

Late Report

Ordinary Meeting
Thursday, 24 April 2025

commencing at 9:00am

Sunshine Coast City Hall Chamber, 54 First Avenue, Maroochydore

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8 REPORTS DIRECT TO COUNCIL**8.3 DISPOSAL OF COUNCIL OWNED LAND - MAROOCHYDORE**

File No: F24/00355
Author: Principal Property Officer
Business Performance Group

PURPOSE

The purpose of this report is to seek Council's approval to dispose of five (5) surplus land parcels owned by Council in the Maroochydore locality. This report also seeks a decision of Council that an exception in accordance with section 236(1)(a) of the *Local Government Regulation 2012* applies to the sale of these properties other than by tender or auction if the properties are offered for sale by tender or auction but not sold.

EXECUTIVE SUMMARY

Council owns and manages a very large and rapidly expanding property portfolio. Property is a significant and highly valuable resource that directly impacts the performance of a wide range of Council's services. While essential, it is costly to maintain so it is imperative that the property portfolio meets the service and community needs and is not surplus to Council's requirements. Property must be managed to ensure it effectively supports the changing service and community needs. For this reason, Council's property portfolio is regularly reviewed to ensure that assets are utilised effectively for their purpose and that they achieve their highest and best use wherever possible. A recent review has identified several freehold land parcels as being surplus to Council's requirements. There are many reasons that a property may become surplus to Council's requirements. These include, but are not limited to:

- project requirements have changed over time; and
- balance land from road and trunk infrastructure projects.

There are limited resources and competing priorities for the resources that are available to Council. Disposal of surplus properties will assist in easing the operational burden of maintaining Council's property portfolio and provide a source of revenue that can assist in funding proposed new Council acquisitions and major projects. Through the recent review of Council's freehold land the following properties have been identified as surplus to Council's requirements:

- 12 Tolman Court, Maroochydore
- 32 Ridge Road, Maroochydore
- 9 Ridge Road, Maroochydore
- 62 School Road, Maroochydore
- 76 Primary School Court, Maroochydore



Figure 1. Surplus Council Owned Land in Maroochydore

Under the *Local Government Regulation 2012* Council may enter into contractual arrangements for the sale of land through either tender or auction. However, if tender or auction is not successful it is proposed to advertise the properties for sale by negotiation. In order to proceed with this method of sale following the tender or auction, Council must first resolve that an exception under section 236(1)(a)(i) and (ii) of *Local Government Regulation 2012* applies.

This exception notes that the properties may be sold other than by tender or auction, subject to the resolution of Council, if:

- (a) the valuable non-current asset –
 - i. was previously offered for sale by tender or auction but was not sold; and
 - ii. is sold for more than the highest tender or auction bid that was received.

Sections (3) and (5) of *Local Government Regulation 2012* requires that the consideration for the disposal is equal to or more than the market value of the land as determined by registered valuer who is not an employee of the local government. This report recommends that Council resolve to proceed with the sale of the properties via negotiation if auction or tender are not successful.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Disposal of Council Owned Land - Maroochydore"**
- (b) delegate authority to the Chief Executive Officer to dispose of the following properties owned by Sunshine Coast Regional Council in accordance with *Local Government Regulation 2012*:**
 - (i) Lot 14 RP72274, 12 Tolman Court, Maroochydore**
 - (ii) Lot 8 RP86872, 32 Ridge Road, Maroochydore**
 - (iii) Lot 40 RP74496, 9 Ridge Road, Maroochydore**
 - (iv) Lot 57 RP109847, 62 School Road, Maroochydore**
 - (v) Lot 173 RP45928, 76 Primary School Court, Maroochydore and**
- (c) resolve, pursuant to section 236(2) *Local Government Regulation 2012*, that an exception to dispose of land other than by tender or auction be applied in the event that:**
 - (i) the land is first offered for sale by tender or auction but not sold**
 - (ii) the land is sold for more than the highest tender or auction bid that was received**
 - (iii) the land is sold for an amount equal to, or more than, the market value of the land, including any improvements and**
 - (iv) a written report about the market value of the land is obtained as evidence of the market value of the land.**

FINANCE AND RESOURCING

Costs involved with disposing of the surplus land would be limited to those associated with presentation of the properties, marketing and agents' fees. Agency commission would be payable on settlement of each property if a successful sale is achieved, however, these fees would be deducted from the sale proceeds.

It is also important to note that a portion of the sales proceeds of land acquired through Local Government Infrastructure Plan (**LGIP**) must be returned to restricted cash. The sale of the properties initially purchased for road purposes using LGIP is supported by the Urban Growth Projects Branch because the link roads are no longer a top priority for Council.

CORPORATE PLAN

Corporate Plan Goal: *Our service excellence*

Outcome: We serve our community by providing this great service

Operational Activity: S22 - Property management – comprehensive management of Council's land and building assets to ensure that Council's property dealings are optimised, centrally managed, and support Councils objectives.

CONSULTATION**Councillor Consultation**

- Councillor T Bunnag – Division 8 & Strong Community Portfolio Councillor
- Councillor J Broderick – Outstanding Organisation Portfolio Councillor
- Councillor E Hungerford – Outstanding Organisation Portfolio Councillor

Internal Consultation

- Group Executive Business Performance
- Head of Property, Business Performance
- Coordinator Strategic Property, Business Performance
- Head of Communication, Business Performance
- Acting Manager Business and Innovation, Business Performance
- Project Director Urban Growth, Customer & Planning Services
- Coordinator Transport Network, Customer & Planning Services
- Senior Transport Planning Engineer, Customer & Planning Services
- Senior Solicitor Property & Commercial, Customer & Planning Services

External Consultation

No external consultation has been undertaken.

Community Engagement

No community consultation has been undertaken.

PROPOSAL

Council owns and manages a very large and rapidly expanding property portfolio. Property is a significant and highly valuable resource that directly impacts the performance of a wide range of Council's services. While essential, it is costly to maintain so it is imperative that the property portfolio meets the service and community needs and is not surplus to Council's requirements. Property must be managed to ensure it effectively supports the changing service and community needs. For this reason, Council's property portfolio is regularly reviewed to ensure that assets are utilised effectively for their purpose and that they achieve their highest and best use wherever possible. A recent review has identified several freehold land parcels as being surplus to Council's requirements. There are many reasons that a property may become surplus to Council's requirements. These include, but are not limited to:

- project requirements have changed over time; and
- balance land from road and trunk infrastructure projects.

There are limited resources and competing priorities for the resources that are available to Council. Disposal of surplus properties will assist in easing the operational burden of maintaining Council's property portfolio and provide a source of revenue that can assist in funding proposed new Council acquisitions and major projects. Through the recent review of Council's freehold land, the properties identified in this report have been identified as surplus to Council's requirements.

These properties were opportunistically purchased ahead of the upgrading of Evans Street, Maroochydore that occurred in about 2016. The upgrading of Evans Street limited movements to left-in, left-out at its intersections with Primary School Court, Tolman Court and Ridge Road.

The purpose of these properties was to provide for possible future laneways between:

- Tolman Court and Ridge Road
- Ridge Road and School Road and
- Primary School Court and Pikki Street.

If constructed, these laneways would have provided affected residents with access to full movement signalised intersections at either School Road and Evans Street or Maroochydore Road and Amaroo Street. This would have provided more direct and efficient access. These laneways were identified in *Maroochy Plan 2000* (DC3 Map 1 Trunk Road Infrastructure).

The sale of the properties initially purchased for road purposes using LGIP is supported by the Urban Growth Projects Branch because the network is performing acceptably with left-in, left-out intersections to Evans Street and the unconstructed laneways are a lower priority than other desired but unfunded strategic road network upgrades.

For these reasons, the following properties are identified as surplus to Council's requirements.

12 Tolman Court, Maroochydore

Council acquired by negotiation 12 Tolman Court, Maroochydore, legally described as Lot 14 RP72274, in 2011 for road using LGIP funding. The now vacant parcel of land is 759m² and zoned High Density Residential.

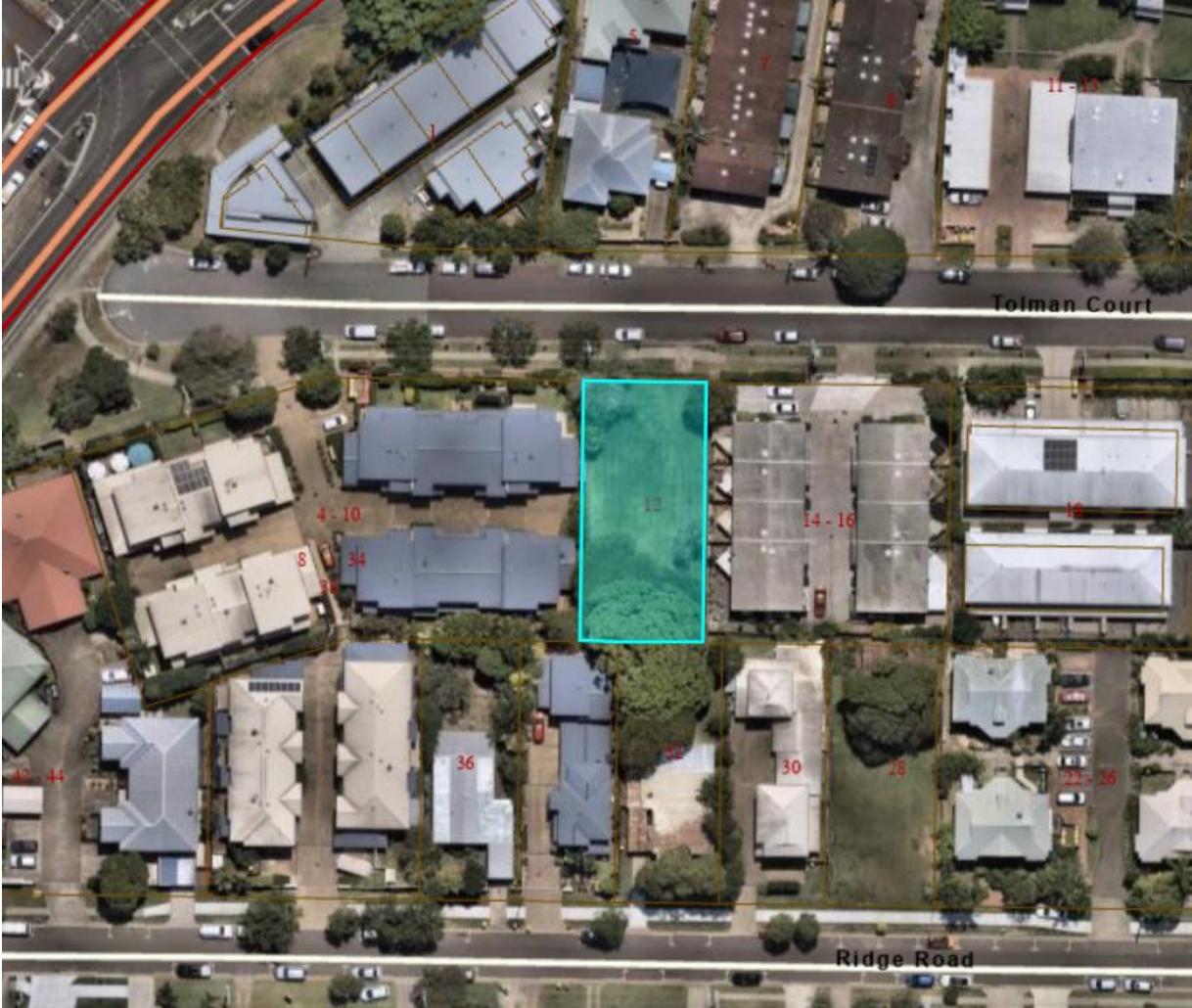


Figure 2. 12 Tolman Court, Maroochydore

32 Ridge Road, Maroochydore

Council acquired by negotiation 32 Ridge Road, Maroochydore, legally described as Lot 8 RP86872, in 2013 for road using LGIP funding. The parcel of land is 647m² and zoned High Density Residential. There is a residential dwelling located on the parcel of land subject to a residential tenancy expiring in May 2026.



Figure 3. 32 Ridge Road, Maroochydore

9 Ridge Road, Maroochydore

Council acquired by negotiation 9 Ridge Road, Maroochydore, legally described as Lot 40 RP74496, in 2014 for road using LGIP funding. The now vacant parcel of land is 683m² and zoned Medium Density Residential.



Figure 4. 9 Ridge Road, Maroochydore

62 School Road, Maroochydore

Council acquired by negotiation 62 School Road, Maroochydore, legally described as Lot 57 RP109847, in 2014 for road purposes using LGIP funding. The parcel of land is 584m² and zoned Medium Density Residential. There is a residential dwelling located on the parcel of land subject to a residential tenancy expiring in May 2026.



Figure 5. 62 School Road, Maroochydore

76 Primary School Road, Maroochydore

Council acquired by negotiation 76 Primary School Court, Maroochydore, legally described as Lot 173 RP45928, in 2019 for road purposes using LGIP funding. The now vacant parcel of land is 607m² and zoned Principal Centre. The property was purchased in conjunction with 74 Primary School Court, Maroochydore to deliver a link road as per the Infrastructure Agreement for the adjacent Pikki Street development. 74 Primary School Court, Maroochydore was sold in 2021.

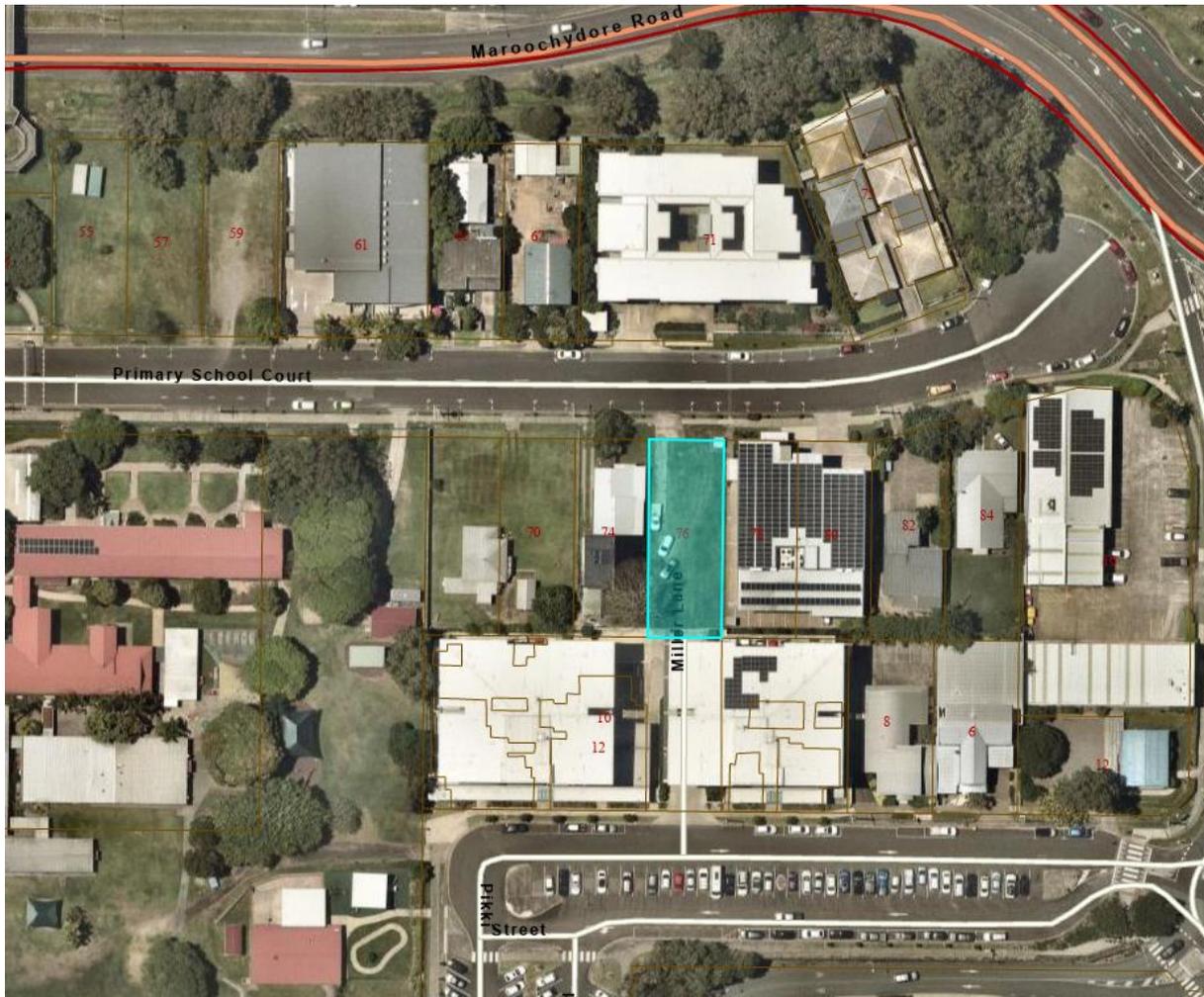


Figure 6. 76 Primary School Court, Maroochydore

Legal

Disposal of property must be in accordance with the *Local Government Regulation 2012*. Council's Legal Services Branch will be engaged to undertake conveyancing on behalf of Council. Legal Services have also provided advice in relation to the extinguishment of the volumetric road reserve adjoining Council owned 76 Primary School Court and the obligation to deliver the link road as per the Infrastructure Agreement for the adjacent Pikki Street development.

In the event that the land is first offered for sale by tender or action but not sold, pursuant to section 236(2) *Local Government Regulation 2012*, an exception to dispose of land other than by tender or auction is sought as part of this report to ensure that momentum is maintained with potential buyers.

Policy

There are no Council policies relevant to this report.

Risk

There are no foreseen risks associated with the sale of the properties.

Previous Council Resolution**Ordinary Meeting 28 February 2013 (OM13/32)**

That Council authorise the Chief Executive Officer to negotiate and finalise a purchase contract in relation to the subject properties in accordance with discussions held in confidential session.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

There are no critical dates relevant to this report.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will delegate the management of the sale of these properties to the Strategic Property team.