

ITEM NO:	19.1
MEETING DATE:	15 December 2016
SUBJECT:	Streaky Bay Landfill Remediation – Purchase of Land (CONFIDENTIAL)
RECORD NUMBER:	R16/12330
AUTHOR:	Acting Manager, District Services and Operations, Robyn Nottle
ATTACHMENT (S):	Nil

THIS REPORT IMPACTS ON:

Asset Management	X	Long term financial plan	
Budget/Annual Business Plan	X	Financial Key Performance Indicators	
Legal/Statutory/Policies	X	Community engagement	
Risk analysis/management	X	Service standards	
Environment	X	Legal advice	
Economic growth		Social	

BACKGROUND:

The remediation of the Streaky Bay Landfill requires a specific material to cap the landfill via the non-compaction method.

During October 2016, extensive testing of suitable materials was undertaken by Golders Engineering, the results of that testing was that the material located on Section 274, Aitchison Road would be suitable as a material for the purpose above.

Considerations that were taken into account for this project were:

- The land needed to be in close proximity to the landfill with no travel on the highway or main Council roads required;
- The land had to be available to either purchase or access via section 294 of the Local Government Act;
- Volumes required; and
- Environmental (erosion) impacts.

Section 274, Aitchison Road is not accessible under section 294 of the Local Government Act because of the proximity to residential houses. Therefore the only way to access the material is to purchase the land.

An independent property valuation assessment was undertaken on the Property which has deemed the Market Value to be \$75,000, with a Capital Value of \$59,000 and Site Value of \$57,000.

Based on the above information it is recommend Council make an offer of \$60,000 for the property and allow the Chief Executive Officer and Mayor to negotiate an offer up to 20% of \$75,000.

It is envisaged that the land would be sold after Council have completed the remediation works to the property, (at or just below the purchase price) any variations between the two values would be a direct cost towards the landfill remediation costs.

Benefits of this option include:

- Cost Effective – it is the cheapest method when compared to carting from further away from the landfill.
- A smaller environmental footprint
- Land is close to the landfill
- Access avoids main roads

Risks of not securing this land:

- Carting from further distances will increase cost of project; and
- Project would be delayed further while alternate options are sought.

The total volume of this material required for the capping is 60,000m³ of which 80% will be sourced from Section 274 and the remainder from the Bellenger Way Road reserve.

This project is on track to be completed (budget permitting) by the 30 June 2017, it was hoped that final contract costs would have been received in time to report to this meeting the final cost of the landfill remediation but unfortunately this has not occurred.

OPTIONS:

1. Council offer the Landowners \$60,000 for Section 274, Aitchison Road and delegate the Chief Executive Officer and Mayor authorisation to proceed with the procurement providing the settlement value is not more than 20% of \$75,000.
2. Council refuse to make an offer on the land.

Recommendation

1. That Council resolve:
 - (a) Pursuant to Section 90(2) of the Local Government Act, 1999, the Council orders that all persons with the exception of the MJ Hentschke (Chief Executive Officer), JL Brewis (Manager, Regulatory Services) RC Nottle (Acting Manager, District Services), K Clark (Corporate Service Manager), and JA Childs (Executive Assistants & Governance Officer/ /Minute Taker) to be exclude from attendance at the meeting for agenda item 19.1, relating to “Streaky Bay Landfill Remediation”.
 - (b) The Council is satisfied pursuant to Sections 90 (3)(d) of the Act, the information to be received, discussed or considered in relation to this agenda item is related to “commercial information of a confidential nature (not being a trade secret) the disclosure of which:
 - a. Could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - b. Would, on balance, be contrary to the public interest.
 - (c) The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances.
2. That Council resolve to receive and note the Report of the Acting Manager, District Services.
3. That Council offer the Landowners \$60,000 for Section 274. Aitchison Road and delegate the Chief Executive Officer and Mayor authorisation to proceed with the procurement providing the settlement value is not more than 20% of \$75,000.
4. That having considered the agenda item 19.1 relating to “Streaky Bay Landfill Remediation” in confidence under Section 90(2) and (3)(d) of the Local Government Act, pursuant to Section 91(7) of the Act orders that the report considered and discussed in relation to agenda item 19.1 be retained in confidence and not be available for public inspection until negotiations have concluded