

OFFICER RECOMMENDATION

ITEM 8.5.2

That with respect the Denmark East Development Project, Council:

1. Accept a Royalties for Region grant of \$7,626,000 as the State Governments contribution to the Denmark East Development project;
2. Accept a contribution of \$2,500,000 from the State's Land Development arm LandCorp as its contribution to the Denmark East Development project;
3. Appoint LandCorp as Project Manager to undertake the subdivision and development works on Council's behalf; and
4. Thank the Minister for Regional Development, Hon Mr Terry Redman MLA, LandCorp and the Great Southern Development Commission for their support in making the grant application possible.

COUNCIL RESOLUTION

ITEM 8.5.2

MOVED: CR GILLIES

SECONDED: CR SEENEY

That with respect the Denmark East Development Project, Council:

1. Accept a Royalties for Region grant of \$7,626,000 as the State Governments contribution to the Denmark East Development project;
2. Accept a contribution of \$2,500,000 from the State's Land Development arm LandCorp as its contribution to the Denmark East Development project;
3. Appoint LandCorp as Project Manager to undertake the subdivision and development works on Council's behalf; and
4. Thank the Minister for Regional Development, Hon Mr Terry Redman MLA, LandCorp and the Great Southern Development Commission for their support in making the grant application possible.

As the Mover, Cr Gillies spoke to her Motion and requested that her words be recorded which were as follows;

"This opportunity has arisen from 'Growing our South Initiative' and the Great Southern Regional Blueprint; I accept that there will be community members that will have concerns regarding this project and my decision; however, I give you an undertaking that I will stand firm regarding Landcorp providing the community with a Communication Strategy and the ability to assess all milestones set out in the Funding Agreement as review steps for the project.

Landcorp has indicated that there will be a Communication Strategy developed whereby the community will be kept up to date via generic consultation i.e. the council website and the community conversations page in the local paper; updates will be, more than likely, monthly; and more specific engagement where impacts are direct.

Landcorp have the expertise as a developer of both government land assets and developers in the private sector through its Metropolitan Industrial and Regional Industrial Development Program to be able to provide Council and the community with the skills of, development management and project management, for this dual project.

Acceptance of the funding will commence the processes required; a Funding Agreement between Council and the Department of Regional Development will be brought back to Council for approval; this will then activate the detailed design that will carry milestones for the deliverables; these milestones would be review points; The MOU will require Landcorp to protect the benefits of the R4R funding while still value managing the project without any negative impacts for Council.

I believe it would be irresponsible for me to do anything other than support the funding for projects that have been accepted as part of our strategic direction adopted by Council in 2011 and endorsed by the WAPC in May 2012. An Industrial Area site will allow for growth of private business and ultimately provide expansion and employment; a bridge and a

community connector road will impact the ambience of the current site, I will continue to advocate to minimise the impacts on immediate residents. Today I have listened to the many concerns; the decision I make is for the wider community for both now and into the future.

I ask all Councillors to support this significant funding opportunity for Denmark and accept the Officer Recommendations.”

As the seconder, Cr Seeney **spoke to the Motion and** requested that his words be recorded which were as follows;

“I find the Business Case for the Light Industrial Area and associated roadworks and bridge to be a sound document. The final plan will require rigorous public consultation with regard to the alignment, the footpath and accessibility and continuity of the Kwoorabup Trail.

Denmark is in need of a Light Industrial Area. We now have non-compliant businesses throughout the Shire with many businesses operating from special rural and rural land. A number of these businesses indicate a willingness to move to this new precinct. In fact, a number of these businesses cannot expand and grow without this happening.

I recognise the involvement and work by our former Councillor Alex Syme to this project and other Councillors over the years.

The security of Denmark with regard to fire risk and obstruction of our existing bridge is a concern to me. I have witnessed, a number of years ago, a significant fire in the area of Churchill Road and that is fixed in my mind that this road is a point of first defence and can be considered totally unsuitable as an escape route from town.

This new road and bridge is nothing more than a connector road, connecting to the proposed sub-divisions to the west and Scotsdale Road and to my knowledge, has never been proposed as anything else. To think we are going to put heavy duty traffic up either Cussons or McLeod Roads is beyond imagination.

I personally think Denmark is very fortunate to have these projects with such significant grant funding and we should accept this grant gratefully.

To wrap up, this total project is part of the LPS, a strategic document that was passed by the WAPC in 2012.

The funding for this project has been scrutinized both in-house and externally. Over the years public consultation has been done however, I do admit that it could have been promoted better in the past.

And finally, the need for both the bridge and industrial area has been firmly established.

Thank you.”

During the course of debate Cr Lewis tabled a proposed amendment which read as follows;

That with respect the Denmark East Development Project, Council:

- 1. Accept a Royalties for Region grant of \$7,626,000 as the State Governments contribution to the Denmark East Development project subject to carrying out due diligence on the costs outlined in the business case via an independent cost analysis.**
- 2. Accept a contribution of \$2,500,000 from the State’s Land Development arm LandCorp subject to consideration of a detailed proposal from LandCorp for the project management, subdivision and development works of the industrial area, bridge and connector roads as outlined in the Denmark East Development Business Case.**
- 3. Requests that the CEO, in accordance with Part 1 Section 4.10 “Transport” of the Local Planning Strategy (LPS) section 1(d) Implementation, “Undertake public consultation**

on the bridge crossing point proposal and any road upgrades required that have not already been the subject of separate planning approval processes (i.e. structure planning, scheme amendments and/or subdivision approvals) throughout the consideration and design processes."

a) organise, within 28 days, a public meeting to inform and answer questions on the project and the ongoing public consultation process.

b) prepare a community consultations plan for the project to be presented to Council at the meeting of the 12th April.

4. Thank the Minister for Regional Development, Hon Mr Terry Redman MLA, LandCorp and the Great Southern Development Commission for their support in making the grant application possible.

Further discussion occurred on the amendment until Councillors were satisfied that the amendment reflected the agreed intent of the proposed Motion.

The Mover and the Seconder agreed to incorporate the amended motion into their original motion. The final motion was put as follows:

COUNCIL RESOLUTION

That with respect the Denmark East Development Project, Council:

1. Accept a Royalties for Region grant of \$7,626,000 as the State Governments contribution to the Denmark East Development project on the understanding that any cost overruns will be accommodated within the scope of the project as confirmed by Great Southern Development Commission and LandCorp in their discussions with Councillors at the Strategic Briefing today.
2. Appoint LandCorp as Project Manager to undertake the subdivision and development works on Council's behalf and accept a contribution of \$2,500,000 from the State's Land Development arm LandCorp acknowledging that the project will be the subject of a funding agreement outlining the project management, subdivision and development works of the industrial area, bridge and connector roads as outlined in the Denmark East Development Business Case.
3. Requests the CEO, in accordance with Part 1 Section 4.10 "Transport" of the Local Planning Strategy (LPS) section 1(d) Implementation, to ensure that community consultation occurs with the community to determine;
 - a) where the bridge crossing point across the Denmark river is to be located; and
 - b) where the Connector road between the bridge and Scotsdale Road is to be located; and
 - c) organise, as soon as practicable, a public meeting to inform and answer questions on process around the project and the ongoing public consultation.
4. Thank the Minister for Regional Development, the Hon. Mr Terry Redman MLA, LandCorp and the Great Southern Development Commission for their support in making the grant application possible.

CARRIED: 6/1

Res: 280316

Pursuant to Resolution No.031115 all Councillors' votes on the above resolution are recorded as follows;

FOR: Cr Gearon, Cr Gillies, Cr Seeney, Cr Morrell, Cr Lewis and Cr Bartlett.

AGAINST: Cr Whooley.

REASONS FOR CHANGE

To clarify community consultation component and to ensure Council undertake due diligence in undertaking this project and accepting funding.