

13.2.4 Proposed Closure of Portion of Schumacher Road, Wingfield	
Report Type	Decision
City Plan Theme	Economy
Report Author	Property Advisor, City Assets
Report Summary	Proposed closure and transfer of portion of Schumacher Road, Wingfield to the owners of the adjoining industrial properties
Attachments	1. Indicative Plan [13.2.4.1 - 1 page] 2. Photographs of Site [13.2.4.2 - 1 page]

RECOMMENDATION

Council resolves that:

1. The report of the Director City Assets Report titled *“Proposed Closure of Portion of Schumacher Road, Wingfield”* be received and noted.
2. A portion of Allotment (Road) 30 identified in Deposited Plan 71326 and described in Certificate of Title Volume 5982 Folio 6 and a portion of Allotment (Road) 260 identified in Deposited Plan 73696 and described in Certificate of Title Volume 5988 Folio 196, and labelled Parcels ‘1, ‘2’, ‘3’, ‘4’ and ‘5’ on the plan contained in Attachment 1 of the Council Report (subject to survey and as amended by Council or a government authority)_be declared surplus to Council’s requirements in accordance with Council’s Sale and Disposal of Land and Assets Policy.
3. Administration is authorised to implement the required provisions of the Roads (Opening and Closing) Act 1999 to commence a process for closure of portions of Schumacher Road, Wingfield, identified in red on Attachment 1 – Plan of proposed Road Closure.
4. Subject to the Chief Executive Officer fulfilling the requirements of the *Roads (Opening and Closing) Act 1991*, the Chief Executive Officer is authorised to:
 - a. determine whether or not to proceed with the closure of the Road or any part of the Road; and
 - b. where the Chief Executive Officer determines to proceed, to do all things necessary, expedient or incidental to give effect to the closure of the Road or any part of the Road, including:
 - i. negotiate with the owners of the properties adjoining the Road, being 14 Schumacher Road Pty Ltd, 22 Schumacher Road Pty Ltd and Combined Industries Pty Ltd (and their representatives) (‘the Purchasers’) on all sale, disposal and transactional matters relating to the proposed disposal and closure of portions of the Road outlined in this report.

5. have delegation to negotiate the best possible financial outcome for the disposal of the land, should the Road Closure be supported by Council and received Ministerial Approval. Council Administration have received a Valuation Report from a Licensed Independent Valuer (as outlined in this report) and will enter into a sales agreement, taking into consideration non-financial outcomes that assist in achieving Council's values and strategic priorities, in accordance with Council's Sale and Disposal of Land and Assets Policy.
 6. should no objections be received after completion of the Public Consultation Process, determine and sign the Road Process order for the proposed Road Closure and to sign any documents necessary to give effect to the Road Closure and disposal of the Road and to submit the required documentation to the Surveyor General for approval.
 7. Pursuant to Section 38(1) of the Local Government Act 1999, the Mayor and the Chief Executive Officer are authorised to attest to the affixation of the Common Seal of the City of Port Adelaide Enfield to any documents, and to sign documents necessary to give effect to the 'Road Process' for the closure and disposal of the Road.
-

Report

Council Administration received a request from HPS Transport Pty Ltd ('HPS') and the Master Butchers Co-operative Ltd ('MBC') to close and dispose of portions of Schumacher Road, Wingfield to assist in the operation of their respective businesses.

The portions of Schumacher Road that are proposed for closure are identified as:

1. A portion of Allotment (Road) 30 in Deposited Plan 71326 and described in Certificate of Title Volume 5982 Folio 6 measuring approximately 4,770 square metres and identified as Parcels '1', '2', '3', '4' on Attachment 1 – Plan for Proposed Road Closure (Refer to Attachment 1)
2. A portion of Allotment (Road) 260 in Deposited Plan 73696 and described in Certificate of Title Volume 5988 Folio 196 measuring approximately 370 square metres and identified as Parcels '5' on Attachment 1- Plan for Proposed Road Closure.

Photographs of the site are contained in Attachment 2 – Photographs of site.

Road Closure Proposal:

Administration received a Road Closure Proposal from HPS and MBC is to amalgamate the Road with the adjoining properties.

As a result of investigations, Administration have determined that this land is surplus to Community Needs and that it would be necessary to create five separate parcels of land (from the proposed Road Closure Land Site) and to amalgamate each individual parcel with the property that was adjacent to each allotment, to ensure public road access. Thus, defining three potential purchasers of the land should the Road Closure be completed.

1. 14 Schumacher Road Pty Ltd,
2. 22 Schumacher Road Pty Ltd
3. Combined Industries Pty Ltd

Parcel	Approx Size	Amalgamated with	Address	Registered Owner	Associated Business
1	580 sqm	CT 6013/637	14-18 Schumacher Road, Wingfield	14 Schumacher Road Pty Ltd	HPS Transport Pty Ltd ('HPS')
2	2,410 sqm	CT 6013/638	20-22 Schumacher Road, Wingfield	22 Schumacher Road Pty	HPS Transport Pty Ltd ('HPS')
3	1,250 sqm	CT 5984/817	24-26 Schumacher Road, Wingfield	Combined Industries Pty Ltd	Master Butchers Co-operative Ltd ('MBC')
4	530 sqm	CT 5984/818	28 Schumacher Road, Wingfield	Combined Industries Pty Ltd	Master Butchers Co-operative Ltd ('MBC')
5	370 sqm	CT 5984/819	30-34 Schumacher Road, Wingfield	Combined Industries Pty Ltd	Master Butchers Co-operative Ltd ('MBC')

The dimensions of the five parcels of land shown on the Plan are approximate only and are subject to a Preliminary Plan survey.

Administration has obtained an independent licensed valuation on the basis of the highest and best use of the Road, which the valuer assessed as being light industrial.

The Valuation Report considered the value of the Road as reflective of 'special interest value', based on market evidence and applied a 50% discount rate to the calculations of value. This was to reflect the reduced utility of the Road because registered easements would probably be required due to the presence of service infrastructure, such as low voltage underground power cables, service pits and sewer mains.

The dimensions and extent of any registered easements (if any) that will be required by the public utilities, will be dependent upon the development and use of the closed road land.

The total special interest value of the Road was assessed as \$800,000 plus GST.

The Administration will seek to obtain the best possible financial return in the circumstances, taking into account non-financial outcomes that assist in achieving Council's values and strategic priorities, when conducting the negotiations with the Purchasers, in accordance with Council's Sale and Disposal of Land and Assets Policy.

The Administration will engage a firm to identify the location and type of service infrastructure located under and/or on the Road as this may affect the price negotiations with the Purchasers, and all costs associated with the identification, disposal and sale of the proposed closed portions of land is proposed to be borne by HPS and MBC.

Public Consultation

Should Council endorse the Proposed Road Closure, the Administration will undertake a period of public consultation in line with Council's Community Engagement Policy.

City Plan Relationship

This Report relates to the City Plan theme of 'Economy' - as the proposed road closure and transfer to the adjoining owners will have the effect of supporting existing businesses and attracting new investment and innovation within the City.

Legislative Context and Related Policies

To enable a segment of a road to be closed, it is necessary to formally close the road in accordance with the requirements of the *Roads (Opening and Closing) Act 1991* subject to the consent of the Minister for Planning ('the Minister') and the granting of easements or relocation of services as required.

A road is closed by what is known as a 'road process order' made by Council, confirmed by the Minister and notified in the South Australian Government Gazette in accordance with the Roads Act

Council's Sale & Disposal of Land and Assets Policy requires that non-Community Land (including roads) can only be sold where the land has been declared to be surplus to requirements and the land is to be sold for a "fair market value" by whichever method maximises the return to Council, taking into consideration the advice of the City Valuer or other qualified Valuer of land.

The Policy also provides that, where appropriate, four methods of disposal can be followed, one of which is: *"by negotiation – with owners adjoining land or others with a pre-existing interest in the land, or where the land is to be used by a purchaser whose purpose for the land is consistent with the Council's strategic objectives for the land"*.

Stakeholder Engagement

Those people affected by the proposed road closure (such as surrounding property owners and service authorities) will be notified and have the opportunity to object, as required by the Roads Act.

Any person may object to a proposed road process and any person affected by the proposal may apply for an easement to be granted in their favour over the land that is subject to the proposed road closure.

Risk Management

There is a risk that the community will not support the closure of the Road or that the closure may not be approved by the Minister. Communicating with those most affected by the road closure will help reduce the likelihood of substantial objections being received.

Financial Management

The proceeds from the sale of this land is not included as part of Council's Long Term Financial Plan.

It is Council's practice to require any purchaser to pay costs of closing roads as well as associated costs of physical relocation of any services/infrastructure (if required). A Costs Agreement will be entered into with each of the Purchasers to ensure that Council is reimbursed for the costs associated with the closure and transfer of the Road.

No budget has been allocated for this project. However, if the transfer of the Road occurs, Council will no longer have financial responsibility for the costs of maintaining the Road and the net sale proceeds will be allocated to the general budget.

Environmental and Social Impacts

It is considered unlikely that the closure and sale of the Road will have an adverse effect on the local community as the Road is intended to be used for industrial purposes which is consistent with the surrounding properties and use of the neighboring land.

ATTACHMENT 1
Indicative Plan

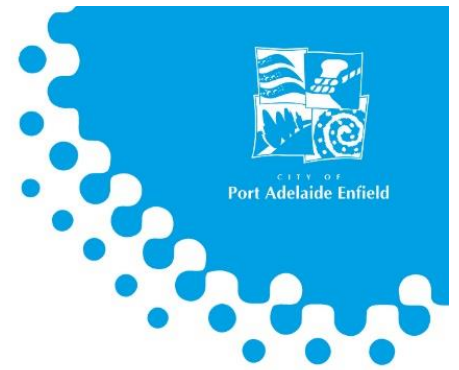


Area of Schumacher Road proposed for closure is labelled Parcels '1', '2', '3', '4' and '5'

ATTACHMENT 2
Photographs of the site



REPORT
DIRECTOR OF CORPORATE
SERVICES
ABBY DICKSON



14 FEBRUARY 2023