

City of Karratha Homemakers Centre Proposal - Schedule of Submissions		
Summary of Comments Received	Officer Response	Officer Recommendation
1. 13 identical submissions from: Ms Sharlene Hogben, Ms Vivienne Austin, Mr Reg Charles, Mr Michael & Mrs Kerry Wetherly, Mr Cameron Jones, Ms Maria Chandler, Mr Kevin and Mrs Glenda Jones, Ms Monica Plane, ML & RM Henry, Mr Steven and Alexandra Briginshaw, Mrs Danielle and Paul Hage, Jacqueline Michel, Mr Graeme and Shelley McEwan.		
1.1 Objects to \$27,000,000 of ratepayers money being put towards the new Homemaker Centre.	Noted.	Nil.
2. Mr Kim North		
2.1 Objects to the Homemakers Centre proposal.	Noted.	Nil.
3. Ms Katherine Heales		
3.1 The requirement of the development and cost is not quite necessary particularly of this magnitude. Something more simplistic, a single Bunnings or Ikea would be suffice and cater for the needs of the city. Major store chains such as the ones mentioned should be negotiated to pay 50% of the construction if it was to go ahead.	<p>Noted. The proposal involves six (6) separate phases to the development and operation of the site.</p> <p>The first phase is to undertake a detailed feasibility into this proposal. The detailed feasibility will comprehensively canvas key issues including (but not limited to) valuation, legal matters, architectural design, quantity surveying, property advice services, project management and project financial viability.</p> <p>The City's role will be to work closely with the consultants that are engaged during this phase of the project to build greater clarity and certainty on all aspects of the project.</p>	Detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
3.2 A greater concern of mine is simply the ludicrous amount of rubbish and litter that lay down the streets etc. This is in greater need of attention and would not cost more than 20% of the suggested amounts that have been detailed in the project.	<p>Noted, however this is not related to the proposal.</p> <p>The City currently has a litter picking service.</p>	Nil.
3.3 Residents need an indoor activity centre overlooking Nickol Bay. It could complement our marine lifestyle and encourage our community to stay active during the hot summer months.	Noted, however this is not related to the proposal.	Nil.

3.4	Homemakers Centre would make Karratha feel just like another boring Suburb of Perth. Why do we need to be the same as suburbia entirely?	The third phase is to undertake concept, schematic and detailed design to create a distinctive and appropriate design for the area.	Nil.
4. Karratha City Ratepayers Association (KCRRA)			
4.1	<p>The City of Karratha is proposing a much higher level of risk purchase, more than traditional local government investments. A higher level of risk is proposed to purchase and development land for commercial use which will compete with existing local business. Land Corp has been marketing the sale of the land at Gap Ridge Homemaker centre for 18 months and has indicated that the lack of sales is primarily due to the significant downturn in the Pilbara property market, financial institutions being wary of lending for this type of product and developer interests being more focused in lower risk areas like the east coast.</p> <p>Given Financial Institutions are being wary of lending for this type of product. What is the current level of debt serviceability for the City of Karratha's assets and how much p.a. is being spent to maintain and service these assets - including the projections for the new Red Earth Art's Precinct and the soon to be purchased Quarter?</p>	<p>The City is essentially debt free. It is not intended to seek borrowings to finance this (and other mentioned) projects.</p> <p>A detailed feasibility would provide greater clarity and certainty on all aspects of the project, including asset maintenance and servicing.</p> <p>It is recommended that Council only undertake detailed feasibility at this stage. However, if Council did pursue the proposal then the City's Long Term Financial Plan will be updated to reflect the projected income and expenditure.</p>	Phase One – Detailed Feasibility is commenced and completed before Council considers further phases of the proposal.
4.2	<p>LandCorp who would enter into a standard sales contract for industrial & commercial/ mixed property use which Council will also be co-ordinating the feasibility phase to enable the City to make a final investment decision. LandCorp will, on behalf of the City also manage, procure and prefund the feasibility phase. The City will compensate LandCorp for this function on a time cost recovery basis.</p> <p>Lot 8: Gap Ridge Homemaker Centre is \$4,462,000 excl. GST to purchase the land and is over 10.5% of the \$41,000,000 annually budgeted 2016-2017 ratepayers' money. The Significant Decision Making Policy (Policy CG-08) states in section 2.3. Thresholds - that if the cost of a proposal is 5% or more of the total rates of the council as shown in the annual corporate plan or strategic plan for the financial year or if the proposal will incur unbudgeted capital expenditure exceeding 5% of the total value of Council's assets then it is deemed as a significant decision making policy. Is the Council concerned about such High Risk and the Significant Decision Making being made so far above the 5% Significant Decision Making Policy thresholds?</p>	Noted. Council's Significant Decision Making Policy provides guidance for decision that require additional rigour due to their strategic natures and associated risks. Whilst the Homemaker Centre proposal would not exceed 5% of total assets (valued at approximately \$730m) the proposal involves six (6) separate phases to the development and operation of the site. It is recommended that Council only undertake Phase One – Detailed Feasibility at this stage prior to considering the purchase of land.	It is recommended that prior to any land purchase that Phase One – Detailed Feasibility be undertaken.
4.3	While progress and the delivery of the City's Vision to be Australia's Most Liveable Regional City is a key focus. There are many more important	Gap Ridge is zoned to suit 'large format' 'bulky goods' showroom style retail that isn't ideally suited in town centre environments. Town	Nil.

<p>areas of focus required to make Karratha Australia's Most Liveable Regional City.</p> <p>The Karratha City Centre Masterplan utilises a precinct-based approach to optimise the development of mutually beneficial relationships within the City Centre and to minimise the potential for land use related conflicts to occur, any development of a Gap Ridge Homemaker Centre or use of the area at Gap Ridge for retail industry would show potential for land use related conflicts to occur. Why has council chosen to go so far away from the Karratha City Masterplan model it developed and look at or even consider, a retail area at Gap Ridge?</p>	<p>Centres are best suited to boutique shopping that don't require a large floor area. Large format bulky goods stores require a much larger floor area to accommodate stock which is available for sale. The cost of retail floor space is generally much higher in town centres which can be prohibitive for large format bulky goods stores to operate. The Gap Ridge provides an appropriate location to suitably accommodate stores with a high floor space need.</p>	
<p>4.4 To purchase Lot 8: Gap Ridge Homemaker Centre, it will need to be tenanted. If this does not happen in the required time frame, what initiative's will the City of Karratha use that does not disadvantage existing local small business in the city centre?</p>	<p>During feasibility, design and construction phases, discussions will be held with potential tenants re leasing terms and conditions. Costs will be incurred to attract, 'sign up' and retain lessees in accordance with normal commercial circumstances experienced in similar projects.</p> <p>The option exists to withdraw from the project if there are insufficient leases in place for the project to be financially viable.</p>	<p>Nil.</p>
<p>4.5 How does a seller (LandCorp) advise a purchaser that it is feasible to purchase, then tell them to purchase the land and get paid by the purchaser to do so? – Is that even allowed?</p>	<p>The City's will work closely with the consultants (who are independent of LandCorp) that are engaged during the first phase of the project.</p>	<p>Nil.</p>
<p>4.6 Looking at providing greater services in the community, stabilizing affordable living, showing community support for youth engagement programs, focusing on community safety & setting up more advanced medical services in the community is what the focuses of the City of Karratha really need to be if they truly want to support local people and local business and make Karratha the most liveable regional city in Australia.</p>	<p>Noted.</p> <p>The City is an active provider of youth services and is an active Safer Communities Partnership member along with WA Police.</p> <p>Health and medical services are the responsibility of the Federal Government and WA State Government.</p>	<p>Nil.</p>
<p>4.7 If the Australian small business sectors and local rate payers had wanted Gap Ridge Homemaker Centre to be developed originally, why has LandCorp failed to sell off Gap Ridge Homemaker Centre in the trailing 18 months period to the small business sector and is the Council concerned about the economic impact to rate payers if this trend continues if the City of Karratha purchases this land?</p>	<p>LandCorp advised that, while there has been some interest in leasing and/or developing land at this site, this interest is yet to translate into any further sales. LandCorp has indicated that the lack of sales is primarily due to:</p> <ul style="list-style-type: none"> • Downturn in the Pilbara property market affecting developer interest. 	<p>Detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.</p>

	<ul style="list-style-type: none"> Financial institutions wary of lending to investors in this product in the Pilbara. A 'hot' property development market currently being experienced on the east coast of Australia, meaning that developer interest is focussed in that area where risk is seen to be lower, developer margins are strong and institutional finance for development projects is easier to obtain. <p>The first phase is to undertake a detailed feasibility into this proposal. The detailed feasibility will comprehensively canvas key issues including (but not limited to) valuation, legal matters, architectural design, quantity surveying, property advice services, project management and project financial viability.</p> <p>The City's role will be to work closely with the consultants that are engaged during this phase of the project to build greater clarity and certainty on all aspects of the project.</p>	
5. Mrs Sharon Leyland – Xtreme Edge		
5.1 Objects as a ratepayer and small business owner to the Homemakers Centre proposal.	Noted.	Nil.
5.2 This is not something that Council should sponsor or invest in. If there is an economic need for investment in retail/shopping developers would already be looking at it. No development/investment to date indicates lack of economic viability now or in future. Any such development would not create more jobs or stimulate economy. Do not have the volume of population to support duplication of goods and services already here.	<p>Noted. See Officer Response to submission 4.7.</p> <p>The first phase is to undertake a detailed feasibility into this proposal (which has not yet been done). The detailed feasibility will specifically include project financial viability.</p> <p>The City's role will be to work closely with the consultants that are engaged during this phase of the project to build greater clarity and certainty on all aspects of the project.</p>	Detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
5.3 There are other community issues/wishes that are far more important.	Noted. The City is active to understand and address the needs of our community. Recently Council's Strategic Community Plan was	Nil.

	reviewed which included extensive community consultation.	
6. Raylene Oakenfull		
6.1 Objects to the Homemakers Centre proposal and any project like it which includes investing in 'The Quarter'.	Noted.	Nil.
6.2 Council should stick to core business and not expose ratepayers to risks involved in real estate.	Noted.	Nil.
6.3 Why is Council wanting to takeover LandCorp enterprises? Other projects that the City could undertake to make living in this area more liveable.	Noted. The City continually considers a range of economic development stimulus and investment options. The City's recent Annual Survey was completed by 1572 residents which revealed "Retail offerings" as the third worst thing about living in the City and this proposal is considered to help address that.	Nil.
6.4 Why are there not experienced property business people interested in these opportunities if they are such good investments.	Noted. See Officer Response to submission 4.7.	See Officer Recommendation to submission 4.7.
6.5 Council should not be going into competition with their own rate payers.	One of the benefits of this proposal is that Council can control who the tenancies are leased to avoid direct competition with existing businesses.	Nil.
6.6 There is already a plethora of retail and industrial rental and for sale properties without adding to the mix through all price ranges. The much promoted Gap Ridge is already being offered at a reduced price to obtain interest.	The City's recent Annual Survey was completed by 1572 residents which revealed "Retail offerings" as the third worst thing about living in the City and this proposal is considered to help address that.	Nil.
6.7 There are too many local businesses and people who have gone broke already and we do not need to add to it.	Noted.	Nil.
6.8 Even when the next boom comes there is no guarantee that it will be anything like the last. In particular, the Royalty for Regions money in this area will be gone.	Noted. A detailed feasibility would provide greater clarity and certainty on all aspects of the project.	Nil.

6.9 Since when has a car dealership qualified as a 'Homemaker 'service. I feel to have this type of business as the only named prospect for this project proves that there is no demand or genuine interest.	Gap Ridge can accommodate a range of uses that are typically not suitable in a town centre. It is understood that Pilbara Motor Group have purchased the adjacent lot. Lot 8 Homemaker Centre is altogether separate proposal.	Nil.
6.10 Council are not in the business of property management and should not be exposing Ratepayers to this risk.	It is acknowledged there is risk associated with this proposal which is why a detailed feasibility study is the first phase of the proposal so that the risk is properly and thoroughly understood.	A detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
7. Mr Jamie and Vicki Birnie		
7.1 Objects to the use of City of Karratha monies to be used to build the Gap Ridge Homemaker Centre.	Noted.	Nil.
7.2 This money could be spent better for the community as a whole instead of supporting business that expect to make a profit, if it was viable for them to be here they would have moved here already.	Noted. See Officer Response to submission 4.7.	See Officer Recommendation to submission 4.7.
7.3 The Council needs to get back to basics and look after the community and not finance this type of project.	It is not proposed to finance this project. Rather the City would purchase the land and develop the property as a way to create local employment opportunities, increase retail offerings and to generate a return on investment to reduce the pressure to increase property rates.	Nil.
7.4 If we have this money to spare then reduce the rates or put solar panels on the Leisureplex roofs to reduce the power bills.	Solar Panels were considered in detail at the time of planning and construction of the Karratha Leisureplex but were found to be not commercially viable due to inefficiencies in the heat, dust coverage, difficult access to clean and weakening of roof structure in a cyclone environment.	Nil.
8. Julie Pearse		
8.1 Objects to the Homemakers Centre proposal.	Noted.	Nil.
8.2 This does not reflect the more general and more essential needs of the community as a whole.	Noted. The City is active to understand and address the needs of our community. Recently	Nil.

	Council's Strategic Community Plan was reviewed which included extensive community consultation.	
8.3 Given that Karratha is a "Boom & Bust" town and that it is currently in a down phase, I feel that committing to millions of dollars would not be the best use of ratepayer's money.	Noted. The first phase is to undertake a detailed feasibility into this proposal (which has not yet been done). The detailed feasibility will specifically include project financial viability.	A detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
8.4 Money would be better spent in direct investment into the people and environment of Karratha and its development away from commercial projects.	The proposal is considered to be an opportunity to serve the community as a way to create local employment opportunities, increase retail offerings and to generate a return on investment to reduce the pressure to increase property rates.	Nil.
9. Lee and Robbie Grapes		
9.1 Objects to the Homemakers Centre proposal.	Noted.	Nil.
9.2 This money can be spent better for the community as a whole.	Noted. The City is active to understand and address the needs of our community. Recently Council's Strategic Community Plan was reviewed which included extensive community consultation.	Nil.
9.3 The population is not here and I truly believe it is not the time for this at the moment. A great idea but too late now.	The first phase is to undertake a detailed feasibility into this proposal (which has not yet been done). The detailed feasibility will specifically include project financial viability.	A detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
9.4 My concern will be that it is not needed at this moment and will not be filled and run at a loss.	Noted. See Officer Response to submission 9.3.	See Officer Recommendation to submission 9.3.
10. Judy Wright		
10.1 Objects to the Homemakers Centre proposal.	Noted.	Nil.
10.2 In a time of economic uncertainty, when many people are already concerned about the security of their jobs and when most are being asked to tighten their belts financially, the City are proposing to utilise millions of	The proposal is considered to be an opportunity to serve the community as a way to create local employment opportunities, and to generate a	Nil.

dollars to spend on a variety of public projects in an attempt to been seen as an “active” Council.	return on investment to reduce the pressure to increase property rates.	
10.3 What is the impact on me the rate payer? Once rates go up they stay up.	The proposal is put forward to generate a higher return on the City’s existing investments to reduce pressure to increase rates in the future.	Nil.
10.4 From a business perspective the news is even grimmer. What will happen within local businesses when rates go up? Operators may look to offset costs by reducing labour.	Noted. It is not intended or expected that this proposal will cause rates to increase.	Nil.
10.5 This is not the time to be building infrastructure that will in turn jeopardise the entire local business community.	If Council chooses to pursue this proposal can control who the tenancies are leased to avoid direct competition with existing businesses.	Nil.
10.6 LandCorp has indicated that the lack of sales is primarily due to significant downturn. Does this not show you have missed the gate in Karratha and that interests are better served on aging infrastructure and many other projects in and around the district.	Noted. See Officer Response to submission 4.7.	See Officer Recommendation to submission 4.7.
10.7 The price has not been determined yet. If this is such a good investment why haven’t other businesses jumped at it?	Noted. See Officer Response to submission 4.7.	See Officer Recommendation to submission 4.7.
11. George Levisianos		
11.1 There is no question that a Homemaker centre would be of benefit to future progress of the city and its population.	Noted.	Nil.
11.2 I have 40 years’ experience in retail and substantial experience in development and its benefits and pitfalls. Those making this decision need to exercise common sense and question their qualification to make the right decision. Also they must seriously question the numbers that are stated because they are subject to circumstance and factors that don't appear in this report.	<p>Noted. The proposal involves six (6) separate phases to the development and operation of the site.</p> <p>The first phase is to undertake a detailed feasibility into this proposal. The detailed feasibility will comprehensively canvas key issues including (but not limited to) valuation, legal matters, architectural design, quantity surveying, property advice services, project management and project financial viability.</p>	Detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.

	The City's role will be to work closely with the consultants that are engaged during this phase of the project to build greater clarity and certainty on all aspects of the project.	
11.3 There is no mention on the current false market of property that is below normal parameters. The stated value is incorrect in my opinion i have over 4000 sq mtrs of town centre land in Sth Hedland that has a value less than LandCorp is offering this land at. I believe this land is currently with around 3.2 million Perhaps less because it is currently unsellable.	Noted. At this stage, it is recommended to only proceed to Phase One which is detailed feasibility. Council, if it wishes to pursue the proposal after detailed feasibility would then consider the land purchase.	Phase One is commenced and completed before Council considers further phases of the proposal.
11.4 There is no mention of the impact a loosely managed project of this type would have on existing businesses, therefore the need for careful selection of the tenants would be advised.	Noted. If Council chooses to pursue this proposal can control who the tenancies are leased to avoid direct competition with existing businesses.	Nil.
11.5 In the case of careful selection, it will almost definitely impede the shires ability to acquire fare rent. Therefore, the city may find itself having to give dispensation to its tenants and that would change its viability.	During feasibility, design and construction phases, discussions will be held with potential tenants re leasing terms and conditions. Costs will be incurred to attract, 'sign up' and retain lessees in accordance with normal commercial circumstances experienced in similar projects. The option exists to withdraw from the project if there are insufficient leases in place for the project to be financially viable.	Nil.
11.6 I believe that the return on this project at this time will be less than 5% making it high risk. I don't think anybody on the council would risk their money for a mere 5% return without a guaranteed return in place. There are not even any heads of agreement on this project. I don't know any developers that will build a premises unless there are tenants.	Noted. The first phase is to undertake a detailed feasibility into this proposal (which has not yet been done). The detailed feasibility will specifically include project financial viability.	A detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
11.7 Times are tough make LandCorp a fire sale offer for the land Perhaps under 2 mil and moth ball it for when the town recovers in a couple of years and sell it to an experienced developer for double and include a premises that the shire can receive an income on. Also if purchased at the right price it will have a positive effect on the City's asset portfolio.	Noted. At this stage, it is recommended to only proceed to Phase One which is detailed feasibility. Council, if it wishes to pursue the proposal after detailed feasibility would then consider the land purchase.	Phase One is commenced and completed before Council considers further phases of the proposal.

11.8 My opinion is to buy the land if the price is right and sit on it. Do not proceed with this development now.	Noted.	It is recommended that prior to any land purchase that Phase One – Detailed Feasibility be undertaken.
12. Brendan Kelly		
12.1 If we have so much money we can now afford to speculate on land development, why can't that money be used to pay off all the PUPP debt, that was unceremoniously dumped on CBD small business Landlords, when the budget for the underground power project came up short. I came back from holidays to a \$120,000 PUPP debt.	Noted. Community contributions to fund projects such as PUPP are a legislated and common method.	Nil.
12.2 Why are we starting another project of dubious returns and unnecessary high risk when we haven't fully funded previous projects that had been promised to have been paid for by Royalties for Regions?	The Homemaker Centre proposal provides an opportunity to facilitate not only an economic stimulus but to also generate a better return on investment to reduce pressure on income generated by rates.	Nil.
12.3 If we have so much money, why has all my rates in the CBD gone up by more than 25% when my property values, as confirmed by the Valuer General have gone down?	Property values are provided by the Valuer General's Office every 3 years. The next general review is scheduled to occur in August 2017 with an implementation date of 1 July 2018.	Nil.
12.4 This whole proposal reminds me of the City of Melville's ill-fated foray into US bonds and other instruments at the height of the stock market when they falsely believed they were elected to speculate with our money and ended up losing millions.	Noted. It is recommended that a detailed feasibility be undertaken by independent consultants. The results will then inform the community and Council on whether it is a sound investment or not.	A detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.
13. Belle Sach		
13.1 The home maker centre is a waste of money.	Noted. See Officer Response to submission 12.4.	See Officer Recommendation to submission 12.4.
13.2 The home maker centre idea needs to be canned. It is a ridiculous self-serving idea that would cripple already struggling local business and will inevitably become a white elephant. Business rentals around town and at Centro also need to come down to match the current economic climate so we don't lose anymore shops.	Noted. If Council chooses to pursue this proposal can control who the tenancies are leased to avoid direct competition with existing businesses.	Nil.

	The City of Karratha has no control over the leasing rates of privately owned shopping centres.	
13.3 There are so many other things our beautiful town actually needs. I believe there needs to be more money spent on activities for youth to keep them occupied and out of trouble as well as education, rehabilitation and community service programs. Mental health and other support facilities need to be improved. More police officers to be located in Karratha and surrounding areas. If the City funds need to be frivolously spent, I'd much rather see a bowling alley that would benefit everyone in town than a homemaker centre that we don't need!	<p>Noted. The City is an active provider of youth and community services. Education, Mental Health and Police are the responsibility of the Federal Government and WA State Government.</p> <p>The City carefully considers a range of economic development stimulus and investment options. The City's recent Annual Survey was completed by 1572 residents which revealed "Retail offerings" as the third worst thing about living in the City and this proposal is considered to help address that.</p>	Nil.
13.4 Karratha needs acreage lots to be released to cater for locals wishing to settle here for good with a bit of land instead of them leaving town to find this elsewhere and flooding the market with small blocks of land that we don't need. It's ludicrous that Port Hedland, Broome, Exmouth etc have them and we still do not, no excuses in my opinion, just greed.	<p>Noted, however this is not related to the proposal.</p> <p>Most land in the City of Karratha is subject to Native Title and is not available for 'acreage lots'.</p>	Nil.
13.5 The coastal road between Point Sampson and Karratha needs to go in. Restore Point Sampson jetty.	Noted, however this is not related to the proposal.	Nil.
13.5 Decrease rent at the airport to facilitate cheaper flights.	Noted, however this is not related to the proposal.	Nil.
14. Mat lemma, Karratha Mechanical Services & Tyres		
14.1 Objects to the Homemakers Centre proposal.	Noted.	Nil.
14.2 It's a very hard market at this moment and we have had to diversify to simply stay in business. The idea of the City spending ratepayers money to bring big business in to put locals out of business is crazy. I cannot believe that its even being considered. It will not only affect our local family business that has been supplying a service to Karratha long before a boom or anything like that it will also effect many others.	The proposal is for a Homemaker Centre which does not include Mechanical Services and Tyres. Therefore it is considered that this proposal would not have an adverse impact.	Nil.

15. Mr Graham Palmer		
15.1 Objects to the Homemaker Centre proposal.	Noted.	Nil.
15.2 If the City of Karratha has cash in the bank then it should be used to reduce rates or refund some of the contribution to the PUPP.	Noted. There is need to fund the City's long term financial obligations, including facility management, roads and parks. This proposal has the potential to generate a better return on investment than a term deposit. A detailed feasibility would provide greater clarity and certainty on all aspects of the project.	A detailed feasibility be undertaken to provide greater clarity and certainty on all aspects of the project.