

DS038	2025 AND 2028 LEASE EXPIRIES – POINT MOORE BEACH COTTAGES
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AGENDA REFERENCE:	D-24-057170
AUTHOR:	G Wilkinson, Manager Property Services
EXECUTIVE:	R Hall, Director Development Services
DATE OF REPORT:	3 May 2023
FILE REFERENCE:	GO/6/0029
ATTACHMENTS:	Yes (x2) 1x Confidential
	A. Minute Extract - DCS343 Point Moore Leases - Crown Reserve 2549
	B. Confidential - Point Moore Lease Fee Review

EXECUTIVE SUMMARY:

The purpose of this report is for Council to consider offering seventeen (17) of the Point Moore lease holders the opportunity to enter a new lease that is aligned with the balance of the Point Moore lease holders.

EXECUTIVE RECOMMENDATION:

That Council by Simple Majority pursuant to Section 3.58 of the *Local Government Act 1995* and Section 18 of the *Land Administration Act 1997* RESOLVES to:

1. UPHOLD Council decision in Item No. DCS343 Point Moore Leases – Crown Reserve 2549 made on 26 September 2017 subject to:
 - a. Lessee providing a written request for a new lease at least (i.e. no later than) six (6) months prior to the current lease expiry;
 - b. Equalisation of the fee differential between the existing and new lease (i.e. reconciled from the date of the new lease to 1 July 2018); and
 - c. Lessee having no outstanding amounts payable to the City of Greater Geraldton.

PROPONENT:

The proponents are the Point Moore leaseholders as identified in Confidential Attachment No. DS038B.

BACKGROUND:

The subject leases are located on Crown Reserve 25459 in West End (Point Moore) which is Crown land vested to the City by management order for the purpose of recreation. The City's Local Planning Scheme designates the land as Special Use Reserve with Point Moore Cottages recognised. The lease sites were established in 1966 to offset the displacement of holiday cottages impacted by the Geraldton Port expansion at the time.

Council previously considered the future of the subject leases following comprehensive studies and evidence that demonstrated the coastal hazard risk of erosion and inundation impact on the Point Moore Cottages. Following extensive public consultation Council at its Meeting of 26 September 2017 offered all Point Moore Lessees the opportunity to enter a new lease that included managed retreat trigger points, to expire 30 June 2039.

Of the 174 leases, 157 leaseholders accepted Council's offer and now have a modern and appropriate lease in place that expires in 2039. There were 17 leaseholders who did not accept Council's offer. Some of these leases are due to expire in 2025 and therefore there are two primary options for Council to consider:

1. Uphold Council's resolution of 2017, where the 17 leaseholders can accept Council's offer to lease until 2039 with the same conditions as the other 157 leaseholders; or
2. Revisit the matter and make a different offer to current leaseholders.

The following table outlines the differences for the 17 leaseholders if they were to accept Council's offer:

	CURRENT	PROPOSED	COMMENT
Lease Fee	Varied	Consistent with other 157 leases	Equalises the fee differential from 2018
Lease Term	Expires 2025 & 2028	Expires 2039 consistent with other 157 leases	Aligns with Coastal Hazard Studies
Demolition Levy	No demolition levy payable	Cost recovery with increased contribution	Asbestos regulations since introduced
Short-Term Rental Accommodation	Option to sub-lease	No STRA consistent with other 157 leases	Preferred use is local community
Pensioner Discount	50% discount	50% discount	No change
Aged Septic Systems	No inspections done	Septic Inspections every two years consistent with other 157 leases	Management of public safety
Coastal Erosion Managed Retreat Trigger Points	No triggers	Triggers included consistent with other 157 leases	Management of public safety

Officers have reviewed the terms and conditions and consider that those offered by Council remain prudent, fair and reasonable for the following reasons:

- There is a strong preference for consistency. A key strength to Council's 2017 offer was to bring all leaseholders onto the same terms and conditions for fairness and harmony in the community, such as the lease fee.
- The Coastal Hazard and Risk remains present and the term of expiry until 2039 allows the interim use of the Cottages, whilst protecting exposure in the medium term.
- A new lease that extends the use of the Cottages from 2025 to 2039 will give the leaseholders an increase in value so nobody is unfairly treated in the short term.
- The new leases have a requirement for inspection of effluent/septic treatments, ensuring sanitary conditions for the local community.
- The offer to provide a 50% concession to pensioners remains in place.
- Short Term Rental Accommodation (STRA) on the open market is not permitted, meaning the Cottages are used for local community residents.
- A demolition levy that is collected to facilitate the removal of the cottages to protect the natural environment.

The only change has been to the cost of demolition due to increased requirements for handling and disposal of asbestos. Should Council wish to revisit the matter, Officers recommend that Council seek to recover these costs through the lease.

Should the current leaseholders not accept a new lease, then it will be a requirement for vacant possession of the property to be provided to the City on or before the date of expiry of the current lease. This means that before, or upon expiry of the lease, the occupier will be required to vacate the property and the City is then able to lease the property on the open market.

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

The Point Moore beach cottages offer affordable accommodation and lifestyle choice.

Economy:

There are no adverse economic impacts.

Environment:

There is a high content of asbestos containing materials in the West End community which must be removed with a planned and meticulous approach to ensure the safety of the surrounding community. The managed retreat trigger points identified in the 2039 expiring lease agreements capture the ability to ensure public safety.

Leadership:

The Council demonstrates sound leadership by adopting a planned strategic approach to administer the leases within the Point Moore community.

Disclosure of Interest:

No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:

Previous reports to Council related to the Point Moore beach cottage leases include:

- SC143 2014 Expiry Point Moore (West End) Beach Cottage Leases – 22 April 2014.
- DCS334 Point Moore Discussion Paper – 27 June 2017.
- DCS343 Point Moore Leases – 26 September 2017.
- CEO077 Disposal of Land Assets – Point Moore Beach Cottages – 27 July 2021.

COMMUNITY/COUNCILLOR CONSULTATION:

Extensive community consultation through a discussion paper and survey related to managing the risk of coastal erosion or inundation was conducted in 2017. A briefing note outlining the 2025 and 2028 expiring leases was presented to Councillors at the April 2024 Concept Forum. Should Council resolve to offer new leases public comment will be sought through advertising.

LEGISLATIVE/POLICY IMPLICATIONS:

Section 3.58 of the *Local Government Act 1995* details the process for disposing of property.

Section 18 of the *Land Administration Act 1997* details various transactions relating to Crown Land to be approved by the Minister for Lands.

FINANCIAL AND RESOURCE IMPLICATIONS:

Should Council choose to offer a new lease to the 17 Lessees there will need to be a planned approach to administering the surrender and execution of the new leases. Furthermore, a financially equitable outcome will require individually calculated financial positions. The table in Confidential Attachment No. DS038B identifies the associated financial implications.

INTEGRATED PLANNING LINKS:

Strategic Direction: Community	Aspiration: Our Culture and heritage is recognised and celebrated. We are creative and resilient. We can all reach our full potential.
Outcome 1.4	Community safety, health and well-being is paramount.
Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.7	Council understands its roles and responsibilities and leads by example.

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

The environmental risks associated with the location of Point Moore is addressed in the managed retreat trigger points outlined in the 2039 expiring leases. There are future financial risks associated with the demolition however, these will not need to be addressed in the short term.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

The following options were considered by City Officers:

1. Council may choose to revisit this matter anew; however, Officers do not recommend this as it would be inconsistent the 157 remaining leases.
2. Not make any offer to the 17 leaseholders who have not accepted Council's offer for a new lease until 2039. This is not recommended as the 2017 Council decision offers an objective and impartial approach to managing this matter.

Cr V Tanti declared a Financial Direct interest in Item No. DS038 2025 and 2028 Lease Expiries, as he owns a property he lives in at Point Moore and left Chambers at 5.27pm.

COUNCIL DECISION**MOVED CR COLLIVER, SECONDED CR COOPER**

That Council by Simple Majority pursuant to Section 3.58 of the *Local Government Act 1995* and Section 18 of the *Land Administration Act 1997* RESOLVES to:

1. **UPHOLD Council decision in Item No. DCS343 Point Moore Leases – Crown Reserve 2549 made on 26 September 2017 subject to:**
 - a. Lessee providing a written request for a new lease at least (i.e. no later than) six (6) months prior to the current lease expiry;
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 - c. Lessee having no outstanding amounts payable to the City of Greater Geraldton.

CARRIED 10/0

Time: 5:31 PM

Not Voted: 1

No Votes: 0

Yes Votes: 10

Name	Vote
Mayor Clune	YES
Cr. Colliver	YES
Cr. Cooper	YES
Cr. Critch	YES

Name	Vote
Cr. Denton	YES
Cr. Fiorenza	YES
Cr. Horsman	YES
Cr. Keemink	YES
Cr. Librizzi	YES
Cr. Parker	YES
Cr. Tanti	NOT PRESENT

Cr V Tanti returned to Chambers at 5.31pm.