include a bank guarantee equivalent to 3 months' rent.

Rent reviews will occur annually based on Consumer Price Index (CPI) with market rent reviews to occur prior to the commencement of the first further term should it be exercised by the lessee.

The fit-out contribution payment of up to \$200,000 towards lessee fit out has been requested as a contribution from the City. This will consist of a basic 'warm shell' fit-out of the premises including flooring, ceilings, lighting, air-conditioning and basic partitioning.

Payment of the fit-out contribution will be paid upon completion of the works subject to the lessee providing paid invoices for reimbursement or alternatively directly to the contractor who is completing the works. Milestone payment amounts are still subject to the lessee finalising a detailed design.

Ownership of any works delivered via the \$200,000 fit-out contribution will be retained by the City at the conclusion of the lease. The applicant will undertake fit out within 60 days from commencement of the lease.

The fit-out contribution is not budgeted for in the approved FY2021/22 budget and remains subject to council approval.

Officers forecast that the net income for the terms of the lease (not including rates) after factoring in the fit-out contribution, has been estimated to be in the vicinity of \$306,507 over the total 6-year term. This is based on a potential gross rental revenue of \$506,507 and fit out contribution of up to \$200,000.

LEGAL IMPLICATIONS

Two documents are required to be finalised as part of the proposed lease.

1. Lease: The lease must comply with the requirements of Section 3.58 of the *Local Government Act 1995*. Officers will ensure that this occurs.
2. Fit-out Contribution Agreement: The negotiated terms of this lease include a payment made by the City towards the lessee's fit out. The Fit-out Contribution Agreement will outline the agreed terms of how and when payments are made to the lessee for the fit-out contribution amount.

As per section 3.58 of the Local Government Act 1995, before agreeing to dispose of this property the City will give public notice of the proposed disposition, and in doing so invite public submissions on the proposed disposition.

CONSULTATION

The property was marketed via the following methods;

- Advertising on realcommerical.com
- City's website and various media channels
- Google Adwords
- Advertisement in the West Australian and Business News
- Direct approach to potential candidates and use of Economic Development database.

OFFICER COMMENT

The Walyalup Civic Centre offers a substantial opportunity for organisations to consider establishing a presence within new A-grade commercial space located in the heart of Fremantle.

As the building has now been completed, the level of enquiries from prospective tenants has increased and there is currently initial interest for all spaces that are available.

The presented proposal is for approximately 260m² of the 984m² office space located on level 3 of the Walyalup Civic Centre.

Apsyrtus Biotechnology trading as 'VetChip' is a start-up biotechnology company. One of the organisations founding Directors, Dr. Garnett Hall is also the practice owner of Fremantle Animal Hospital located on Ellen Street Fremantle.

VetChip delivers animal health monitoring technology and analytics to improve animal health and wellness outcomes by providing the earliest opportunity for intervention and effective treatment.

Selection criteria from the initial EOI process sought businesses that were:

- A new business to Fremantle.
- A business operating within knowledge-based industries.
- aligned with outcomes of the City's Economic Development Strategy and Strategic Community Plan.

Officers have determined that VetChip meets this criteria.

Key Lease Terms and Conditions

Land Description	
Premises	Office space portion – 8 William Street, Fremantle – address to be confirmed.
Lessor	City of Fremantle
Lessee	Apsyrtus Biotechnology (VetChip)
Guarantor	None
Bank Guarantee	Equivalent to 3 months' rent This will be provided by bank guarantee or bond.
Site Area	Level 3 - approximately 260m ²
Lease Commencement Date	1/2/2022 with early access from 15/01/2022 if practicable.
First Term	Three (3) years
First Further Term	Three (3) years (at VetChip's discretion)
Annual Rent	\$300/m ² plus outgoings.
Rent Review	Rent will be determined by Consumer Price Index annually on the Lease Commencement Date with market rent reviews to occur at the commencement of the first further term should it be exercised by the lessee.
Variable Outgoings/Outgoings	<p>Outgoings on demand will include but not be limited to;</p> <ul style="list-style-type: none"> • Council Rates • Emergency Service Levy • Land Tax • Statutory fees and charges • Building Services, repairs and maintenance. <p>Current rate of budget is estimated at \$146m². The determination of actual Council Rates and Land Tax may vary from or be in addition to this figure.</p>
Legal Fees	Each party will be responsible for their own costs.
Public Liability	Minimum of \$20 million
Permitted Use	Office
Special Conditions	<p>1. Lessee's Fit Out</p> <p>Fit out to Ground floor and First floor must occur within 60 days of the commencement of the Lease, and the City of Fremantle will use all efforts to ensure this fit out can be conducted in the timeliest way possible.</p> <p>The Lessor will deliver and pay for a basic 'warm shell' fit-out of the premises including flooring, ceilings, lighting, air-conditioning and basic partitioning up to the value of \$200,000. The lessor will retain ownership of all works delivered as part of the \$200,000 contribution. The \$200,000 contribution by the lessor remains subject to council approval.</p>

	<p>2. Lessee's Works</p> <p>Lessee's works definition;</p> <ul style="list-style-type: none"> (a) Any alternation, improvement or development of the Premises including but not limited to the erection of any building, structure or fixture on the Premises (including tenancy fit out). (b) The excavation or demolition of any part of the Premises; (c) The removal, sale or disposal of any materials from the Premises. <ul style="list-style-type: none"> (1) The Lessee must not undertake works unless; <ul style="list-style-type: none"> (a) Prior written consent is obtained from the Lessor which will include the submission of a design of the proposed works and certified quantity surveyor (QS) estimate. Consent may be withheld at absolute discretion or granted subject to conditions as the Lessor sees fit including but limited to any condition requiring amendment of the plan for the proposed Lessee's Works in a manner deemed appropriate by the Lessor. (b) Planning approval under the local planning scheme (if applicable) and; (c) A building permit under the <i>Building Act 2011</i>(if applicable). (2) With the exception of the Lessors fit-out contribution, the Lessee shall be responsible for all costs of, or associated with, the Lessee's Works including but not limited to costs of or associated with: <ul style="list-style-type: none"> (a) an application for planning consent; (b) an application for a building permit; (c) obtaining any other statutory approval required, including Water Corporation approval where necessary; (d) construction or installation of the Lessee's Works; and (e) Installation or upgrade of any services. (3) The Lessor reserves the right to appoint a Lessor representative to oversee all Lessee Works at the Premises and sign off on the completion of key items within the Lessee proposed design. (4) The Lessee will provide certification and public liability for all the Lessee contractors undertaking the Lessee Works at the Premises.
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	<p>(5) The parties acknowledge and agree that any Lessee's Works comprising structural improvements, or are financially funded by the Lessor's fit-out contribution payment, shall vest to the Lessor upon Termination of the Lease without cost.</p> <p>(6) Should the Lessee and Lessor not agree to the QS estimate provided by the Lessee then this will be mediated by an independent QS being agreed to by both parties whose determination will be accepted by both parties.</p> <p>3. Assignment or Sub Letting</p> <p>(1) The Lessee must not assign or sublet any part of the Premises without prior Lessor approval. The Lessee will not unreasonably withhold consent to an assignment or sublease if:</p> <ul style="list-style-type: none"> (a) The proposed assignee or sub-lessee has been demonstrated by the Lessee, to the satisfaction of the Lessor, has the ability to meet the financial and premises operations obligations under the Lease. (b) All accounts are paid in full up until the date of the assignment or sub lease. (c) The Lessee pays all costs associated with an assignment or sublease. (d) The assignee or sublessee (if required) has provided the Lessor with a bank guarantee in an amount equivalent to equivalent to six months gross rental including GST. <p>4. State of Emergency Clause</p> <p>The Lessor and Lessee will act in good faith to follow all actions determined by State or Federal Government in relation to a State of Emergency situation.</p> <p>5. Use of Confidential Information</p> <p>"Confidential Information" means any information relating to the Lease, including but not limited to the provisions of the Lease.</p> <ul style="list-style-type: none"> (a) To the extent permitted by law, both parties agree to keep the Confidential Information confidential and to use such information only for the purposes of performance of their respective obligations under the Lease. (b) The obligations of confidentiality in paragraph (a) will not apply to information which: <ul style="list-style-type: none"> (i) is generally available in the public domain except where such availability is as a result of a breach of this agreement; or (ii) is required to be disclosed by an applicable law, including but not limited to the <i>Local Government Act 1995</i> or <i>Freedom of Information Act 1992</i>, or by court order.
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	<p>(c) The obligations imposed will survive the termination of the Lease.</p> <p>6. Parties to act in good faith</p> <p>Each party agrees to act in good faith throughout the term of the Lease and to not publicly disparage, denigrate or criticize the other party.</p> <p>7. End of Lease</p> <p>At the end of the lease the Lessor reserves the right to advertise the premises available to Lease. The Lessee will be advised of this process not more than 12 months, no less than 6 months prior to the expiry of the last lease term. The Lessee, subject to no default against the lease, will be entitled to reapply to lease the premises through the public process.</p> <p>8. Communal Areas</p> <p>Any common areas required due to a multi-tenancy situation on level three will be fit-out by the lessor. Details and design of fit-out are subject to securing additional tenancies on level 3.</p> <p>9. End of Trip Facilities</p> <p>Lessee and staff to be granted access to City of Fremantle's end of trip facilities.</p> <p>10. Building access</p> <p>Access control system to be installed to Level 3 and managed by Lessor. Access cards to be provided to Lessee (per employee). 24-hour access to be available.</p> <p>11. Signage</p> <p>Directional (wayfaring) signage in communal areas (e.g. Lobby) to be emplaced at Lessor's expense.</p> <p>12. Utilities</p> <p>Lessor to provide individual power meter to tenancy.</p>
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VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

- 1. Approve a Lease between the City of Fremantle and Apsyrtus Biotechnology (trading as VetChip) for a portion of the level 3 office space within the Walyalup Civic Centre; and authorise the Chief Executive Officer to negotiate the terms and conditions of the lease based on the following essential terms:**
 - a. Lease area: 260m²**
 - b. Lease commencement date: TBA**
 - c. First term: three years**
 - d. First further term: three years at the lessees discretion**
 - e. Rent: \$78,000 per annum + GST**
 - f. Rent Review: Consumer Price Index annually on the Lease Commencement date. Market rent review prior to the commencement of the first further term**
 - g. Permitted use: Office**
 - h. Bank Guarantee: Equivalent of three months rent**
- 2. Note a fit out-out contribution agreement between the City of Fremantle and Apsyrtus Biotechnology (trading as VetChip) for an amount of up to \$200,000 will be brought back to Council for consideration upon receiving a finalised fit-out design from the proposed lessee.**

FPOL2112-2 FREMANTLE GOLF COURSE AND COMMUNITY CENTRE

Meeting date: 8 December 2021
Responsible officer: Manager Asset Management
Decision making authority: Committee
Attachments: Nil
Additional information: Nil

SUMMARY

This project has been initiated by the Main Roads WA High Street upgrade project impacts on the Fremantle Public Golf Course and former Community Facility at 26 Montreal Street. The City has committed to ensuring suitable replacement facilities including remediation of the Fremantle Public Golf Course and replacement facilities for the golf clubhouse and community facility. As a result, the City has is designed a co-located clubhouse for Fremantle Public Golf Course and community facility on Montreal Street Fremantle.

This report provides an update on the project viability in respect to the cost implications in the current building construction market.

This report recommends that Council request officers retender the Golf Club and Community Centre construction project when the building construction market conditions are deemed more favourable.

BACKGROUND

The City has designed a co-located clubhouse for Fremantle Public Golf Course and community facility on Montreal Street, Fremantle as part of the replacement works initiated by the Main Roads WA High Street upgrade project.

At the Finance, Policy, Operations and Legislation Committee meeting on 9 December 2020, Council resolved the following:

1. *Request officers progress with the detailed design and procurement of the Fremantle Golf Course Clubhouse and Community Centre based on "Option 1" in relation to the Golf Clubhouse and Cafe facilities (including the dual access to the ablutions); and, "Option 2A" for the Community Centre facility (including a 150sqm "Community Space" and a separate 25sqm "Meeting" room).*
2. *Request officers to further consider and refine the final design to include:*
 - a. *Improved width of the "Dining" area in the clubhouse.*
 - b. *A publicly accessible after-hours toilet within the complex.*
 - c. *Consideration of the following design enhancements where practical and viable within the agreed and approved budget:*
 - i. *Optimised proportions of the "Community Space" (e.g., wider or less elongated) to ensure a high degree of flexibility in usage.*
 - ii. *An option for a second acoustic operable wall that enables the "Foyer" to be extended to fully divide and acoustically separate the "Meeting" area from the "Community Space".*

- iii. *Significantly increased site flexibility to accommodate a possible expansion of the community building to the south-west capable of incorporating future facilities necessary to deliver a managed/programmable community centre, including further exploration of options for the alignment of the proposed vehicle/bike access path and the potential decommissioning of the existing public toilet.*
 - iv. *A way of functionally isolating the "Dining" area from the golfing "Foyer/Retail" and "Admin" areas for flexibility.*
 - v. *Increase the privacy afforded to the golfers' changing areas and showers in relation to the more generally used public toilets.*
3. *Request an increased budget allocation of up to \$450,000 be included as part of the 2021/22 budget process.*

Officers worked with the consultant architect to complete the design including the requests from Council and subsequently tendered for the construction of the facility.

This report provides an update on the project viability in respect to the cost implications in the current market.

FINANCIAL IMPLICATIONS

The project will be funded by the contribution from Main Roads Western Australia (MRWA). The City has agreed, in consultation with MRWA, for the City of Fremantle to manage the design and delivery of the required works.

In addition to the funding from MRWA the City has budgeted and additional \$450,000 to deliver an improved community facility.

The tendered prices for the construction of the facility were all significantly over the allocated budget of \$2,930,000.

LEGAL IMPLICATIONS

The City has entered into a Deed of Agreement with Main Roads Western Australia for the delivery of the remediation of the Fremantle Public Golf Course, clubhouse and community facility

CONSULTATION

As part of the early stages of the project, the City undertook a three-stage community consultation process. The consultation targeted key stakeholders and users as well as the wider community. Council received the findings of the Community Engagement Report as part of the Finance, Policy, Operations and Legislation Committee meeting on 12 August 2020. These findings have been used in the development of the design.

OFFICER COMMENT

Following the resolution of the Finance, Policy, Operations and Legislation Committee meeting on 9 December 2020, officers have worked with the consultant architect to complete the design of the new facility incorporating the direction from Council.

Throughout the design process the City has engaged a quantity surveyor, independent from the architectural consultant, to provide advice and cost estimates at each major milestone. During the design process, changes and adjustment were made to keep the design within the allocated project budget. The Pre-tender Estimate Report completed by the quantity surveyor indicated that the project was on budget.

Tender

Tender FCC 573/21 for Golf Club and Community Centre Construction was advertised on 22 September 2021 and closed 29 October 2021.

4 submissions were received, only 3 of which were compliant.

All tender submissions were over the allocated project budget by a range of between 32% to 72%.

Given the relatively poor response to the advertised tender and the cost significantly exceeding the budget, the City's Major Procurement Approvals Panel resolved to reject all tenders.

Current Market

The local building construction industry is currently experiencing a high demand driven by the stimulus funding by state and federal governments. In addition to this, materials shortages as a result of the impacts of COVID-19 and a constrained labour market are inflating pricing well beyond the general escalation allowed for in the cost estimates.

It is anticipated that costs will continue to rise in the short term, and uncertainty on the implications to costs in the medium to long term as border restrictions are lifted.

Summary

Given the poor response to the original tender and the City's desire to deliver a new golf course clubhouse and community facility, officers recommend that the project is readvertised for tender when the building construction market conditions are deemed more favourable.

If there is a significant delay in the completion of the project, Council may wish to create a reserve to manage the contribution from MRWA. This could be done as part of the 2022/23 budget process.

Alternative recommendations

1. Should Council wish to deliver the project with increased certainty, officers can reduce the scope of the project to fit within the allocated budget and retender the construction of the facility. This would likely mean that the community centre part of the facility would significantly reduce in size and functionality.

Council request officers amend the design of the facility to reduce the cost in line with the available budget, considering the current inflated construction market. Understanding that this will include a significant reduction to the community centre part of the facility.

2. Should Council wish to deliver the project in two stages, officers can amend the design to deliver the golf course clubhouse and common services infrastructure in stage 1 of the project, with the community centre side of the facility being delivered at a later date as stage 2, subject to future budget.

Council request officers amend the design of the facility to deliver the facility in two stages:

- a) *Stage 1 will include the golf course clubhouse and common services infrastructure.*
- b) *Stage 2 will include the community facility, which will be delivered at a later date, subject to future budgets.*

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

1. **Note the City's decision to reject all tenders for FCC 573/21 for Golf Club and Community Centre Construction.**
2. **Request officers re-tender the Golf Club and Community Centre Construction project when the building construction market conditions are deemed more favourable.**

FPOL2112-3

GILBERT FRASER RESERVE SCOREBOARD

Meeting date: 8 December 2021
Responsible officer: Manager Parks and Landscape
Decision making authority: Committee
Attachments: Nil
Additional information: Nil

SUMMARY

Approval is sought for the installation of a permanent electronic scoreboard at Gilbert Fraser Reserve, North Fremantle.

The proposal is referred to the Finance, Policy, Operations and Legislation Committee due to the nature of some of the comments received during the community consultation period.

This report recommends that Council support the installation of an electronic scoreboard at Gilbert Fraser Reserve.

BACKGROUND

The City were approached by the North Fremantle Football Club, through the landlord consent process, to support the installation of an LED digital electronic scoreboard at Gilbert Fraser Reserve, North Fremantle. In the club's application to the City, they provided the following information:

"North Fremantle Football Club currently uses a manual scoreboard located quite a way from the main hall and requires volunteers to update for each game, rain, hail or shine. NFFC are readying for when Perth Football League may move to a live scoring system. Fremantle Mosman Park cricket club is in Division 1 of the WA Suburban Cricket Association and currently uses dilapidated manual magnetic scoreboards and the club wishes to upgrade the facility and support for playing teams which can support multi-match scores for both home grounds at the facility, as well as connectivity with the online MyCricket live scoring platform.

In conjunction with the upgrade to the facility scoreboards, both clubs also wish to provide an additional service to its members, supporters and the community by adding a live-streaming service for broadcasting matches online. This facility will also work well for the many Primary schools who use the ground for school and interschool carnivals plus offer the local Community an enhanced venue for operating Community Events.

LED video scoreboards are perfect for schools and sporting complexes offering multi use by many sports and community groups. It will enable not only games scores but sponsorship and player advertising, club plus community announcements. It will benefit both the sporting clubs and also the many primary schools who use the oval for their sports days. This will also enable clubs to offer sponsors more exposure and therefore attract more sponsorship funds back into the clubs and facilities.

The Community will also have a great opportunity to run Community based events using this new enhancement.

The high quality display of LED video scoreboards means they can also be used to show movies, do live streaming and show television thus providing clubs and communities with the opportunity to use the scoreboards other than just on match days.”

FINANCIAL IMPLICATIONS

This project is fully funded by the North Fremantle Associated Clubs through a combination of contributions and grant money. The ongoing maintenance of the scoreboard will be the responsibility of the Clubs.

LEGAL IMPLICATIONS

Nil

CONSULTATION

The proposed LED scoreboard is not required to go through the formal Development Application process. However, the project was consulted to the local community to give the opportunity to provide feedback for Council consideration.

The advertising period concluded on 8 October 2021 and consulted as follows:

- 48 residents consulted by letter.
- 4 properties (5 residents) commented
- 44 residents did not comment.

The following issues relevant to the scoreboard were raised (summarised):

Issue raised	Officer comment
Submitter objects to the location of the scoreboard.	The proposed location of the scoreboard is discussed in the officer comment section.
Submitter objects to a permanent scoreboard.	The benefits of the proposed scoreboard are noted by the club in their submission in the background section.
Submitter objects to the scale and size of the scoreboard.	The proposed size of the scoreboard is described in the officer comment section.
Submitter concerned about the hours of operation of the scoreboard.	The hours of operation of the scoreboard are discussed in the officer comment section.
Submitter concerned about the visual impact of the scoreboard.	A visual of the proposed scoreboard (prepared by the club) is provided as additional information to this report.
Submitter concerned the scoreboard is not in keeping with the heritage value of the reserve.	The heritage assessment is discussed in the officer comment section.

The following North Fremantle Associated Clubs support the proposal:

- North Fremantle Football Club
- Fremantle Mosman Park Cricket Club
- Fremantle Phantoms Masters Football Club
- East Fremantle Junior Cricket Club
- Fire and Emergency Services Competition Games
- Indian Dragon Boat Club.

The North Fremantle Associated Clubs have also received a letter of support from North Fremantle Primary School.

OFFICER COMMENT

The proposal is for a LED scoreboard to be installed and positioned on the river side of the oval in front of the fire service access track and its existing infrastructure. The scoreboard is specifically for cricket and football use. However, as an LED screen, it can be used for a range of community, school, sporting or other events.

External Referrals

The subject site falls wholly within the development control area of the Department of Biodiversity, Conservation and Attractions (DBCA), meaning planning application is required to be lodged with and determined by DBCA. The City lodged an application with DBCA on 4 November 2021 and are awaiting approval. Should Council approve the installation of the sign, the installation will also be subject approval and any conditions of DBCA.

Scoreboard Description

The LED scoreboard in total is approximately 6m high by 3.8m wide. The digital panels are mounted on it from 3m in height (to deter vandalism) with the dimensions of the panels approximately 2.8m high and 3.8m wide. A visual of the proposed scoreboard, prepared by the club, is attached as additional information to this report.

The scoreboard is set back against the far side of the oval to be viewed from the pavilion. It also needs to fit in with existing infrastructure while accommodating the boundaries and buffer area required for football and cricket field configurations. The scoreboard has minimal impact on the use of the reserve for the public.



Image: Indicative only example of LED Scoreboard

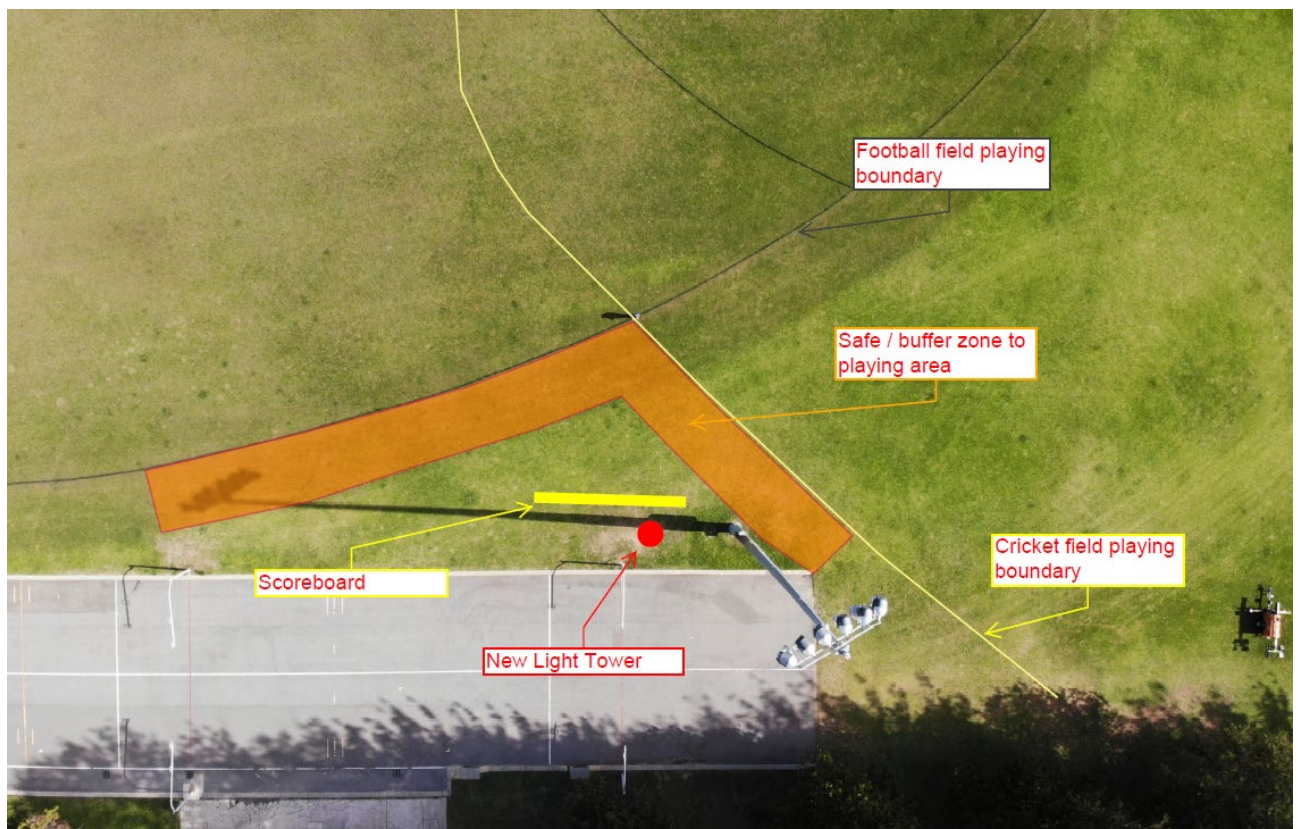


Image: Scoreboard location in relation to infrastructure and the cricket and football boundaries and buffer zones.

Scoreboard use

The club has advised the following anticipated usage of the electronic scoreboard:

- Football (April-September):
 - Saturday day matches 9am to 5pm
 - Saturday night matches 5-8pm (if required, and in conjunction with light tower use).
- Cricket (October-March):
 - Saturdays weekly 12pm to 6pm
 - Sundays fortnightly 2pm to 6pm.
- North Fremantle Primary School, seasonal user and community use:
 - Occasional weekday daylight use for school athletic carnivals, etc (9am-4pm, estimated twice annually)
 - Occasional evening use for school and community events (e.g. 5-9pm, estimated twice annually)
 - Masters football 2-3 Sundays per winter season 10am-5pm.

When the scoreboard is not being used the club has advised it will not be left on and it is anticipated it will be covered to prevent vandalism.

Heritage

This proposal to construct a new light tower and scoreboard at the Gilbert Fraser Reserve does not need to be referred to the Heritage Council as this property is not included on the State Heritage Register.

Gilbert Fraser Reserve is included on the City of Fremantle Heritage List and the Local Heritage Survey as a management category Level 1B place. A conservation management plan was prepared for this place in 2010 and it is used by the City to guide the conservation and management of change at the place.

The City of Fremantle has considered the impact of this proposal on the significant fabric and heritage values of the Gilbert Fraser Reserve as identified in the conservation management plan and has found that the work will not negatively affect these values or any heritage fabric.

Originally developed as the North Fremantle Oval in 1895, Gilbert Fraser Reserve was created for playing organised sport such as football, cricket and cycling. Over the last 125 years there has been ongoing modification of the ground as sporting uses have come and gone, sporting codes have evolved and technology has changed. The construction of the scoreboard is seen as part of the ongoing evolution of this sports oval and a necessity to ensure the continuing of the historic sports usage.

The score board is a modest structure that will have little impact upon the expansive views of the grandstand from the river and visa versa. These structures can be removed when no longer required with no impact on the significant fabric of the place.

Installation

While this is a club led project, the installation can utilise the infrastructure installed for the sports floodlighting upgrade limiting disturbance to the public during installation. The cost for installation and the ongoing maintenance of the sign is fully funded by the clubs through contributions and grant money.

Summary

Officers recommends that Council support the installation of an electronic scoreboard at Gilbert Fraser Reserve subject to the hours of use being restricted.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

- 1. Council approve the installation of the LED scoreboard at Gilbert Fraser Reserve, North Fremantle, subject to:**
 - a. Approval and any conditions from the Department of Biodiversity, Conservation and Attractions.**
 - b. Hours of use being limited to sporting event use, school use and other community or approved events.**

FPOL2112-4 PARKLET APPLICATION – 1/36 HENRY STREET (DARLING DARLING BAR)

Meeting date: 8 December 2021
Responsible officer: Manager Infrastructure Engineering
Decision making authority: Committee
Attachments: 1. Preliminary concept design/maintenance plan
Additional information: Nil

SUMMARY

The purpose of this report is to seek approval from Council to consider a parklet application submitted by the owners of 1/36 Henry Street, Fremantle 6160, trading as 'Darling Darling'.

This report recommends that Council approve the application for a parklet permit for 1/36 Henry Street for an initial period of 2 years, with a bond or bank guarantee of \$1500.

BACKGROUND



The owners of 1/36 Henry Street, Fremantle 6160 are seeking approval for the use of the road reserve area to allow for al fresco social activity. The proposed location will be outside Darling Darling Bar on Henry Street. The applicant proposes use of the parklet from 12pm to 12am (midnight) 7 days per week, subject to all relevant approvals. The applicant will be applying to the Department of Local Government, Sport and Cultural Industries (Racing Gaming and Liquor) for an extended liquor licence for the parklet.

The use of the existing road reserve in this manner has been identified as one of the ways in which a parklet may be introduced into the streetscape. The use and origin of the term 'parklet' was first introduced and expanded upon in Council item PSC1304-59 on 24 April 2013, and subsequently adopted as policy PO-0019.

The intention of having parklets is to allow businesses to apply for approval for temporary (initially up to two years) use of the road or parking space directly in front of the business for al fresco dining, bicycle parking or public green space and seating.

FINANCIAL IMPLICATIONS

Parking bays along Henry Street are metered with a maximum parking limit of 3 hours and are popular with university students and visitors to the west end. This parklet application proposes the loss of two paid for parking bays on Henry Street and the estimated loss of parking revenue to the City per annum is approximately \$16,000 at this location.

LEGAL IMPLICATIONS

The City can approve works in the road reserve in accordance with the Local Government Act 1995.

CONSULTATION

A copy of the design proposal was delivered to all surrounding businesses and residents for information and the chance to comment or object. There have been no comments or objections received back from the surrounding businesses or residents.

The proposal was also submitted for comment to all relevant internal departments, with support received from the Economic Development, Heritage and Urban Design teams. The only concern raised internally was in relation to the loss of parking in Henry Street (two paid for parking bays).

OFFICER COMMENT

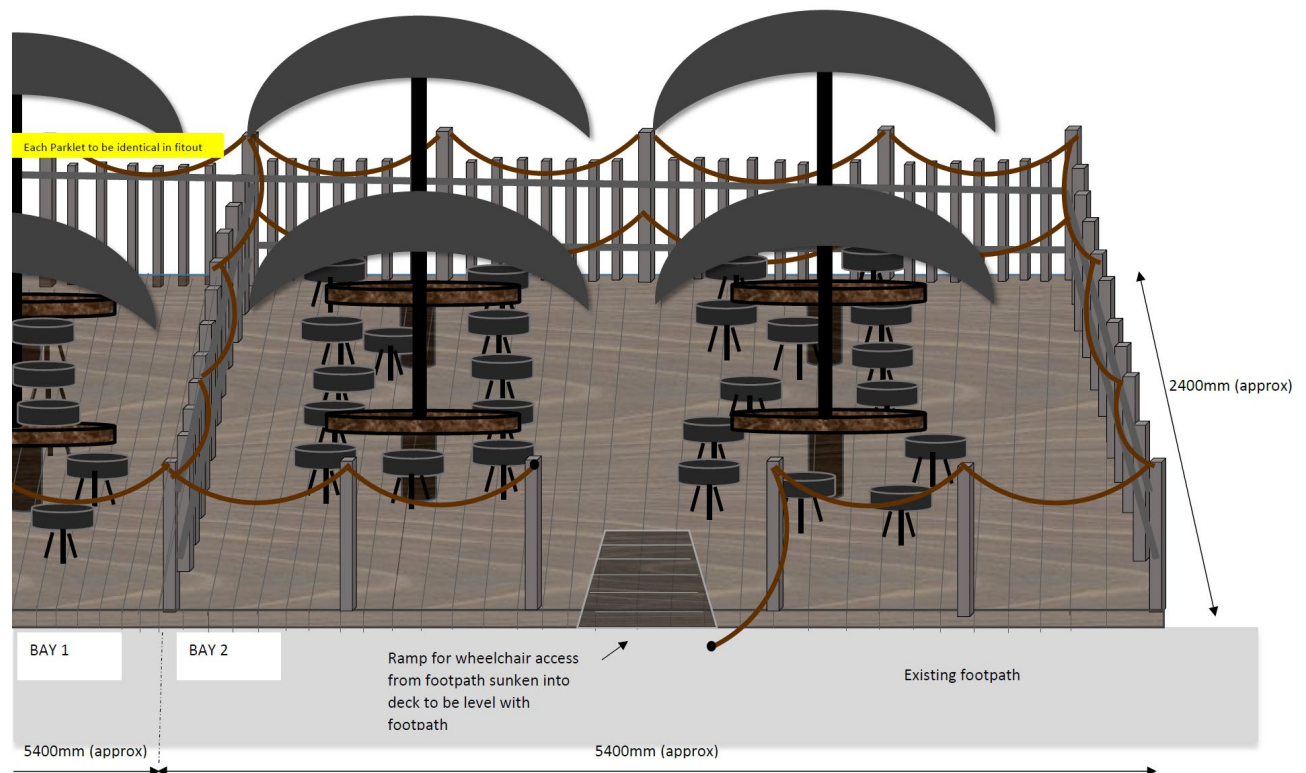
Henry Street provides for one-way vehicular traffic. The parklet proposal has been assessed and is acceptable for normal traffic movements. In addition to this, the parklet does not unduly interfere with other public infrastructure (such as drainage).

The parklet applicant will also need to meet the principles contained in the parklet policy. Of relevance are the following items:

- All costs associated with the construction, maintenance, and removal of a parklet must be borne by its proponent, and proponents must lodge a bond with the City to cover the cost of any removal/reinstatement works which the City may have to carry out due to default on the part of the proponent. In this instance the estimate for the bond lodgement value is \$1,500 to cover the removal and reinstatement cost.
- The applicant must hold appropriate current public indemnity insurance.
- The proponent will not erect permanent covered structures as part of the parklet.
- The parklet must be confined to the frontage of the property 1/36 Henry Street (Darling Darling bar) and does not extend into the frontage of the adjoining properties.
- The specifications for the parklet and protection measures for diners and pedestrians are agreed to the satisfaction of the Chief Executive Officer, prior to construction commencing.

The preliminary design is generally acceptable, but subject to detailed design approval. The design is intended to enhance the streetscape character, furthering public activation within this area.

Please see below a copy of the preliminary concept design for the parklet which will match the interior of Darling Darling bar – old, late 1800's style nautical theme and to suit the period architecture of the existing buildings and surrounds (See Attachment 1 for more details).



This proposal also meets the objective of the parklet policy to enhance the interest, amenity, and vitality of parts of the city by encouraging temporary, well designed, safe and functional parklets in compatible public parking spaces.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

1. Council approve the application for a parklet permit for 1/36 Henry Street, Fremantle for the initial period of 2 years, with a bond or bank guarantee for the sum of \$1,500, subject to:
 - a) Detailed designs to the satisfaction of the Chief Executive Officer before construction commences.
 - b) The parklet dimensions are reduced to the area immediately outside the property known as 'Darling Darling' bar and will not cross over to the frontage of the adjoining properties.

10.2 Council decision

FPOL2112-5 FREMANTLE BOAT SHOW AND SEAFOOD FESTIVAL

Meeting date: 8 December 2021
Responsible officer: Acting Director City Business
Decision making authority: Council
Attachments: Nil
Additional information: Nil

SUMMARY

The purpose of this report is to present a sponsorship proposal for the Fremantle Boat Show and Seafood Festival for consideration. The proposal seeks to enter into a 3-year sponsorship agreement with the City which requests the provision of in-kind support by way of event fee waivers.

This report recommends that Council authorise the Chief Executive Officer to negotiate a 3-year sponsorship agreement with the event organiser for the 2022, 2023 and 2024 events.

BACKGROUND

In 2018, the City of Fremantle in collaboration with the Destination Marketing Working group developed and launched the City's Destination Marketing Strategic Plan. Following the launch, officers have delivered a range of initiatives that seek to achieve objectives outlined in the plan, with the primary and overarching objective being to attract more visitors to Fremantle.

A key pillar within the strategy relates to major events. The strategy identifies events as being key drivers in stimulating the economy by giving people a specific reason to visit a destination, while at the same time promoting the Brand. In recognising this, the strategy includes the following strategic objective and associated action:

- *Ensure that Fremantle's spirit and vibrancy is reflected through major events that increase visitation to the city or promote its Brand - to achieve this the City should proactively seek out and bid for major events that will generate vibrancy, utilise Fremantle's existing infrastructure and align with its unique Brand values.*

Officers have identified the Boat Show as a being a major event that achieves strong alignment with this strategic objective. As such, officers have been working with Premiere Events, the event management company that delivers the show to seek opportunities to attract the event to Fremantle.

In 2019, the State Government delivered a process that sought expressions of interest to host and deliver an international lobster festival. This was in response to a Government proposal to make more lobster available to the domestic market in order to support demand within the tourism sector.

The City of Fremantle partnered with Fremantle Ports to submit a proposal to host the festival in Fremantle. Due to a series of challenging factors at the time, the State Government chose not to deliver the festival and the EOI process did not identify a preferred outcome.

Given the intent of the State Government to support the development of such an event, it was proposed by officers that an additional seafood festival component be added to the Boat Show concept in order to provide a freely accessible and family friendly activation.

The event organiser was open to pursuing the opportunity and has subsequently built a Seafood festival component into the broader boat show event concept. The event organiser has previous experience in delivering the Fremantle Seafood Festival which was held at Fremantle Fishing Boat Harbour in the past.

Officers met with a variety of stakeholders to further develop the Seafood Festival component including the WA Fishing Industries Council, the WA Rock Lobster Council and the Department of Primary Industries and Regional Development (DPIRD).

Officers also met with the Office of the former Hon. Minister for Fisheries Peter Tinley and submitted a request for sponsorship to DPIRD to gauge their interest in supporting the Seafood Festival component.

Following Hon. Don Punch's appointment as Minister for Fisheries and Innovation, officers have also briefed his office and are currently in discussions relating to the support of the festival.

Officers have now been able to arrive at a proposed sponsorship arrangement with the event organiser that will secure the event for Fremantle over a period of three years, as well as provide the value add of an additional seafood festival component.

This agreement was initially tabled for Council endorsement in early 2021, however due to a critical nationwide shortage of new recreational vessels resulting from overwhelming consumer demand associated with the pandemic, the event organiser was unable to deliver the boat show component.

Supply issues have now eased, and the event organiser wishes to pursue a 2022 event with a 3-year sponsorship arrangement from 2022 onwards, with the first event set to be held in March 2022. Officers are also working closely with the event organiser to secure financial support from the State Government.

OFFICER COMMENT

Event Overview

The Fremantle Boat Show and Seafood Festival is proposed to be held at the Esplanade Reserve and Fishing Boat Harbour early 2022.

There will be a paid ticketed Boat Show component held at the Esplanade Reserve and a

Free publicly accessible 'Big Boat Marina' and Seafood Festival (with some paid ticketed components) held at Fishing Boat Harbour and Bathers Beach.

The Seafood Festival offering will be presented in conjunction with the Boat Show component and intends to celebrate WA's abundance of seafood and the role Fremantle has played and will continue to play in the history of the industry. With a strong focus on fresh organic local produce, the Fremantle Seafood Festival also intends to promote WA's premium wines, and boutique beverages. It is intended that the festival is positioned as a state level event and promotes the rest of the State as well.

The Festival is expected to attract locals and visitors, food and wine enthusiasts, and families. The Fishing Boat Harbour location holds an iconic connection to the industry. The Seafood Festival has so far received strong in-principal support from the WA Fishing Industry Council (WAFIC) and the Western Rock Lobster Council (WRLC).

The Seafood Festival intends to provide interactive experiences that facilitate the education of consumers and recreational fishers on:

- The industry, its supply chain, its sustainability credentials and building trust in industry practices
- The product the industry produces (i.e., fish, crayfish, seafood) and the value chain associated with it (i.e., restaurants, markets, gourmet product, chefs – where to buy local seafood)
- The environment and practices to ensure the ongoing sustainability of the fishery
- The success of the management of our recreational fishery and how this is achieved
- The soon to be launched Seafood WA brand
- The role of key DPIRD agencies and other industry bodies

Some of the concepts currently being considered in order to achieve these educational outcomes include:

- Back of boat sales of fresh seafood product at the event
- Short boat rides for event attendees to experience pulling live crayfish up in pots
- Provide event attendees access to crayfish unloading, grading, sizing and processing activities given the event will align with a high catch period
- Display and demonstrations of how crayfish pots are manufactured and how they work
- Cooking demonstrations
- Educational talks on lobster and seafood lifecycles, supply chains, export processes, including the 'day in the life of' story telling from fisherman, captains, divers etc.
- Live cooking demonstrations, food theatre, tastings, and casual/ala carte dining.
- How to cook it (i.e., simple essentials so people aren't scared of ruining it when they cook it)
- Marquees with educational opportunities including parts of the supply chain. This can include Department of Fisheries, Marine Safety, and other relevant agencies.

Noting that the above-mentioned concepts are still at varying stages of development, it has been confirmed that the 2022 Festival will at minimum include the following activations:

- Tastes of Fremantle Stage – a stage area that will feature cooking demonstrations from local chefs who will all present their signature seafood dishes
- Seafood Masterclasses
- “Tastes of the Regions” display and barbecue
- Wine and seafood tastings
- Fresh seafood market – visitors can buy fresh seafood off the back of the boat
- Festival village with food stalls
- Industry functions
- All food-based items used as part of these activities will be locally sourced from Western Australia to achieve alignment with Buy West, Eat Best principles

Target audiences

It is estimated that the Seafood Festival component could attract up to 20,000 people across three days. While there is potential for growth over a three-year period, the 2022 Festival would mainly be targeted at local and possibly interstate visitors due to travel restrictions associated with COVID-19.

Target audiences for 2022 include:

- Local people who are visiting the Fishing Boat Harbour precinct
- Tourists/Visitors who are already in Perth/Fremantle
- Families seeking free entertainment
- Food and wine enthusiasts
- Interstate couples/individuals, families looking to travel within Australia

Given the Seafood Festival component coincides with the proposed Fremantle Boat Show, potential visitors could also include:

- People interested in buying a boat
- People interested in fishing

Participants in the Festival are likely to include:

- Guest chefs
- Entertainers/Special guests
- People involved in the fishing industry
- Wine producers
- Restaurateurs
- Exhibitors and their staff
- Local businesses
- Event staff and volunteers

Event objectives

The Seafood Festival component will aim to:

- Celebrate and promote Western Australia's premium seafood and prosperous aquaculture industry
- Share the history of the Western Australian fishing industry and Fremantle's connection to the industry
- Build national and (in future years) international awareness around WA's seafood industry
- Foster new business to business relationships as well as strengthen existing partnerships on a local, national and international level
- Nurture the relationship between the wider community and Western Australia's marine life and the fishing industry
- Educate on the importance of sustainability and conservation of Western Australia's marine life
- Promote the 'brand' of Western Australian seafood and encourage people to 'buy fresh and buy local'
- Facilitate the education of consumers and recreational fishers on:
 - The industry, its supply chain, its sustainability credentials and building trust in industry practices
 - The product the industry produces (i.e., fish, crayfish, seafood) and the value chain associated with it (i.e., restaurants, markets, gourmet product, chefs – where to buy local seafood)
 - The environment and practices to ensure the ongoing sustainability of the fishery
 - The success of the management of our recreational fishery and how this is achieved
 - The soon to be launched Seafood WA brand
 - The role of key DPIRD agencies and other industry bodies

Event growth and sustainability

The event organiser has a broad 3-year plan for the Seafood Festival component which involves achieving the following outcomes:

Year 1 (2022):

- Introduce the event and build an audience
- Develop promotions and awareness of the event to attract participants
- Present free aspects of the Festival
- Marketing the event will be locally focused, with some national media and promotion
- Strong focus on building on the existing Festival database for future marketing purposes
- Educating the public within Western Australia on WA seafood industry and fishing industry, including the increase in aquaculture and sustainable fishing
- Educating the public on cooking techniques for seafood

Year 2 (2023):

As the Festival evolves and grows, it will present an ideal opportunity to convey the important message of sustainability and conservation to the public. In addition, the organiser intends to begin promoting the event to an international audience.

- Increased marketing activity nationally and internationally
- Working with tourism agencies to promote the event as a reason to visit WA and Fremantle
- International guests invited to attend Festival
- Potentially extending the Festival over a longer time period (one to two weeks)
- Including corporate events such as sponsored events and lunches/dinners
- Engaging the community to encourage other local activities to coincide with the Festival
- Educating visitors across the country on the WA seafood industry and fishing industry, including the increase in aquaculture and sustainable fishing

Year 3 (2024):

The long-term plan is to continue to build the event and promote to an international market. The event has potential to be run over two weekends and can attract international chef's attendance and participation. Tickets will be sold for the event, with further ticketing for some activities within the Festival.

- Invite international celebrity guests
- Work with travel organisations and Tourism WA to promote the event to an international market
- Continue to grow the Festival in exhibitors and attractions
- With the Festival well established, corporate sponsorship can be expanded
- Higher visitor numbers and exhibitor numbers will increase revenue
- The Festival will become a major event in Western Australia for the fishing industry, hospitality and tourism
- National and International marketing will continue to be expanded

Planned marketing activity for the festival

The event organiser intends to promote the Seafood Festival component via an extensive advertising and marketing campaign through Seven West Media (WA); as well as via social and digital media, and relevant targeted media platforms. Marketing for the 2022 Festival will be focused on a local and national markets.

The Festival marketing plan will focus on promoting the Festival, personalities attending and the various activities and events taking place over the weekend. The marketing schedule will incorporate tv, radio, digital and print. Social media will play a major role in building awareness and creating an online community/forum for the event, to engage visitors and encourage interaction through promotions, and acting as a main driver for online ticket sales to ticketed events.

Proposed promotions are likely to include:

7 West Media:

- One hour TV special on Channel 7 the week prior to the Festival. This will be based on the WA seafood and fishing industry and will include cooking segments with local and celebrity chefs
- 32-page lift out in the West Australian newspaper that focuses on the Seafood Festival and the WA industry, with advertising support from exhibitors
- TV Advertising on 7, 7TWO and 7Mate
- Print advertising in The West Australian newspaper
- Digital advertising on thewest.com.au
- Posts on <https://www.facebook.com/TheWestAustralianFood>
- Articles on <https://au.news.yahoo.com/thewest/lifestyle/food>

Other:

- Website www.fremantleseafoodfestival.com.au
- Social Media
 - Facebook – A targeted advertising campaign will run through Facebook, linking viewers to the Festival’s own Facebook page. Facebook promotions will include videos, photos and competitions, and will be “boosted” to reach a wider targeted audience
 - Instagram – The Festival has a strong Instagram page and regularly shares images relevant to Fremantle and to the Festival itself. Instagram competitions will run to encourage interaction with followers
 - YouTube – A schedule of short videos are planned featuring recipes – brief instructions on how to cook particular seafood dishes will be promoted by the Festival’s YouTube channel. Future plans for YouTube include a dedicated WA Seafood program, where a production team and recognised presenter will travel to different areas of WA to review and promote different seafood, and share recipes
- Local newspaper advertising – Fremantle Cockburn Gazette and Fremantle Herald
- Digital promotions – Visit Fremantle website listing and articles, City of Fremantle events page, e-newsletters and blogs
- Links with the Festival’s guests and personalities – promotions via their networks
- Google advertising
- Radio promotions via 96FM, 6PR and Nova 93.7
- Public relations
- E-Newsletters to existing database

Proposed sponsorship arrangements

In order to support the achievement of both the Fremantle Boat Show and the Fremantle Seafood Festival as a combined event, the event organiser has requested support from the City by way of a sponsorship arrangement. The City’s support is required in order to assist in establishing the event so it can continue to build its financial sustainability across a 3-year period.

The following support has been requested as part of a 3-year sponsorship agreement.

- 2021/22 Financial Year:
 - Supply of Esplanade Reserve and Bathers Beach event area with a 100% reduction in event hire fees
 - The City of Fremantle will be responsible for costs associated with any repair of the lawn required as a result of the event
 - Premiere Events will be responsible for costs associated with any repair of infrastructure (retic points etc) required as a result of the event
- 2022/23 Financial Year:
 - Supply of Esplanade Reserve and Bathers Beach event area with a 75% reduction in fees.
 - Premiere events will be responsible for costs associated with any repair of the lawn required as a result of the event
 - Premiere Events will be responsible for costs associated with any repair of infrastructure (retic points etc) required as a result of the event
- 2023/24 Financial Year:
 - Supply of Esplanade Reserve and Bathers Beach event area with a 50% reduction in fees
 - Premiere events will be responsible for costs associated with any repair of the lawn required as a result of the event
 - Premiere Events will be responsible for costs associated with any repair of infrastructure (retic points etc) required as a result of the event

An additional three-year agreement will be considered based on the outcomes and performance of the first three years.

As part of the provision of this in-kind support under a sponsorship agreement, the City would expect to receive the following benefits in return:

- The Organiser may not operate “Fremantle Boat Show- incorporating the Fremantle Seafood Festival” (the brand) outside of Fremantle during specified event operating dates as agreed upon annually, within the term of this agreement without prior written consent from the City of Fremantle.
- City of Fremantle to be acknowledged and featured as a major sponsor on all media releases and communications across print, digital and social mediums in the following ways:
 - City of Fremantle logo and destination brand logo on corporate facing collateral including media releases and sponsors section of event website
 - The City of Fremantle destination brand to be acknowledged and featured as the Principal/Major Partner (whatever is the highest level of sponsorship) across all promotional and marketing materials including print, digital and social mediums as follows;
- City of Fremantle logo and destination brand logo in Principal Partner position on all marketing and communication collateral both corporate and consumer facing

- City of Fremantle logo and destination brand logo and link on website
- Verbal acknowledgement of City of Fremantle as Principal/Major Partner at event functions
- Incorporation of destination brand logo on event signage including but not limited to;
 - Event barriers
 - Marquee gables
 - Flags
 - Staff uniforms
- Additional engagement with the City's destination brand through:
 - Inclusion of destination brand logo on all consumer facing collateral
 - Destination brand messaging included in website content and editorial pitches
 - Ability to place destination brand signage, banners and collateral at the event
 - Tag @cityoffremantle and destination brand social media handles (and hashtags) in all social media posts
 - Provision of 100 x complimentary tickets for consumer competitions
 - Promotion of Fremantle as a destination using destination brand key messaging on event website and social media posts
 - Ticket holder EDMs to include destination brand logos, messaging, destination offer and other city event information
 - Unlimited access to any professional photography and videography taken during the event in years of the agreement, for use by the City for general distribution license free in perpetuity
 - Consumer announcements throughout the event e.g. 'while you're in Fremantle... (City of Fremantle to supply content)
- Speaking opportunity at launch events
- City of Fremantle resident discount on tickets
- Event organiser to engage with local Fremantle businesses, community groups and service providers to participate in the event as suppliers
- Use of the event's intellectual property –the right to use the logo in City of Fremantle communications, and the right to use event images (video and photography)
- City to have the option to supply and display destination marketing content in the ticketing area
- Opportunity for the City of Fremantle to contribute to post event survey and for that specific data to be shared with the City of Fremantle

FINANCIAL IMPLICATIONS

The proposed sponsorship offering and associated sponsorship benefits to be received by the City has been determined in line with the City of Fremantle Grants and Sponsorship Policy.

An overview of the total in-kind financial contribution by way of fee waiver proposed over the three-year term is provided below.

Value of Waivers	Year 1 (21/22)	Year 2 (22/23)	Year 3 (23/24)	Total
Value of event hire fee waivers (Esplanade Reserve and Bathers Beach)	\$97,500	\$73,125	\$48,750	\$219,375
Value of turf remediation cost (if required)	\$17,500	Nil	Nil	\$17,500
Total	\$115,000	\$73,125	\$48,750	\$236,875

After waivers, the City estimates it will collect the following fees from the event organiser over the term of the agreement.

Fees Payable	Year 1 (21/22)	Year 2 (23/24)	Year 3 (24/25)	Total
Est. event hire fees (Esplanade Reserve and Bathers Beach)	\$0	\$24,375	\$48,750	\$73,125

LEGAL IMPLICATIONS

Sponsorship will be provided under a contractual agreement between Premiere Events (the event organiser) and the City. The City will be recognised as the principal partner for the event. Provision of sponsorship will be subject to approval of the event by the City of Fremantle, and the event organiser seeking all other necessary approvals.

CONSULTATION

A variety of stakeholders have been engaged and consulted with throughout the development of the concept including but not limited to:

- Office of the former Hon. Minister for Fisheries Peter Tinley, and Office of the current Minister for Fisheries, Hon. Don Punch MLA
- Department of Primary Industries and Regional Development
- WA Fishing Industries Council (WAFIC)
- WA Rock Lobster Council

- Tourism Western Australia
- Department of Transport
- Fishing Boat Harbour Traders Group
- City of Fremantle Destination Marketing Working Group
- Fremantle Chamber of Commerce

Upon final confirmation of the event, the broader business community will be consulted in order to encourage businesses to engage with, participate in and leverage the event.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council authorise the Chief Executive Officer to negotiate a three-year event sponsorship agreement between the City of Fremantle and Premiere Events that includes the following essential terms:

- **Year 1 (2021/22 Financial Year)**
 - The City will provide a 100% waiver in event hire fees for the use of Esplanade Reserve and the Bathers Beach event area.
 - The City will be responsible for costs associated with any repair of the turf required as a result of the event.
 - Premiere Events will be responsible for costs associated with any repair of infrastructure required as a result of the event.
- **Year 2 (2022/23 Financial Year)**
 - The City will provide a 75% waiver in event hire fees for the use of Esplanade Reserve and the Bathers Beach event area.
 - Premiere events will be responsible for costs associated with any repair of the turf required as a result of the event.
 - Premiere Events will be responsible for costs associated with any repair of infrastructure required as a result of the event.
- **Year 3 (2023/24 Financial Year)**
 - The City will provide a 50% waiver in event hire fees for the use of Esplanade Reserve and the Bathers Beach event area.
 - Premiere events will be responsible for costs associated with any repair of the turf required as a result of the event.
 - Premiere Events will be responsible for costs associated with any repair of infrastructure required as a result of the event.

FPOL2112-6 MY HOME PROJECT – REQUEST FOR BUILDING PERMIT FEE REDUCTION

Meeting date: 8 December 2021
Responsible officer: Manager Strategic Planning
Decision making authority: Council
Attachments: 1. Nil
Additional information: 1. Nil

SUMMARY

On 4 March 2020, Council resolved to support a Development Application for construction of housing for people experiencing homelessness (targeting women over 55 years in age) at 5 Congdon Street, North Fremantle. The project is being funded through a combination of combination of sources and charitable contributions, using state government land (pending its being required for its reserved purpose) and will be managed by a public housing provider.

The applicant has requested that the City reduce the Building Permit fee applicable to the development. Council's Local Planning Policy 1.2 makes provision for the reduction of planning application fees in certain circumstances, but not building application fees. However, in this instance, given the alignment between the project and the City's strategic objectives (including the recently adopted Homelessness Plan), officers recommend that Council exercise discretion to support the request.

BACKGROUND

'My Home' is a new initiative to provide housing for homeless people, operated by a housing provider, at no cost to government. 'My Home' is a proposed 3-way partnership between government, not-for-profit and the private sector, and is based on the Housing First model. The Housing First model is guided by the principle that a homeless individual's primary need is to obtain stable housing firstly, followed by the provision of support services that can help the individual re-engage with the community and ultimately become self-sufficient.

In late 2019, the My Home project team sought approval for a housing development of 18 lightweight self-contained single bedroom units to provide housing on land that is owned by the State Government and is reserved for long-term public transport uses. The proposal sought to make use of (currently) surplus public land in a well serviced locations as an 'interim use' to provide housing for those in need. It was originally proposed to be managed by Foundation Housing but is now to be run by St Pats. The intention is that if and when the land is required for its reserved purposes, the housing can be relocated and the land made available for its vested purpose.

The project team have indicated that the proposal, which is based on schemes operational in the eastern states and internationally, will accommodate over 55's women in this initial trial.

On 4 March 2020, Council considered a development application for the project and resolved to recommend its approval to the Western Australian Planning Commission (WAPC) subject to conditions (refer Item PC2003-7). The WAPC subsequently issued approval.

The applicant has requested that the City support the proposal by waiving or reducing the Building Permit fees applicable. The purpose of this report is to consider that request.

Council's Local Planning Policy 1.2 makes provision for the reduction of planning application fees by 50% in certain circumstances, including where the applicant is a not-for-profit organisation. The Manager Development Services can authorise reductions in planning fees where requests for reductions comply with this policy. However, the policy does not make similar provision for building fees to be reduced, and states that a complete waiver of building fees will not be supported under any circumstances. Consequently, the current request is being presented to Council for consideration.

FINANCIAL IMPLICATIONS

Waiver of 50% the City's Building Permit fee for the application would equate to between \$2,488 and \$4,190 (depending on whether it is privately certified)

LEGAL IMPLICATIONS

Nil.

CONSULTATION

Nil. The development application was advertised for public comment prior to approval.

OFFICER COMMENT

Homelessness is a significant issue in Fremantle and in Western Australia (and Australia) more generally.

On 24 November 2021, Council adopted a Homelessness Plan (FPOL2111-8) which recognises the City's primary role being in relation to:

- Accessible information
- Support and assistance
- Advocacy

Action 8 recommends that Council "*Advocate to WA State Government to deliver a sustainable supply of support and diverse social housing and accommodation options.*" The State Government's contribution of the land for this development aligns with this recommendation.

Section 3 of Council's 'Innovative and Affordable Housing' policy states that Council will:

Consider supporting temporary use of surplus public land and reserves in suitable locations to accommodate low cost housing pending requirement for its longer term reserved purpose.

The estimated cost of the project is \$2,618,980. The applicable building fee would consequently be \$13,802.02 for a certified application (preferred) which comprises:

- Building Service Levy: 0.137% of estimated value of works
- Construction Industry Training Fund (CTF) levy: 0.2% of estimated value of works
- City's Building Permit Fee: 0.19% of estimated value of works for Certified Application (or 0.32% for Uncertified)

The City does not normally vary its fees by seeking to recoup a proportion of the costs it incurs in providing the service, however, in this case, it could be considered as an in-kind contribution towards a very noteworthy and innovative initiative. A 50% City Building Permit Fee waiver is consequently recommended. The City is unable to waive the BSL or CTF levies as the City merely collects these levies on behalf of state agencies and has no authority to exercise discretion to vary them.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council approve the waiver of up to 50% of the City's Building Permit Fee (excluding applicable levies) payable for the My Home development at 5 Congdon Street, North Fremantle as an in-kind contribution towards the project.

FPO2112-7 STRATEGIC COMMUNITY PLAN REVIEW WORKING GROUP

Meeting date: 8 December 2021
Responsible officer: Manager Strategic Planning
Decision making authority: Council
Attachments: 1. Draft Terms of Reference
Additional information: 1. Nil

SUMMARY

On 24 March 2021, Council approved a methodology for review of the Strategic Community Plan, focussed around building on past engagements and focus areas, and examining key issues and challenges to realising community goals. The project commenced with internal review of status, and appointment of consultants to coordinate the community engagement component of the exercise. The purpose of this report is to consider the establishment of a Working Group to provide input into the review process (particularly the engagement component). The Working Group is also proposed to facilitate coordination with engagement associated with the State Government initiated Future of Fremantle project.

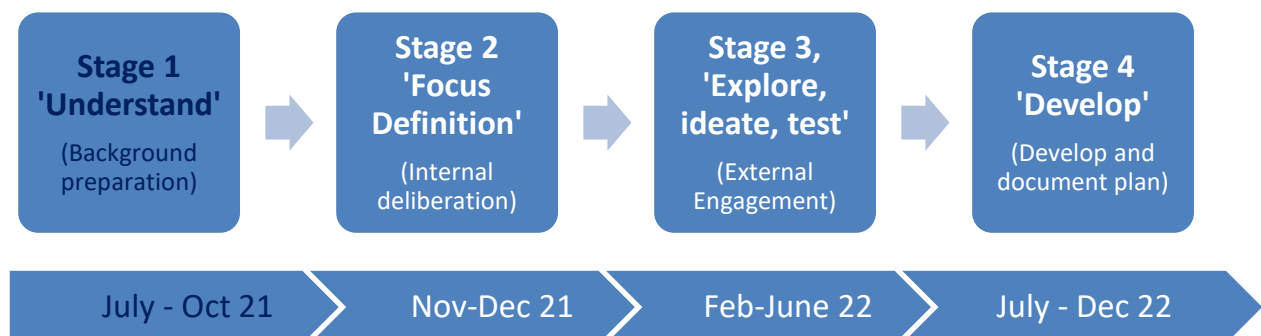
This report recommends that Council establish a Strategic Community Plan Review Working Group for the purposes of providing input into the review of the Plan and nominate up to 5 elected members including a presiding member.

BACKGROUND

On 24 March 2021, Council considered a report regarding the review of the Strategic Community Plan and resolved to:

1. *Endorse the broad engagement methodology for the Strategic Community Plan review outlined in Attachment 1.*
2. *Support 'in principle' inclusion of the budget estimate of \$173,500 for engagement on the Strategic Community Plan review in the draft 21/22 budget. (FPOL2103-9)*

The project program proposed 4 key stages:



Following adoption of the budget in June 2021, consultants were sought to coordinate stages 1-3, and 361 Degrees Consulting was appointed.

The purpose this report is to propose the establishing of a Working Group to provide input in the review process, specifically the community engagement.

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Nil

CONSULTATION

The Working Group is proposed to guide and provide advice on community engagement on the Strategic Community Plan review.

OFFICER COMMENT

The review of the Strategic Community Plan and proactive involvement of the community in this process provides an important opportunity to facilitate meaningful engagement and civic participation. It also provides the opportunity for collective problem solving, partnership, connection and capacity building consistent with objectives of the current Strategic Community Plan.

The establishment of a Working Group will allow for a more direct involvement of elected members in developing the process, with the Working Group providing recommendations to Council on how the project should proceed.

The establishment of a Working Group will also provide efficient mechanisms for coordination of this process with the Future of Fremantle project to ensure that their activities and engagements are complementary rather than duplicative and confusing.

Draft Terms of Reference are provided in Attachment 1 and propose inclusion of up to five elected members and a representative of the Future of Fremantle project team. The option to invite stakeholder and community representatives to contribute to the Group also provides an opportunity for direct input, collaboration and codesign.

The Group will not have any decision-making authority and its scope relates to the establishment and delivery of the engagement process and recommendations on how to respond to the outcomes of this process: the actual development of the revised Strategic Community Plan (Stage 4 of the project) will draw on the engagement conclusions and involve the input of all Elected Members.

The timeframe to establish the Working Group and ensure clarity between this project and the Future of Fremantle project is likely to delay the project by a couple of months however as the only requirement for completion of the review is the 4-year timeframe stipulated in the current *Local Government (Administration) Regulations*, this is not of concern as the current plan was last reviewed in 2019, and so falls comfortably within these limitations.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

- 1. Approve the establishment of a 'Strategic Community Plan Review Working Group' in accordance with the following Terms of Reference provided in Attachment 1.**
- 2. Appoint the following elected members (up to 5) to the Strategic Community Plan Review Working Group, as per the Terms of Reference:**
 - a. Mayor Fitzhardinge (Presiding Member)**
 - b. Cr. _____**
 - c. Cr. _____**
 - d. Cr. _____**
 - e. Cr. _____**

FPOL2112-7 REQUEST FOR SPONSORSHIP – WINTERWORLD 2022-2024

Meeting date: 8 December 2021
Responsible officer: Acting Director City Business
Decision making authority: Council
Attachment: 1. Winterworld Sponsorship Proposal (Confidential)
Additional information: 1. Nil

SUMMARY

The purpose of this report is to seek in-principle support from Council to sponsor the Winterworld event over a three-year term from 2022 to 2024.

This report recommends that Council authorise the Chief Executive Officer to negotiate a three-year sponsorship agreement with the event organiser for the 2022, 2023 and 2024 events.

BACKGROUND

Winterworld is an engaging winter activation that brings families into Fremantle throughout the winter school holidays. This winter activation has become a staple and much anticipated annual activity on the WA events calendar. The event attracts over 100,000 visitors to Fremantle each year.

The City previously entered a three-year sponsorship with Winterworld for events in 2019, 2020 and 2021, however due to COVID-19 and the associated event restrictions, the event was unable to be held in 2020 or 2021.

The event organiser wishes to proceed with a 2022 event and has requested a renewed three-year sponsorship agreement to secure the event for the destination as it continues to grow, and to relocate the event from the Esplanade Reserve, to Walyalup Koort to support the delivery of outcomes identified in the City's Walyalup Koort Interim Place Development Action Plan.

FINANCIAL IMPLICATIONS

The proposed three-year sponsorship agreement will be funded via base operating budget allocated to Economic Development, in line with the City's Grants and Sponsorship Policy.

An overview of total financial contribution (cash and in-kind) proposed over the three-year term is provided below.

	2022/23	2023/24	2024/25	Total
Cash contribution	\$35,000	\$25,000	\$15,000	\$75,000
In-kind contribution (waiver of event related fees)	\$35,000	\$35,000	\$35,000	\$105,000
Total (cash and in-kind)	\$70,000	\$60,000	\$50,000	\$180,000

LEGAL IMPLICATIONS

Sponsorship will be provided under a contractual agreement between Kinn & Co. (the event organiser) and the City, in line with the City's Grants and Sponsorship Policy. Provision of sponsorship will be subject to approval of the event by the City of Fremantle, and the event organiser seeking all other necessary approvals.

CONSULTATION

The proposed sponsorship offering has been determined in line with the City of Fremantle Grants and Sponsorship Policy and in line with the City's Destination Marketing Strategic Plan, and Walyalup Koort Interim Place Development Plan.

OFFICER COMMENT

The 2018 and 2019 events were held across the July school holidays and have been attended by more than 100,000 visitors each year.

The Winterworld brand has undergone a significant refresh and has been refined to elevate its positioning within the marketplace and broaden its appeal to families, teens and young adults, while aligning to the high-quality design, cultural and activation offerings presented within FOMO and the Walyalup Koort surrounds.

This partnership presents an exciting opportunity to relocate the event from the Esplanade Carpark to the newly redeveloped Walyalup Koort. Walyalup Koort is to become the heart of Fremantle, and utilising Winterworld's popularity, the event is expected to drive significant visitation to the area throughout the Winter season.

The 2022, 2023 and 2024 events are proposed to include (but is not limited to) the following activities (subject to event approval):

- Outdoor ice-skating rink with roof only structure with "snow" during each session
- WA's largest real snow pit
- Firepits for roasting marshmallows
- A winter slide
- Roving and interactive entertainment
- Figure skating demonstrations
- Fairy face painters
- The National Hotel's Cabin Bar and Winter Lounge
- Ice hockey demonstrations
- Storytime and proposed partnership with the library
- Under 18s event targeted at 13-17 year olds
- A WA first *Dinner on the Ice* in conjunction with local restaurants
- Drag on Ice (Drag Queen show on the ice)
- Winterworld Essentials Kit (Branded tote bag with socks, gloves, information on Fremantle, local business offers etc)

The 2022 event will see a focus on elevating the site's look and feel to ensure it remains at the forefront of visitor experience and aligns to the aesthetics and standards presented within the newly developed Walyalup Koort.

Kinn & Co will also engage with businesses surrounding Walyalup Koort to collaboratively program and promote their existing offerings, and will continue their THINK LOCAL strategy, ensuring local businesses and services are provided an opportunity to participate in or leverage Winterworld where possible. The THINK LOCAL strategy also ensures Fremantle is promoted as a destination throughout the event's marketing campaigns.

Winterworld offers a strong opportunity for collaborative marketing campaigns and tactical co-op promotional opportunities for businesses.

As per previous years, Winterworld will work with the local accommodation, hospitality, and tourism operators to develop Skate + Stay Packages (ice skating, 2-3 nights accommodation and other Fremantle based tours/activities). These packages are housed on a dedicated page on the website and form the lead messaging in the regional digital advertising campaign.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council:

- 1. Provide in-principle support for a three-year sponsorship agreement between the City of Fremantle and Kinn & Co for the delivery of the Winterworld event in Fremantle.**
- 2. Authorise the Chief Executive Officer to negotiate a three-year event sponsorship agreement with the event organiser that includes the following essential terms:**
 - a. Provision of a \$75,000 cash contribution over a three year-period to be funded via base operating budget, subject to approval via the annual budget process.**
 - b. Waiver of fees associated with holding the event to the value of \$105,000 over a three year-period.**

FPOL2112-8 BUDGET AMENDMENTS - NOVEMBER 2021

Meeting date: 8 December 2021
Responsible officer: Acting Manager Finance
Decision making authority: Council
Agenda attachments: Nil
Additional information: Nil

SUMMARY

To adopt various budget amendments to the 2021/22 budget account numbers as detailed below in accordance with the Budget Management Policy.

This report recommends that Council approves the required budget amendments to the adopted budget for 2021/22 as outlined in the report.

BACKGROUND

In accordance with the Budget Management Policy, this report provides details of proposed amendments to the 2021/22 budget on a monthly basis to Council (via FPOL) to adopt budget amendments to:

1. Consider an additional purpose or grant acceptance or release of quarantined funds;
2. Reflect any expenditure above the budget amount agreed by the CEO in the previous month and adjust other accounts to accommodate the value of these.
3. Make amendments to the carried forward budget to reflect the final position at the end of the financial year.

FINANCIAL IMPLICATIONS

The financial implications are detailed in this report.

LEGAL IMPLICATIONS

Local Government Act 1995:

Section 6.2 (1)

The Council is required to prepare and adopt, by Absolute Majority, an annual budget for its municipal fund by 31st August each year.

Section 6.8 (1) and (2)

The Council cannot incur expenditure from its municipal fund for a purpose for which no expenditure estimate is included in the annual budget (known as an 'additional purpose') except where the expenditure —

- (a) is incurred in a financial year before the adoption of the annual budget by the local government;
- (b) is authorised in advance by resolution by Absolute Majority; or
- (c) is authorised in advance by the mayor or president in an emergency.

Where expenditure has been incurred;

- (a) under S 6.8 (1) (a) it is required to be included in the annual budget for that financial year; and
- (b) under S 6.8 (1) (c), it is to be reported to the next ordinary meeting of the council.

Local Government (Financial Management) Regulations 1996:

Regulation 33A

A formal review of the annual budget is to be presented and adopted by Council, by Absolute Majority, between 1st January and 31st March each year.

CONSULTATION

There are no community engagement implications as a result of this report.

OFFICER COMMENT

The following amendments are proposed to be made to the adopted/revised budget for 2021-22.

1. Budget amendments for proposed expenditure for an additional purpose or release of quarantined funds.

The proposed budget amendments below are for expenditure for an additional purpose to be determined by the Council as required by S6.8 (1) (b) of the Act. The decision will amend the budget by creating a new budget account number to accommodate that proposed expenditure, and by transferring the required funds from one or more existing accounts to the new account.

Item	Account #	Account Details	2021/22 Adopted Budget	Increase/ (Decrease)	(Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	
1.1		<p>These works are required to revert the Fremantle Oval building back to a sporting facility to accommodate Perth Glory in line with the requirements of their executed Licence Agreement.</p> <p>Phase 1 works are required to facilitate the office accommodation and preparation for Perth Glory's initial occupancy (December/January) – works include wall demolitions, internal partition walling players area and gym and upstairs offices (current IT area).</p>				

Item	Account #	Account Details	2021/22 Adopted Budget	Increase/ (Decrease)	(Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	
	<p>The licence agreement with Perth Glory includes an upfront payment of \$141,342, this equates to six months payment and can offset the first stage works. Budget will be transferred from unallocated funding in the Infrastructure Project Fund to initiate these works.</p> <p>Phase two works (Showers and Changerooms) are more complex and will be subject to future tender and are anticipated for delivery early in 2022. The estimated cost for phase 2 works is approximately \$180,000. This is anticipated to be recovered within the first year payments.</p>					
	NEW.4471	Lease – 70 Parry Street	0	141,342		141,342
	300170.1606	Program – Infrastructure Recovery	(227,126)		102,000	(125,126)
	300XXX.1606	P-12068 Design and construct – 70 Parry St Fit out (Stage 1)	0		(243,342)	(243,342)

2. Budget amendments for proposed expenditure for a purpose identified within the budget for which there are insufficient funds allocated.

Chief Executive Officer (CEO) has the delegated authority under the Budget Management Policy to incur expenditure for a purpose identified within the budget for which there are insufficient funds allocated, where:

- The proposed expenditure is a maximum of 5% or \$50,000 (whichever is the lesser) above the budgeted amount; and
- There are sufficient funds equivalent to the value proposed to be sent allocated to other budget line items within the overall budget, and which, in the opinion of the CEO, are not expected to be spent during that financial year.

The budget amendments below are to reflect any expenditure above the budget amount agreed by the CEO during the previous month, and to adjust other accounts to accommodate the value of those.

Item	Account Details	Account #	2021/22 Adopted Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	

3. Carried forward projects estimate budget amendments.

The proposed budget amendments to the FY 2021/22 budget as shown below, are related to prior year capital projects not completed as anticipated.

Item	Account Details	Account #	2021/22 Adopted Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER'S RECOMMENDATION

Council approves the required budget amendments to the adopted budget for 2021/22 as outlined below:

Item	Account #	Account Details	2021/22 Adopted Budget	Increase/ (Decrease)	(Increase)/ Decrease	2021/22 Amended Budget
1.1	<p>These works are required to revert the Fremantle Oval building back to a sporting facility to accommodate Perth Glory in line with the requirements of their executed Licence Agreement.</p> <p>Phase 1 works are required to facilitate the office accommodation and preparation for Perth Glory's initial occupancy (December/January) – works include wall demolitions, internal partition walling players area and gym and upstairs offices (current IT area).</p> <p>The licence agreement with Perth Glory includes an upfront payment of \$141,342, this equates to six months payment and can offset the first stage works. Budget will be transferred from unallocated funding in the Infrastructure Project Fund to initiate these works.</p> <p>Phase two works (Showers and Changerooms) are more complex and will be subject to future tender and are anticipated for delivery early in 2022. The estimated cost for phase 2 works is approximately \$180,000. This is anticipated to be recovered within the first year payments.</p>					
	NEW.4471	Lease – 70 Parry Street	0	141,342		141,342
	300170.1606	Program – Infrastructure Recovery	(227,126)		102,000	(125,126)
	300XXX.1606	P-12068 Design and construct – 70 Parry St Fit out (Stage 1)	0		(243,342)	(243,342)

**FPOL2112-9 CONSIDERATION OF AMENDMENT TO THE SPICER
DEVELOPMENT DEED (8-10 HENDERSON STREET, FREMANTLE)**

Meeting date: 8 December 2021
Responsible officer: A/Chief Executive Officer
Decision making authority: Council
Attachments: 1. Proposed Spicer Development Deed (Confidential)
2. Easement Plan
Additional information: 1. Nil

SUMMARY

The property development arm of Spicer Street Pty Ltd (Forrest Entity/Minderoo), Fiveight (Spicer Purchaser), have formally requested the City to consider a review of the January 2021 proposed amendment to the Spicer Development Deed (SDD) between the City and Spicer Street Pty Ltd for the property at 8-10 Henderson Street Fremantle, known as the Spicer Site.

The review request proposes to amend the rate equivalent payment clause which was approved by Council in January 2021. The review seeks to amend how the payment may be imposed. The review also seeks to amend the clauses providing approved reasons for a delay to the milestone dates.

This report recommends that Council agree to these amendments by including the provision of a “drop dead” date being set for the reasonable completion of the project, upon which a rate equivalent payment may be imposed, and acceptance of the requested amendments to the approved reasons for delay clause, subject to the easement for Paddy Troy Mall being applied immediately.

BACKGROUND

The City entered into a contractual agreement with Sirona Capital in May 2013 for the sale of the former Spicer property as part of the Kings Square Project. This contractual agreement was in the form of the Project Development Deed (PDD). Since the PDD was first entered into, settlement dates for the other properties involved have been amended twice, each time the consequence has had a flow on effect to move the Spicer settlement as well. In late 2018 the property settled to Sirona and was then immediately sold. The condition of approval of the sale was that the Spicer Purchaser is required to enter into a development deed on substantially the same terms as that between the City and Sirona Capital Pty Ltd. At the Ordinary meeting of Council held on 12 December 2018, the following was adopted;

“Council consent to:

- 1. The transfer of 8-10 Henderson Street, Fremantle, (known as the former Spicer Site) by Sirona Capital Management Pty Ltd (Sirona) to Spicer Street Pty Ltd (Forrest Entity);*
- 2. The assignment of the Project Development Deed (PDD) as amended and originally dated 10 May 2013, as it relates to the development of the Spicer Site to the Forrest Entity; and*

3. *The modifications to the PDD recommended by the City's lawyers needed to give effect to the above,*

Subject to the following conditions:

- a. *the transfer of the Spicer Site by the City to Sirona takes place within a time acceptable to the Chief Executive Officer;*
- b. *Sirona observes and performs all of its obligations in the PDD in relation to the development of the Spicer Site until the transfer to the Forrest Entity occurs;*
- c. *the Forrest Entity agrees to assume all of Sirona's post settlement obligations in relation to the development of the Spicer Site;*
- d. *the parties to the PDD and the Forrest Entity enter into documents to effect the above that are acceptable to the Chief Executive Officer upon advice from the City's lawyers and that the Mayor and Chief Executive Officer are authorised to execute such documents; and*
- e. *the City is not required to pay the costs of any other party to the PDD or the Forrest Entity in relation to this matter."*

One of the conditions provided in the Spicer Development Deed (SDD) is for the development of the property to reach substantial commencement by December 2022 with other milestone dates set to ensure progress towards this date. The SDD defines the "Spicer Substantial Commencement Date" as;

- "(a) the date being 24 months from the date that Sirona Capital Management Pty Ltd as trustee for the Kings Square No. 2 Unit Trust becomes the registered proprietor of the Spicer Property; or*
- (b) such later date agreed to by the Spicer Purchaser and the City pursuant to clause 8.2.*

Substantial Commencement means in relation to the Spicer Development;

- (a) demolition of existing Buildings and Improvements;*
- (b) (if the development is to include a basement) completion of the site works, including excavation to basement level and completion of construction works to a ground floor slab level (including the pouring of a ground floor slab); and*
- (c) (if the development is not to include a basement) completion of the site works and completion of the structural works to a first floor level (including the pouring of a first floor slab), and Substantially Commence shall have a corresponding meaning."*

At the Ordinary meeting of Council held on 27 January 2021, the following was adopted;

Council approve a request from Spicer Street Pty Ltd for a one-off extension to the Spicer Substantial Commencement Date as defined under the Spicer Development Deed dated 19 December 2018, subject to the following conditions;

1. *Consideration of a one only extension for two years to 19 December 2022.*
2. *An amendment to the Spicer Development Deed dated 19 December 2018, to allow for;*
 - a. *Milestone dates for each step in the development approval process up to substantial commencement as;*

<i>Preparation Development Plans and Specifications</i>	<i>19 June 2021</i>
<i>Development Application to be lodged</i>	<i>19 September 2021</i>
<i>Building Permit to be obtained</i>	<i>19 June 2022</i>
<i>Spicer Substantial Commencement Date</i>	<i>19 December 2022</i>

- b. *The right for the City to commence re-purchase action for failure to achieve any milestone date.*
 - c. *A rate equivalent payment to be paid by Spicer Street Pty Ltd, if any milestone date is missed on and from the date that the milestone date should have been achieved until Practical Completion.*
 - d. *an easement, 8 metres in width, be registered to ensure suitable access to Paddy Troy Mall from William Street between the Spicer property and the Fremantle Malls property.*
3. *A two stage development would be accepted as long as the first stage:*
- a. *the development application to be lodged by 19 September 2021,*
 - b. *at least 2,600m² of gross floor area fronting Henderson Street, and*
 - c. *is not less than 50% of the approved development.*

The above milestone dates were established to allow the City to charge rate equivalent charges against Fiveight with any missed milestone. Fiveight have suggested that these be modified to have the rate equivalent charge hold only until the milestone action is remedied or completed. The amendment also provided for the easement over the site to allow adequate access to Paddy Troy Mall from William Street.

Since purchasing the site, various Minderoo entities have met with the City to discuss various development options which meet the SDD and Urban Design Guidelines. A formal development application was submitted to Council in June, 2021, in accordance with the set milestone and has been reviewed through the Development Advisory Committee. Fiveight have asked the application to be placed on hold whilst they undertake a further internal review of the design.

FINANCIAL IMPLICATIONS

There is limited direct financial implication from considering this request to review. The immediate financial implication is any associated legal costs associated with negotiating the amendments.

The SDD contemplates options to buy the property back if substantial commencement is not achieved by the set milestone date. The SDD requires particular steps to take place for buy-back to occur. The financial implication to this is the cost of re-purchasing the property. In the event that:

- (i) *the Spicer Purchaser fails to Substantially Commence the Spicer Development by the Spicer Substantial Commencement Date; and*
- (ii) *this document is terminated prior to the date on which the Spicer Purchaser has Substantially Commenced the Spicer Development by:*

- (A) *either party pursuant to clause 17.6;*
- (B) *the City as a result of a Project Default pursuant to clause 18.3; or*
- (C) *the City pursuant to clause 20(c)(i)(B), then the City shall have the option to re-purchase the Spicer Property, from the Spicer Purchaser for the Re-Purchase Price, in accordance with the provisions of this clause.*

A further, albeit indirect, cost for considering such a request is the loss of rate income from the development not being commenced on time and therefore not being completed within the original considered timeframe.

LEGAL IMPLICATIONS

As noted above, the SDD has provision for the Spicer Purchaser to substantially commence development of the property within a determined timeframe (19 December 2022), with one of the remedies being that the City has the right to re-purchase the property if this is not achieved.

The SDD describes the process for a re-purchase below;

- (a) *The parties must use reasonable endeavours to complete the process contained in this clause 9.3 in a timely manner.*
- (b) *The City must undertake a Business Plan Process.*
- (c) *If the outcome of the Business Plan Process is that the City decides to proceed with the repurchase of the Spicer Property then the City must, within 28 days of making its decision to proceed, give an Exercise Notice to the Spicer Purchaser.*
- (d) *If the Exercise Notice is not received by the Spicer Purchaser within 8 months of the date on which it received the Initiation Notice, then the City's option to repurchase the Spicer Property automatically and irrevocably lapses.*
- (e) *The Spicer Purchaser may not dispute or object to the validity of the Exercise Notice on grounds that the City has not complied with any requirements contained in the LGA relating to the Business Plan or the Business Plan Process.*
- (f) *Within 30 days of the City giving the Exercise Notice to the Spicer Purchaser;*
 - (i) *each party must obtain a valuation of the Market Value as at the date of the Exercise Notice;*
 - (ii) *the "parties must exchange copies of the valuations obtained under clause 9.3(f)(i); and*
 - (iii) *the Spicer Purchaser must notify the City of what the Spicer Purchaser considers to be the value of any works undertaken on the Spicer Property by the Spicer Purchaser since the Spicer Settlement Date.*
- (g) *The parties must then, acting through the Strategic Liaison Group, meet in good faith and endeavour to agree on the Re-purchase Price.*
- (h) *If the parties have not reached agreement on the Re-purchase Price within 40 days of the City giving the Exercise Notice, then;*

- (i) *either party may request that the President of the Australian Property Institute (Inc) (Western Australia Division) appoint an independent Valuer;*
- (ii) *the Valuer appointed under clause 9.3(h)(i) must use its best endeavours to determine:*
 - (A) the Market Value; and*
 - (B) the value of any works undertaken on the Spicer Property by the Spicer Purchaser since the Spicer Settlement Date, within 20 Business Days after being appointed and give the Valuer's determination (which will be a valuation in writing outlining the reasons for it) to the parties;*
- (iii) *the Valuer must act as an expert and not as an arbitrator;*
- (iv) *the fees of the Valuer will be payable by the Spicer Purchaser and the City in equal shares;*
- (v) *clause 21.5 will apply as if the Valuer is the Expert described in that clause;*
- (vi) *the Valuer's decision on the Market Value and the value of any works undertaken on the Spicer Property by the Spicer Purchaser since the Spicer Settlement Date will be final and binding on the parties for the purpose of determining the Repurchase Price; and*
- (vii) *the Re-purchase Price shall be taken to be determined on the date of the Valuer's decision.*

The City is also required to commence this process by way of notice to the Spicer Purchaser within 90 days of the event failure. The City would need to undertake this step by 20 December 2022, if it were to proceed with this remedy rather than consider a request to extend the date.

CONSULTATION

Nil for this consideration.

OFFICER COMMENT

After considerable discussion on how the rate equivalent charges would be applied and what area the easement would cover, Fiveight are now seeking some further amendment.

Rate Equivalent Payment

Fiveight has sought to review the proposed amendment to this outcome to allow the charge to only apply whilst a milestone remains outstanding (for the time the milestone is outstanding). Their request is that this payment should be withdrawn once the milestone has been met (remedied).

This would result in the City possibly receiving payment for short periods of time. If a milestone is achieved two months after the date, the City would only receive two month's worth of rate equivalent payment. This would deliver little by way of penalty for non-achievement of the milestone from the City's perspective.

As a counter to this, the City has re-stated the goal of the SDD is to achieve satisfactory development of the site, in accordance with the Deed. Rather than a "piecemeal"

approach to equivalent rating, setting a drop dead date for project completion may result in the achieving the same outcome as the original intention of January 2021 proposal.

The City would commence to charge an equivalent rate from this date regardless of what stage the development is at unless the building construction had been completed prior to this date in which the City would be charging the actual rate.

This would then provide an incentive to achieve the project and see the City maintain its intention of development of the site and suitable rate income generation.

Paddy Troy Easement

Fiveight have also sought for the easement to be placed on the property post development (after completion of the build) so that they would not be restricted in using the site for construction purposes. The preference of the City is that the easement be placed immediately.

Fiveight have agreed to immediate placement of the easement if the City is agreeable to their proposed changes in the rate equivalent payment and delay clauses of the Deed.

As per the report tabled to council in January, 2021, the easement is a significant improvement to the SDD for the City and guarantees the connection to the mall for the future.

Summary

In summary, the request to review the proposed changes to the SDD approved by Council in January 2021, by Fiveight in discussions since that time are supportable.

The intention of the original Deed was for the appropriate development of the site as part of the renewal of the town centre. Achieving suitable development has been the goal of the City from the outset. The further suggested amendments currently being proposed allow for this to occur, still allow the City to achieve suitable rate revenue by a reasonable completion time with the suitable implementation of the easement for access to Paddy Troy mall.

For these reasons it seems suitable to recommend approval of the suggested amendments to the Spicer Development Deed.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council approve the following amendments to the Spicer Development Deed dated 19 December, 2018, and the resolution FPOL2101-15 of January 2021, **as amended**;

1. Consideration of a one only extension to the Spicer Substantial Commencement Date for two years to 19 December 2022.
2. An amendment to the Spicer Development Deed dated 19 December 2018, to allow for;
 - a. Milestone dates for each step in the development approval process up to substantial commencement as;

Preparation Development Plans and Specifications	19 June 2021
Development Application to be lodged	19 September 2021
Building Permit to be obtained	19 June 2022
Spicer Substantial Commencement Date	19 December 2022
 - b. The right for the City to commence re-purchase action for failure to achieve any milestone date.
 - e. A rate equivalent payment to be paid by Spicer Street Pty Ltd, ~~if any milestone date is missed on and~~ from the **designated** date ~~that the milestone date should have been achieved until~~ of **estimated** Practical Completion.
 - f. an easement, 8 metres in width, be registered **as soon as possible upon signing** to ensure suitable access to Paddy Troy Mall from William Street between the Spicer property and the Fremantle Malls property.
3. A two stage development would be accepted as long as the first stage:
 - a. the development application to be lodged by 19 September 2021,
 - b. *at least 2,600m² of gross floor area fronting Henderson Street, and*
 - c. is not less than 50% of the approved development.

12. Urgent business

In cases of extreme urgency or other special circumstances, matters may, on a motion that is carried by the meeting, be raised without notice and decided by the meeting.

13. Late items

In cases where information is received after the finalisation of an agenda, matters may be raised and decided by the meeting. A written report will be provided for late items.

14. Confidential business

Nil

15. Closure