

minutes

Major Projects and Finance Committee

MEETING HELD ON **MONDAY 12 NOVEMBER 2018**

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CITY OF JOONDALUP

MINUTES OF THE MAJOR PROJECTS AND FINANCE COMMITTEE MEETING HELD IN CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON MONDAY 12 NOVEMBER 2018.

ATTENDANCE

Committee Members

Mayor Hon. Albert Jacob, JP	<i>Presiding Member</i>	<i>Absent from 7.38pm to 7.41pm</i>
Cr Kerry Hollywood		<i>Absent from 5.55pm to 6.24pm</i>
	<i>Deputising for Mayor Jacob</i>	<i>from 7.38pm to 7.41pm</i>
Cr Philippa Taylor		
Cr Russell Poliwka		<i>Absent from 7.25pm to 7.38pm</i>
Cr Christine Hamilton-Prime		
Cr John Logan		<i>Absent from 7.17pm to 7.20pm</i>
Cr Russ Fishwick, JP		
Cr Tom McLean, JP	<i>Deputising for Cr Hollywood</i>	<i>from 5.55pm to 6.24pm</i>

Observers

Cr John Chester		
Cr Christopher May		<i>to 6.23pm</i>
Cr Tom McLean, JP		<i>to 5.55pm; from 6.24pm</i>
Cr Mike Norman		

Officers

Mr Garry Hunt	Chief Executive Officer	<i>Absent from 6.46pm to 6.48pm</i>
Mr Mike Tidy	Director Corporate Services	
Mr Nico Claassen	Director Infrastructure Services	
Mr Brad Sillence	Manager Governance	
Mr Blignault Olivier	Manager City Projects	
Mr Mike Smith	Manager Leisure and Cultural Services	<i>to 7.09pm</i>
Mrs Genevieve Hunter	Senior Projects Officer	
Mr Scott Collins	Senior Projects Officer	<i>Absent from 6.23pm to 6.25pm</i>
Mrs Lesley Taylor	Governance Officer	

Guest

In relation to Item 1

Mr Edwin Bollig	Managing Director - Bollig Design Group	<i>from 5.56pm to 6.23pm</i>
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DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.52pm.

DECLARATIONS OF INTEREST**Disclosures of Financial / Proximity Interest**

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision-making process if they have disclosed their interest.

Name/Position	Cr Kerry Hollywood.
Item No./Subject	Item 1 - Confidential - Burns Beach Café/Restaurant - Project Status.
Nature of interest	Proximity Interest.
Extent of Interest	Cr Hollywood lives close to where the proposed facility is to be built.

Name/Position	Cr Russell Poliwka.
Item No./Subject	Item 8 - Joondalup City Centre Development - Project Status.
Nature of interest	Proximity Interest.
Extent of Interest	Cr Poliwka owns a property adjacent to two lots.

Disclosures of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Cr Christine Hamilton-Prime.
Item No./Subject	Item 2 - Confidential - Pinnaroo Point Café - Project Status.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The owner of White Salt is known to Cr Hamilton-Prime.

Name/Position	Cr John Logan.
Item No./Subject	Item 4 - Capital Works Project Reporting for 2018-19.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Logan is a committee member of the Kingsley Amateur Football Club, a stakeholder with interest in the lighting upgrade project at Kingsley Park.

Name/Position	Cr Philippa Taylor.
Item No./Subject	Item 7 - Ocean Reef Marina - Project Status.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Taylor is a member of the Ocean Reef Sea Sports Club.

APOLOGIES/LEAVE OF ABSENCE

Leave of Absence Previously Approved:

Mayor Albert Jacob, JP 18 January to 25 January 2019 inclusive.

CONFIRMATION OF MINUTES

MINUTES OF THE MAJOR PROJECTS AND FINANCE COMMITTEE HELD ON 16 JULY 2018 AND 10 SEPTEMBER 2018

MOVED Cr Fishwick, **SECONDED** Cr Hollywood that the following minutes of the meetings of the Major Projects and Finance Committee be **CONFIRMED** as a true and correct record:

- 1 Major Projects and Finance Committee meeting held on 16 July 2018;**
- 2 Major Projects and Finance Committee meeting held on 10 September 2018.**

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the City's *Meeting Procedures Local Law 2013*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**Disclosure of Proximity Interest**

Name/Position	Cr Kerry Hollywood.
Item No./Subject	Item 1 - Confidential - Burns Beach Café/Restaurant - Project Status.
Nature of interest	Proximity Interest.
Extent of Interest	Cr Hollywood lives close to where the proposed facility is to be built.

Cr Hollywood left the room at 5.55pm. Cr McLean deputised for Cr Hollywood.

Mr Edwin Bollig, Managing Director - Bollig Design Group entered the room at 5.56pm.

ITEM 1 **CONFIDENTIAL** - **BURNS BEACH** **CAFÉ/RESTAURANT - PROJECT STATUS**

WARD	North
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	102656
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This report is confidential in accordance with Section 5.23(2)(h) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

- *The determination by the local government of a price for the sale or purchase of property by the local government.*

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr McLean, SECONDED Cr Hamilton-Prime that the Major Projects and Finance Committee NOTES the report on the status of the Burns Beach café/restaurant project.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Logan, McLean, Poliwka and Taylor.

Cr May left the room at 6.23pm.

The Senior Projects Officer left the room at 6.23pm and returned at 6.25pm.

Mr Edwin Bollig, Managing Director - Bollig Design Group left the room at 6.23pm.

Cr Hollywood entered the room at 6.24pm.

Name/Position	Cr Christine Hamilton-Prime.
Item No./Subject	Item 2 - Confidential - Pinnaroo Point Café - Project Status.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The owner of White Salt is known to Cr Hamilton-Prime.

WARD	South West
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	102656
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

ITEM 3 UPDATE ON THE 2018-19 CAPITAL WORKS PROGRAM

WARD	All
RESPONSIBLE DIRECTOR	Mr Nico Claassen Infrastructure Services
FILE NUMBER	107023, 101515
ATTACHMENTS	Attachment 1 <i>2018-19 Capital Works Program</i>
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Major Projects and Finance Committee to note the update on the *2018-19 Capital Works Program*.

EXECUTIVE SUMMARY

The Capital Works Project Report for the 2018-19 program as at 30 September 2018 is attached (Attachment 1 refers).

It is therefore recommended that the Major Projects and Finance Committee NOTES the report on the Capital Works Projects for 2018-19 as at 30 September 2018 forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 6 November 2017 (JSC03-11/17 refers), Council resolved, in part, as follows:

“That Council:

- 2 ESTABLISHES a new Major Projects and Finance Committee, with the role of the new committee being to:*
 - 2.1 oversee the progress of the City’s annual capital works program and review of the City’s Five Year Capital Works Program;*
 - 2.2 make recommendations to Council on modifications of capital works projects and major strategic capital projects;”*

DETAILS

The Capital Works Project Report for the 2018-19 program as at 30 September 2018 is provided at Attachment 1 to this Report.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications**Legislation**

Sections 5.17 and 6.8 of the *Local Government Act 1995*.

A committee cannot make decisions, on behalf of the Council, that require an absolute majority decision (section 5.17 of the *Local Government Act 1995*), in which case, and in accordance with Section 6.8 of the *Local Government Act 1995*, includes approving expenditure not included in the City's Annual Budget. The Major Projects and Finance Committee may only recommend to Council to approve or modify capital works projects.

Strategic Community Plan**Key theme**

Financial Sustainability.

Objective

Major project delivery.

Strategic initiative

Not applicable.

Policy

Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The Capital Works Project Report for the 2018-19 program provides an update on the capital works activities undertaken as at 30 September 2018.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Poliwka, SECONDED Cr Fishwick that the Major Projects and Finance Committee NOTES the report on the Capital Works Project for 2018-19 as at 30 September 2018 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnMPF181112.pdf](#)

Disclosure of interest affecting impartiality

Name/Position	Cr John Logan.
Item No./Subject	Item 4 - Capital Works Project Reporting for 2018-19.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Logan is a committee member of the Kingsley Amateur Football Club, a stakeholder with interest in the lighting upgrade project at Kingsley Park.

ITEM 4 CAPITAL WORKS PROJECT REPORTING FOR 2018-19

WARD	All
RESPONSIBLE DIRECTOR	Mr Nico Claassen Infrastructure Services
FILE NUMBER	105564, 101515
ATTACHMENTS	Attachment 1 <i>2018-19 Capital Works Program</i>
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Major Projects and Finance Committee to determine which projects in the *2018-19 Capital Works Program* may require separate reports to be submitted to the committee on a bi-monthly basis.

EXECUTIVE SUMMARY

At its meeting held on 26 June 2018 Council adopted the *2018-19 Capital Works Program* (CJ114-06/18 refers). To assist the committee in determining which projects they may require project reports for, a copy of the *2018-19 Capital Works Program* is provided as Attachment 1 to this Report. In addition, this report proposes projects for which the committee may require project reports.

BACKGROUND

At its meeting held on 6 November 2017 (JSC03-11/17 refers), Council resolved, in part as follows:

“That Council:

- 2 *ESTABLISHES a new Major Projects and Finance Committee, with the role of the new committee being to:*

- 2.1 *oversee the progress of the City's annual capital works program and review of the City's Five Year Capital Works Program;*
- 2.2 *make recommendations to Council on modifications of capital works projects and major strategic capital projects;"*

DETAILS

At its meeting held on 26 June 2018 Council adopted the *2018-19 Capital Works Program* (CJ114-06/18 refers). To assist the committee in determining which projects it may require project reports for, a copy of the *2018-19 Capital Works Program* is provided at Attachment 1 to this Report. This report also suggests projects which the committee may wish to consider for project reporting.

Based upon the high profile, impact on the community and the scale of the budget it is proposed that project reports be provided on a bi-monthly basis for the following projects:

Project Code	Project Description
FNM2054 PEP2707	Whitfords Nodes Health and Wellbeing Hub
FPN2240	Burns Beach to Mindarie Dual Use Path
MPP2063	Percy Doyle Tennis Clubrooms Refurbishment
MPP2065	Percy Doyle Sorrento Bowling Clubrooms Refurbishment
PDP2117	Juniper Park Landscape Master Plan
PDP2272	Parin Pioneer Park Development
SSE2057	Leafy City Program
STL2003	Joondalup City Centre Lighting
STL2055	Kingsley Park Floodlighting Upgrade

Issues and options considered:

The options available to Council are:

- accept the proposed projects for project reporting
- not accept the proposed projects for project reporting
or
- vary the proposed projects for project reporting.

Legislation / Strategic Community Plan / policy implications

Legislation

Sections 5.17 and 6.80 of the *Local Government Act 1995*.

A Committee cannot make decisions, on behalf of the Council, that require an absolute majority decision (section 5.17 of the *Local Government Act 1995*), in which case, and in accordance with Section 6.8 of the *Local Government Act 1995*, includes approving expenditure not included in the City's Annual Budget. The Major Projects and Finance Committee may only recommend to the Council to approve or modify capital works projects.

Strategic Community Plan

Key theme Financial Sustainability.

Objective Major project delivery.

Strategic initiative Not applicable.

Policy Not applicable.

Risk management considerations

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

An update on capital works activities will be submitted to the Major Projects and Finance Committee on a bi-monthly basis.

VOTING REQUIREMENTS

Simple Majority.

The Chief Executive Officer left the room at 6.46pm.

MOVED Cr Poliwka, SECONDED Cr Fishwick that the Major Projects and Finance Committee REQUESTS that detailed reports on the following Capital Works Projects are provided on a bi-monthly basis:

- 1 Whitfords Nodes Health and Wellbeing Hub;**
- 2 Burns Beach to Mindarie Dual Use Path;**
- 3 Percy Doyle Tennis Clubrooms Refurbishment;**
- 4 Percy Doyle Sorrento Bowling Clubrooms Refurbishment;**
- 5 Juniper Park Landscape Masterplan;**
- 6 Parin Pioneer Park Development;**
- 7 Leafy City Program;**
- 8 Joondalup City Centre Lighting;**
- 9 Kingsley Park Flood Lighting Upgrade.**

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnMPF181112.pdf](#)

ITEM 5 SETTING 2019 MEETING DATES – MAJOR PROJECTS AND FINANCE COMMITTEE

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	107023, 02153
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Major Projects and Finance Committee to consider the proposed schedule of committee meeting dates for 2019.

EXECUTIVE SUMMARY

To assist with forward planning for all Elected Members, management and staff, a schedule of meeting dates has been prepared for the Major Projects and Finance Committee, ensuring synergy between meeting dates and the flow of information and decision-making.

It is therefore recommended that the Major Projects and Finance Committee adopts the meeting dates and times for the Major Projects and Finance Committee of the City of Joondalup to be held at the Joondalup Civic Centre, Boas Avenue, Joondalup.

BACKGROUND

The Major Projects and Finance Committee was established at the Special Council meeting held on 6 November 2017 (JSC03-11/17 refers). The role of the Major Projects and Finance Committee is to:

- oversee the progress of the City's annual capital works program and review of the City's *Five Year Capital Works Program*
- make recommendations to Council on modifications of capital works projects and major strategic capital projects
- make recommendations to Council on various elements of major strategic capital projects (such as the Ocean Reef Marina, City Centre Office Development and Joondalup Performing Arts and Cultural Facility), including but not limited to:
 - project scope
 - design elements and core project components
 - development models and financial structures
 - on-going management and utilisation models

- make recommendations to Council on the services to be provided by the City and the standards of service delivery being cognisant of industry best practice
- oversee the City's financial management activities, funding proposals and long-term strategic financial planning
- make recommendations to Council on reviews and impacts on the City's *20 Year Strategic Financial Plan*.

The proposed 2019 schedule of Council meeting dates is based on the format used in recent years. That is, a monthly meeting format with Strategy Sessions held on the first Tuesday of each month, Briefing Sessions held on the second Tuesday and Council meetings on the third Tuesday.

This enables committee meetings to be scheduled on the Monday, Tuesday or Wednesday of weeks one, two and three to minimise potential conflicts with other Council activities and provide a 'meeting-free' week in the fourth week of each month.

It is preferable to hold committee meetings in the first week of the month, thereby enabling committee recommendations to be listed in the Briefing Session agenda and subsequently the Council meeting agenda, however this may not always be possible due to other scheduled meetings.

DETAILS

The Major Projects and Finance Committee will oversee the progress of a variety of landmark projects within the City of Joondalup. Meetings of this committee may need to be held on an 'as-needs' basis, due to the nature and timing of decisions needed for these significant projects. However, to ensure ongoing progress reports are provided to Elected Members and enable timely decisions to be made, it is suggested the Major Projects and Finance Committee meets bi-monthly.

The proposed meeting day / date / times are as follows:

- Monday 11 March 2019, commencing at 5.45pm.
- Monday 6 May 2019, commencing at 6.00pm.
- Monday 15 July 2019, commencing at 5.45pm.
- Monday 9 September 2019, commencing at 5.45pm.

The May meeting commences slightly later, as there is a meeting of the CEO Performance Review Committee proposed at 5.45pm that day.

Dates for committee meetings have not been set beyond September 2019 given that the local government elections will be held on 19 October 2019. At that time all committees will disband and be re-established, if appropriate, following the holding of the elections.

Issues and options considered

The Major Projects and Finance Committee can either:

- adopt the meeting dates as proposed in this report
or
- amend the meeting dates.

Legislation / Strategic Community Plan / policy implications**Legislation**

Local Government Act 1995.
Local Government (Administration) Regulations 1996.
City of Joondalup Meeting Procedures Local Law 2013.

Strategic Community Plan**Key theme**

Governance and Leadership.

Objective

Corporate capacity.

Strategic initiative

Not applicable.

Policy

Not applicable.

Risk management considerations

Forward planning of committee meetings mitigates the risk for meetings to be held on an ad-hoc basis; ensuring coordination with other key meetings and corporate planning processes.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

A range of external agencies were contacted to identify 2019 meeting dates to avoid conflicting dates for elected members and staff.

COMMENT

The proposed dates have been structured to enable flow-on reporting within Council's monthly meeting cycle. In addition, the proposed meeting dates for the Major Projects and Finance Committee are cognisant of proposed meeting dates for a variety of other committees.

VOTING REQUIREMENTS

Simple Majority.

The Chief Executive Officer entered the room at 6.48pm.

MOVED Cr Fishwick, **SECONDED** Cr Hollywood that the Major Projects and Finance Committee **ADOPTS** the following meeting dates and times for the Major Projects and Finance Committee of the City of Joondalup to be held at the Joondalup Civic Centre, Boas Avenue, Joondalup:

Major Projects and Finance Committee To be held in Conference Room 1
Monday 11 March 2019, commencing at 5.45pm.
Monday 6 May 2019, commencing at 6.00pm.
Monday 15 July 2019, commencing at 5.45pm.
Monday 9 September 2019, commencing at 5.45pm.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

ITEM 6 CHICHESTER PARK, WOODVALE - PROPOSED REDEVELOPMENT

WARD	Central
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	00428, 101515, 03179
ATTACHMENTS	Attachment 1 Chichester Park aerial map Attachment 2 Existing clubroom floorplan Attachment 3 Proposed site concept plan Attachment 4 Proposed facility floorplan Attachment 5 Proposed facility elevations Attachment 6 Proposed facility perspectives Attachment 7 Arboricultural assessment Attachment 8 Traffic and parking assessment Attachment 9 Southern playing field drainage issues Attachment 10 Estimated project capital costs
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to consider the concept plans and estimated capital costs for the proposed redevelopment at Chichester Park, Woodvale and endorse progression of the project.

EXECUTIVE SUMMARY

Chichester Park located on Trappers Drive, Woodvale is classified as a district park and includes two active sport playing fields (north and south), a clubroom, floodlighting, car parking, disc golf course and a playground. As a district park, the ovals and infrastructure service the local area and several surrounding suburbs. Currently, five sporting clubs hire the ovals and the clubroom. The clubroom was constructed in 1992 and consists of a small meeting room, kitchen, toilets, change rooms and user group storage.

Due to the existing clubroom facility's functionality, size, layout and location issues, it was proposed that a new community sporting facility is developed and the existing car parking provisions and drainage issues on the southern playing field are investigated as part of the project.

At its meeting held on 18 April 2017 (CJ063-04/17 refers), Council considered the project and requested community consultation be undertaken to determine the level of support for the redevelopment of Chichester Park. In July / August 2017, the City undertook community consultation on the proposed project. Given the support from the community (over 90% of respondents supported the redevelopment), at its meeting held on 10 October 2017 (CJ169-10/17 refers), Council requested the development of concept plans for the Chichester Park redevelopment project.

A facility floor plan, site concept plan, elevations and perspectives have been developed for the project. The facility floor plan includes four change rooms, umpire room, first aid room, toilets, kitchen, 129m² meeting room, associated storage and a covered verandah area.

The site concept plan has been developed with the view of replacing the existing building and maintaining the park infrastructure in its current location. It includes a picnic / BBQ area, underground drainage and additional car parking provisions.

The total estimated capital cost for the recommended project works is \$4,159,170. Currently listed for the project in the *City's Five Year Capital Works Program* is \$3,000,000 with \$100,000 for the detailed designs (2018-19); and \$2,900,000 (\$650,000 from possible grant funding) for the construction works (2019-20 / 2020-21). It is important to note that the original project budget was \$4,000,000 however \$1,000,000 was reallocated to the refurbishment of the Warwick Sports Centre (Warwick Bowling Clubrooms and Greenwood Tennis Clubrooms) by Council through the 2017 budget workshops.

As the proposed plans include provisions to address the drainage issues of the southern playing field and additional car parking as requested by Council, it is reasonable to expect that the total project cost would exceed the original estimated budget. As the estimated capital cost exceeds the existing budget allocation, a further \$1,159,170 would be required to undertake the recommended works for the project.

It is recommended that the Chichester Park redevelopment project progress to a second round of community consultation. The second round of consultation would be undertaken in early 2019 and would seek comment on the concept plans and proposed additional car parking. The feedback and results of the consultation will then be collated and presented to Council in mid 2019.

It is therefore recommended that Council:

- 1 *NOTES the following amounts are currently listed within the City's Five Year Capital Works Program for the Chichester Park redevelopment project:*
 - 1.1 *\$100,000 (municipal funds) in 2018-19 for detailed design of the project;*
 - 1.2 *\$2,900,000 (\$2,250,000 reserve funds; \$650,000 grant funding) in 2019-20 / 2020-21 for construction of the project;*
- 2 *APPROVES the proposed Chichester Park redevelopment project including demolition, site works and services, construction of a new community sporting facility, new BBQ / picnic area, temporary facilities, underground drainage, artwork, and construction of additional parallel parking (a / b / c) as detailed in this report at a project cost estimate of \$4,159,170;*
- 3 *REQUESTS that a further \$1,159,170 (\$715,440 reserve funds; \$443,730 grant funding) be listed for consideration in the 2021-22 Capital Works Program for the Chichester Park redevelopment project subject to a successful Community Sporting and Recreation Facilities Fund grant application of \$1,093,790;*
- 4 *REQUESTS the Chief Executive Officer to arrange further community consultation on the proposed Chichester Park redevelopment project to be conducted in early 2019.*

BACKGROUND

Suburb/Location	Chichester Park (south oval) 109 Trappers Drive Woodvale WA 6026.
Applicant	City of Joondalup.
Owner	Crown Land – City of Joondalup Management Order.
Zoning	DPS Parks and Recreation.
	MRS Urban.
Site area	81,666.4m ² .
Structure plan	Not applicable.

Chichester Park located on Trappers Drive, Woodvale (Attachment 1 refers) is approximately 8.2 hectares (southern playing field) and is classified as a district park within the City's existing *Parks and Public Open Spaces Classification Framework*. The park includes two active sport playing fields (north and south), a clubroom, floodlighting, disc golf course, car parking and a playground.

The clubroom (Attachment 2 refers) was constructed in 1992 and consists of a small meeting room, kitchen, toilets, change rooms and user group storage. In 2008-09 the facility was refurbished with a new kitchen, change rooms, painting and user group storage. In 2017 the Kingsley Soccer Club extended the undercover spectator viewing area on the western side of the building as part of a club funded facility upgrade application.

The current size, location and layout of the existing clubroom facility is considered poor and it is not well utilised due to the following issues:

- Meeting room is small (32m²) and used mainly for storage so is not suitable for community group use or casual hire arrangements. The existing sporting clubs that use the park need to hire alternative facilities to hold club functions / events.
- Limited available storage for the current and potential user groups.
- Kitchen facilities are small, inadequate and in poor condition.
- Clubroom currently has limited change rooms to service multiple senior size playing fields.
- Clubroom is currently located on a lower point of the site in comparison to the car park which causes issues with rain water run-off 'pooling' in areas around the facility. It also makes access difficult due to the site level differences.
- Change rooms are not on the same level as the oval and players have to use stairs to access the pitches.

The northern playing field is used by the adjacent school (North Woodvale Primary School) as part of a "shared use" agreement with the City. The southern playing field is one of the most heavily utilised sporting grounds in the City with parking issues at peak usage times. It is used predominately for soccer with the ability to hold three soccer pitches. There are drainage issues on the southern playing field during winter which impacts sporting club usage of the area. Also, irrigation filtration could be improved on the southern playing field to address the high iron issues.

The playground was upgraded in 2009 and an upgrade of the sports floodlighting on the southern playing field was completed in July 2016.

There are no annual hire groups of the existing clubroom facility due to the size, location and layout issues. The meeting room is one of the City's least utilised rooms (9.31% utilisation rate in 2016). The southern playing field is one of the City's most highly utilised active reserves (83% utilisation rate in winter 2017). There are five sporting clubs with over 1,770 registered members that currently use Chichester Park:

- Kingsley Soccer Club.
- Woodvale FC (soccer).
- WA Christian Football Association (soccer).
- Kingsley Woodvale Junior Cricket Club.
- Kingsley Woodvale Cricket Club.

The City first identified the need to redevelop Chichester Park in 2010 and allocated funds within the *20 Year Strategic Financial Plan* (SFP) for the project. At its meeting held on 15 July 2014 (CJ116-07/14 refers), Council considered the 2014 active reserve and community facility review report and a list of redevelopment projects with a recommended priority order which was agreed to be used in the development of the City's future *Five Year Capital Works Program* and SFP. The Chichester Park project was listed as the next redevelopment project to be undertaken due to the heavy utilisation of the southern playing field and as a district park, it should have an appropriate level of infrastructure to support user group needs.

At its meeting held on 18 April 2017 (CJ063-04/17 refers), Council agreed to commence the project and requested community consultation be undertaken to determine the level of support for the redevelopment of Chichester Park.

In July / August 2017, community consultation was undertaken with over 90% of respondents supporting the redevelopment. At its meeting held on 10 October 2017 (CJ169-10/17 refers), Council requested the development of concept plans for the Chichester Park redevelopment project with the inclusion of the following:

- Redevelopment of the existing clubroom into a new community sporting facility.
- Investigation of car parking provisions.
- Investigation of drainage issues on the southern playing field.

Previously there was \$4,000,000 allocated in the *Capital Works Program* for the redevelopment project. This was amended by Council through the 2017 budget workshops as an outcome of its meeting held on 18 April 2017. At this meeting the budget for the Chichester Park redevelopment project was requested to be reduced to \$3,000,000 (CJ063-04/17 refers) and the proposed refurbishment works of the Warwick Sports Centre (Greenwood Tennis Clubrooms and the Warwick Bowling Clubrooms) be listed for consideration at the next budget workshop (Item 3 refers, Finance Committee meeting held on 4 April 2017).

DETAILS

Currently, there are a number of issues with the existing building and site including the clubroom facility's functionality, size, layout and location; drainage issues on the southern playing field; and feedback through the community consultation about inadequate car parking provisions. A facility concept plan and site concept plan have been developed addressing these issues.

Site concept plan

The site concept plan (Attachment 3 refers) has been developed with the view of demolishing the existing facility and maintaining the park infrastructure in its current location. This option addresses the current challenges with the site and facility, includes underground drainage to address the flooding issues on the southern playing field and potential additional car parking provisions.

One of the main challenges with the site is the contour / level changes with an approximate six metre difference between Trappers Drive and the playing surface. This level change creates issues with access from the existing car park and compliance with access and inclusion requirements. To address this, a vehicle ramp and separate pedestrian pathways have been proposed to link the existing car park to the proposed new community sporting facility and park playing surface.

As the existing clubroom facility would be demolished to allow for the new proposed community sporting facility to be constructed, temporary facilities would be provided so that the sporting clubs that use the southern playing field have access to toilets, change rooms, a kiosk and storage during works. Due to the site level changes, location of services (water / power) and the size / access required for delivery of the temporary facilities, it is proposed they are located at the southern end of the playing field in the cleared area as indicated as reference 7 on the site concept plan (Attachment 3 refers). The cleared area to the north and east of the playing field are not suitable for the temporary facilities to be located due to level changes and the inability to connect to existing services (water / power).

The site concept plan includes a proposed new BBQ / picnic area / drink fountain near the new community sporting facility for sporting clubs and the general community to access as indicated as reference 2 on the site concept plan (Attachment 3 refers). It is not proposed to include a playground in this area as space is limited and there is an existing playground at the site in the natural park area located north of the playing field.

There is an existing disc golf course at the site (18 holes) as indicated as reference 6 on the site concept plan (Attachment 3 refers). It is anticipated that the proposed works will not impact the course except for one hole which would be unavailable during construction as it is located in the area designated for the temporary facilities.

Facility concept plan

As part of the project, a facility concept plan, elevations and perspectives have been developed for a new community sporting facility (Attachment 4, 5 and 6 refers). Colours and finishes of the building will be determined during detailed design stage however will consider the local area and nearby residents.

It is proposed that the existing clubroom will be demolished, and a new facility be constructed as indicated as reference 1 on the site concept plan (Attachment 3 refers). To address the site contour / level changes the proposed new community sporting facility has been designed over two levels with change rooms and sports storage located on the ground level (playing surface) and meeting room / kitchen on the upper level with views over the playing surface.

Key elements of the proposed facility design include the following:

- Meeting room (129 m²) with undercover spectator viewing area overlooking the playing surface.
- Four change rooms, umpire's change room and first aid room.
- Internal toilets and external park toilet (includes automatic timed door lock system).
- Kitchen and dedicated kitchen storage area.
- Equipment storage, furniture store and closed circuit television (CCTV) room.

All facility element sizes and fit-out are based on the City's standard level of provision for this type of development similar to those included in the Bramston Park Community Sporting Facility and Penistone Park Community Sporting Facility. Four change rooms have been proposed as part of the development due to the number of playing fields accommodated on the southern oval (three) and the growing demand on City facilities to accommodate increasing female sports participation. In addition, the facility is proposed to include environmentally sustainable design features such as waterless urinals; photovoltaic (solar) panels; energy efficient light fittings and reduced flow water fixtures.

Vegetation

As part of the proposed site works, an arboricultural assessment was undertaken. The objectives were to determine the health and structural condition and structural root / tree protection zones of the existing trees in the area around the proposed new community sporting facility.

The arboricultural report (Attachment 7 refers) recommended four trees be removed due to existing health and structural condition as indicated on the site concept plan (Attachment 3 refers). The proposed new facility was designed to ensure minimal impact to the existing vegetation and has factored in the structural root / tree protection zones. Given the challenges with the site level changes and access / inclusion requirements for paths and ramps, some root pruning may be required and any excavation within the tree protection zones should be undertaken by hand.

In preparation of the potential loss of the four identified trees, the City has planted 16 new trees (12 *Eucalyptus gomphocephala* and four *Corymbia calophylla*) at Chichester Park during the 2018 winter tree planting program.

The arboricultural report also assessed the fenced Banksia Woodlands area to the north of the existing clubroom facility. It was determined that the proposed works would be unlikely to have an impact on this area. The City has also liaised with the Federal Government Department of Environment and Energy (DEE) regarding this vegetation due to the potential likelihood that it may meet the criteria to be afforded protection as the Banksia Woodlands Threatened Ecological Community (TEC) listed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Following communication with the DEE, a self-assessment in accordance with the EPBC Act was undertaken to determine whether the surrounding vegetation would be subject to significant impact. The results of the self-assessment indicated that the project is unlikely to have a significant impact on the health and viability of the vegetation and therefore a flora survey is not required to assess for the presence of the Banksia Woodlands TEC. Feedback was requested from the DEE on the self-assessment and the City is awaiting a response.

Other environmental considerations such as the management of pathogens is recommended as part of project as three species of *Phytophthora* (plant pathogen) have been recorded as causing decline to the vegetation at Chichester Park. Soil disturbance has the potential to increase the spread of pathogen infestation and the implementation of tree protection and structural root zones where possible is proposed to protect the vegetation. Chichester Park will be treated as part of the City's pathogen treatment program in spring 2018 to assist with the preservation of vegetation currently in decline.

Parking

There is currently traffic and parking congestion at the southern playing field particularly in the peak winter sporting season when the oval is heavily utilised for soccer (Tuesdays / Thursdays 5.00pm to 8.00pm, Saturday 8.00am to 1.00pm and Sunday 8.00am to 5.00pm). Weekend usage is particularly heavy with games fixtured on both Saturdays and Sundays.

The redevelopment is not anticipated to create more traffic / parking in peak periods as the number of teams using the oval cannot increase (at capacity). The proposed new facility is designed to provide larger and improved facilities for the clubs to utilise while at the park and attract users to the facility during off peak periods (week day daytime use).

As part of the community consultation undertaken in July / August 2017, some local residents raised concerns with traffic and parking issues at the park. Parking on residential verges and visibility issues / driving safety concerns were raised particularly for some of the streets around the southern playing field such as Nadine Place and Standish Way.

As part of the project, a traffic and parking assessment was undertaken. The objectives were to:

- undertake a parking survey and analysis of the park during peak periods
- develop additional parking options to accommodate peak period demand
- analyse and assess traffic generated by the existing car park.

The southern playing field is currently serviced by a car park consisting of 58 bays as indicated as reference 3 on the site concept plan (Attachment 3 refers) and some formal off street parallel parking along Trappers Drive (24 bays). To address the site level changes and comply with access and inclusion requirements, a vehicle ramp and separate pedestrian pathways have been proposed to link the existing car park to the proposed new community sporting facility and park playing surface. This vehicle ramp will result in the loss of approximately nine bays from the existing car park.

The traffic and parking assessment report (Attachment 8 refers) analysed the existing traffic conditions to determine if improvements are required to the road network. The analysis focused on the intersection of Trappers Drive and the existing car park access. The report concluded that based on the peak demand for entry into the existing car park, the car park capacity and traffic counts undertaken in May 2018, analysis of the intersection indicated no road capacity problems are expected. Crash data indicated that there has been one crash in the vicinity in the last five years which also suggests there are no congestion issues impacting the intersection. It is however noted that there is anecdotal evidence that suggests some minor queuing develops during busy periods. It is possible that this is caused by the narrow entrance to the existing car park or poor circulation due to the single entrance / exit. These factors could be addressed by widening the existing entrance and developing a separate exit to effectively create a one-way system through the car park.

The parking survey undertaken indicated that there were two main factors contributing to the traffic and parking issues at Chichester Park. One is the shortage of formal parking areas at certain times of the peak usage period. The second is the desire to park as close as possible to the training / game pitch. As the field accommodates three playing pitches, some people prefer to park as close to the allocated pitch as possible using local streets such as Landor Gardens and Standish Way in particular.

The report developed additional parking options to accommodate peak period demand which was divided into car park options and off street parallel parking options.

Additional car park options

The report proposed three potential additional car park options that could be developed to assist with parking and traffic issues during peak periods as indicated as reference 4 (4.1; 4.2; 4.3) on the site concept plan (Attachment 3 refers). Option 4.1 proposes 33 bays and is accessed off Trappers Drive to the north of the existing car park. Option 4.2 proposes 31 bays and is accessed off Landor Gardens. Option 4.3 proposes 22 bays and is accessed off Standish Way.

Option 4.3 is considered the most suitable if an additional car park was developed at the site as it would provide a formal parking area on the south eastern side of the playing field and address those people who park as close as possible to the training / game pitch. Car park option 4.1 is considered too far from the playing field and would not address the parking on the south eastern side. Car park option 4.2 also would not address the parking on the south eastern side of the site.

Additional off street parallel parking options

The report proposed three potential additional off street parallel parking options that could be developed to assist with parking and traffic issues during peak periods as indicated as reference 5 (5a; 5b; 5c) on the site concept plan (Attachment 3 refers). Option 5a proposes 19 bays and is located along Trappers Drive to the south of the existing car park. Option 5b proposes eight bays and is located along Landor Gardens. Option 5c proposes 12 bays and is located along Standish Way.

Recommended additional parking

It is recommended that the additional off street parallel parking (all three proposed areas – 5a; 5b; 5c) that would provide an additional 61 bays at the site, be included in the project. These proposed additional parking areas have been included in the estimated capital costs for the project.

At this stage, it is not recommended to develop any additional car parks however, they could be considered in the future if the recommended additional parking does not alleviate issues as expected or parking requirements at the site changes in the future.

Drainage

Currently, there are drainage issues on the southern playing field causing flooding during winter which impacts sporting club usage of the area as indicated as reference 8 on the site concept plan (Attachment 3 refers). It was requested by Council that the concept plans for the project investigate this drainage issue.

As part of the project a flooding assessment was undertaken during winter 2018 (Attachment 9 refers). To address the drainage issues at the site it is recommended that underground water drainage be installed in the winter flood zone. Two underground drainage size options were explored - 150m³ and 240m³. The 240m³ option has been included in the proposed works as this would make a significant improvement to the drainage at the site, likely control the flooding and ensure minimal impact on the playing surface.

It is also possible that the underground drainage works may reduce the amount of overflow / moisture entering the vegetation to the south of the playing field (there are a number of plant pathogen occurrences in this area).

Estimated capital costs

An external Quantity Surveyor (QS) has provided the following capital cost estimate for the project (Attachment 10 refers). The additional car park (4.3) that was included in the capital cost estimate is not recommended to be constructed at this stage, so the cost has been removed from the summary table.

Component	Estimated cost
Facility – building and fit-out	\$ 2,543,120
External services to facility (stormwater, sewer, water, gas, electrical)	\$ 293,250
Power upgrade to site	\$ 50,000
Temporary toilets, change rooms, kiosk and storage (during construction)	\$ 104,000
Site preparation and clearing	\$ 170,000
CCTV system	\$ 60,000
Photovoltaic panels	\$ 40,000
Underground drainage (to address flooding of playing surface)	\$ 185,000
Paths, stairs and ramps	\$ 243,350
Landscaping	\$ 313,960
Picnic shelter, setting, BBQ and drink fountain	\$ 42,260
Additional parallel parking (A / B / C) 39 bays	\$ 83,230
Public artwork	\$ 31,000
Total	\$ 4,159,170

All capital cost estimates include preliminaries, design contingencies, building contingencies, cost escalation to June 2021, professional fees and approval fees. The cost of the facility (excluding these components) equates to approximately \$2,250 per square metre which is expected for this type of building and similar to previous projects such as the new community sporting facilities developed at Penistone Park, Greenwood and Bramston Park, Burns Beach.

The City's *Public Art Policy* states that the State Government's 'Percent for Art Scheme' will be utilised for all refurbishment of City-owned properties or new developments where the overall project costs are over \$1 million. This scheme uses an allocation of up to one percent of the estimated total cost of the building project. Based on this, one percent of the estimated total cost of the building has been included in the project for artwork.

A review of the project components has been undertaken to determine if anything proposed could be removed to reduce the estimated capital cost. The majority of components are related to the development of the new community sporting facility so would be difficult to remove without impacting this building (such as external services; site preparation, temporary facilities, CCTV, photovoltaic panels, paths, stairs and ramps, landscaping). The underground drainage is considered an important project component as it will address the flooding issues on the southern playing field during winter which impacts sporting club usage of the area. The recommended parallel parking has been included to address the traffic and parking issues at the site.

Issues and options considered

It is considered that Council has two options, to either agree or not to agree to progress the project.

As the estimated capital cost exceeds the existing budget allocation, a further \$1,159,170 would be required to undertake all works for the project. If the project is to proceed, there are a number of options to fund the budget shortfall outlined in the following table.

Funding option	Details	Advantages	Disadvantages
Allocate additional funds – Loan	Allocate an additional \$1,159,170 of loan funds for the project.	Cost of funding is spread over several years and avoids the need to raise additional income in one year (such as rates revenue).	A \$1,159,170 loan over a five year period will result in interest costs (which worsen the operating deficit).
Allocate additional funds – Reserves	Allocate an additional \$1,159,170 of reserve funds for the project.	Financial projections (within the adopted <i>20 Year Strategic Financial Plan</i>) indicate additional reserve funds could be allocated to the project without impacting on other planned uses of the reserve or on the projected key ratios.	The use of reserve funds reduces the earnings that that the City makes on cash reserves and reduce the funds available for other projects.
Allocate additional funds – Municipal	Allocate an additional \$1,159,170 of municipal funds for the project.	Cost of additional amount required for the project is allocated from City funds.	The use of municipal funds has an impact on the cash required to balance the budget for the year and the amount to be raised from rate revenue. If all other assumptions in the year remained the same, the additional \$1,159,170 required could equate to a 1.2% rate increase.

If Council agrees to progress the project, the City will undertake further community consultation on the proposal in early 2019. A report will then be presented to Council providing the results of the consultation in mid - 2019 and seek direction on progressing the project. If Council chooses not to progress the project, Chichester Park user groups will continue to operate at the existing clubroom facility with the size, location, functionality and layout issues.

Legislation / Strategic Community Plan / policy implications

Legislation Not applicable.

Strategic Community Plan

Key theme Community Wellbeing.

Objective Quality facilities.

Strategic initiative

- Support a long-term approach to significant facility upgrades and improvements.
- Understand the demographic context of local communities to support effective facility planning.
- Employ facility design principles that will provide for longevity, diversity and inclusiveness and where appropriate, support decentralising the delivery of City services.

Policy

Requests for New or Capital Upgrades to Existing Community Buildings Policy.

Public Art Policy.

Asset Management Policy.

Risk management considerations

If the project does not progress, the sporting clubs that use Chichester Park will continue to operate within the existing limited facility. Based on the classification of the park (district park), heavy utilisation of the southern playing field and inadequate existing facilities, a redevelopment is required to better service the sporting clubs and local wider community's needs. Furthermore, the clubroom will be nearing 30 years old at the time of the proposed redevelopment therefore it is considered appropriate to upgrade it.

Any capital project brings risks in relation to contingencies and over runs against original design. The capital cost estimate is based on concept designs and may differ once further detailed designs are undertaken for the project.

Financial / budget implications

The total estimated capital cost for the recommended project works is \$4,159,170. Currently listed for the project in the City's *Five Year Capital Works Program* is \$3,000,000. \$100,000 for the detailed designs (2018-19) and \$2,900,000 (\$650,000 from possible grant funding) for the construction works (2019-20 / 2020-21). It is important to note that the original project budget was \$4,000,000 however \$1,000,000 was reallocated to the refurbishment of the Warwick Sports Centre (Warwick Bowling Clubrooms and Greenwood Tennis Clubrooms) by Council through the 2017 budget workshops.

As the proposed plans include provisions to address the drainage issues of the southern playing field and additional car parking as requested by Council, it is reasonable to expect that the total project cost would exceed the original estimated budget. As the estimated capital cost exceeds the existing budget allocation, a further \$1,159,170 would be required to undertake the recommended works for the project.

It has been identified that this project would be suitable for consideration as part of the Department of Local Government, Sport and Cultural Industries (DLGSCI) Community Sporting and Recreation Facilities Fund (CSRFF) program. The CSRFF program considers a contribution of up to one third for eligible components of a project that demonstrate an increase in sport participation as a result of the development, in this case up to \$1,093,790.

Future financial year impact

Current annual operating cost	The annual operating cost for Chichester Park clubroom is approximately \$34,000 per annum. This is based on an operating income of \$5,000, operating expenses of \$30,000 and depreciation of \$9,000.
Estimated capital costs and funding	<p>The total capital cost for the project is estimated at \$4 million at today's costs and with escalation is estimated at \$4.2 million. Potential grant funding (CSRFF) has been estimated at \$1.1 million, so the net funding cost to the City would be \$3.1 million (however the City would be responsible for the full ongoing capital replacement cost of \$4.2 million).</p> <p>The Adopted <i>Strategic Financial Plan</i> (SFP) includes an escalated project budget of \$3.1 million – consisting of \$650,000 (grant funding) and a net cost to the City of \$2.45 million (Strategic Asset Management Reserve funds).</p> <p>The net funding cost of the proposed project to the City of \$3.1 million is \$650,000 more than the \$2.45 million currently allocated in the SFP. It is possible for the Strategic Asset Management Reserve to fund this additional cost.</p>
Estimated annual operating cost (including depreciation)	<p>The proposed redevelopment works would cost approximately \$72,000 in depreciation per year, which is \$63,000 more than the existing depreciation costs.</p> <p>It is estimated that the new community sporting facility may cost between \$60,000 to \$80,000 per year (\$70,000 assumed) in operating cash expenses with the final cost dependent on factors such as usage and final specification. The assumed cost of \$70,000 is \$40,000 more than the existing clubroom facility.</p>
Estimated annual operating income	The income for the new community sporting facility is estimated at approximately \$8,000 per year. This is an increase of \$3,000 per year on the operating income of the existing clubroom facility (\$5,000).
Operating deficit	<p>The estimated annual operating cost for the new community sporting facility is approximately \$134,000 per annum. This is based on an operating income of \$8,000, operating expenses of \$70,000 and depreciation of \$72,000. This is \$100,000 more than the annual operating cost for the existing clubroom facility and impacts the City's ability to address the operating deficit which in 2018-19 is forecast to be over \$6 million.</p> <p>The SFP already includes some of the financial impacts of the proposed redevelopment (depreciation \$53,000 and operating expense increase of \$10,000). The anticipated additional annual operating cost of \$100,000 is \$37,000 more than what is already included in the SFP.</p>

The SFP is updated on an annual basis and the next update (2019) will include the updated projections for this project, including the estimated write-off.

Write-off cost

The existing building has a written down value of approximately \$400,000. When demolished the written down value would result in a one-off write-off cost to the operating results which has not been included in the SFP.

Capital replacement

It is estimated that the City would need to provide \$72,000 per year for capital replacement, equal to the annual depreciation expense.

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implicationsEnvironmental

All facility redevelopment projects are planned to reduce the impact of the carbon footprint and consider environmental sustainability design features where possible within the project budget. In addition, the site concept plans have been developed with the aim of minimising the impact on important flora and fauna at Chichester Park. Four trees have been recommended for removal due to existing health and structural condition however, in preparation of the potential loss of these identified trees, the City has planted 16 new trees during the 2018 winter tree planting program.

Social

The project has included consultation with existing user groups and the local wider community to ensure that the proposed redevelopment represents the communities' diverse needs. It is expected that if the redevelopment works occur, the project will lead to higher utilisation rates of the facility. Furthermore, the proposed development at the site considers access and inclusion principles and aims to enhance the amenity of the public space. One of the main challenges with the site is the contour / level changes which creates issues with access from the existing car park and compliance with access and inclusion requirements. To address this, a vehicle ramp and separate pedestrian pathways have been proposed to link the existing car park to the proposed new community sporting facility and park playing surface.

Economic

One of the main principles of the City's *masterplan framework* is the development of 'shared' and 'multi-purpose' facilities to avoid duplication, and to reduce the ongoing maintenance and future capital expenditure requirements.

Consultation

Results of the initial community consultation for this project were considered by Council at its meeting held on 10 October 2017 (CJ169-10/17 refers). The planned second round of consultation will provide more detailed information for the community to provide feedback on.

COMMENT

The City has undertaken a number of community sporting facility developments over the last 10 years such as those at:

- Seacrest Park, Sorrento
- Forrest Park, Padbury
- Bramston Park, Burns Beach
- Penistone Park, Greenwood.

The City identified Chichester Park as the next redevelopment project to be undertaken due to the existing clubroom facility functionality, size, layout and location issues and several challenges that have been identified in relation to the site. The park is one of eight district level parks within the City and its infrastructure supports five sporting clubs with over 1,770 registered members. The works proposed at Chichester Park, is the final community sporting facility development currently planned to be undertaken by the City in the next 10 years.

Based on the total cost estimate for the recommended project works as detailed in this report, a further \$1,159,170 would be required. As the original project budget was reduced and the proposed plans include provisions to address the drainage issues of the southern playing field and additional car parking as requested by Council, it is reasonable to expect that the total project cost would exceed the existing budget allocation.

To offset the need for additional funds for the project, a review of the City's current *Capital Works Program* was undertaken to determine the possibility of delaying the commencement of projects scheduled in the near future, or a reduction in the scope. As Council has only recently adopted the current SFP (August 2018), it was determined that no amendments to the plan be proposed. The SFP is reviewed annually and the next review will reflect any changes made to the *Capital Works Program*.

If the project is supported to progress, it is recommended that reserve funds are used for the project shortfall as financial projections indicate that they could be allocated to the project without impacting on other planned uses of the reserve or on the projected key ratios.

It is recommended that the Chichester Park redevelopment project progress to a second round of community consultation. The second round of consultation would be undertaken in early 2019 and would seek comment on the concept plans and proposed additional car parking. The feedback and results of the consultation will then be collated and presented to Council in mid 2019.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Poliwka, SECONDED Cr Logan that Council:

- 1** **NOTES** the following amounts are currently listed within the City's *Five Year Capital Works Program* for the Chichester Park redevelopment project:
 - 1.1** \$100,000 (municipal funds) in 2018-19 for detailed design of the project;
 - 1.2** \$2,900,000 (\$2,250,000 reserve funds, \$650,000 grant funding) in 2019-20 / 2020-21 for construction of the project;
- 2** **APPROVES** the proposed Chichester Park redevelopment project including demolition, site works and services, construction of a new community sporting facility, new BBQ / picnic area, temporary facilities, underground drainage, artwork and construction of additional parallel parking (a / b / c) as detailed in this report at a project cost estimate of \$4,159,170;
- 3** **REQUESTS** that a further \$1,159,170 (\$715,440 reserve funds; \$443,730 grant funding) be listed for consideration in the 2021-22 *Capital Works Program* for the Chichester Park redevelopment project subject to a successful Community Sporting and Recreation Facilities Fund grant application of \$1,093,790;
- 4** **REQUESTS** the Chief Executive Officer to arrange further community consultation on the proposed Chichester Park redevelopment project to be conducted in early 2019.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

The Manager Leisure and Cultural Services left the room at 7.09pm.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnMPF181112.pdf](#)

Disclosure of interest affecting impartiality

Name/Position	Cr Philippa Taylor.
Item No./Subject	Item 7 - Ocean Reef Marina - Project Status.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Cr Taylor is a member of the Ocean Reef Sea Sports Club.

ITEM 7 OCEAN REEF MARINA - PROJECT STATUS**WARD** North-Central**RESPONSIBLE DIRECTOR** Mr Garry Hunt
Chief Executive Officer**FILE NUMBER** 04171, 101515

ATTACHMENTS

Attachment 1	Refined Ocean Reef Marina Concept Plan
Attachment 2	Ocean Reef Marina Indicative Timeline
Attachment 3	Stakeholder and Community Engagement Strategy – Phase 2

AUTHORITY / DISCRETION Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Major Projects Committee to note the progress of the Ocean Reef Marina development.

EXECUTIVE SUMMARY

To progress the implementation of the Ocean Reef Marina development, the following activities and tasks have been undertaken since the previous project status report was considered by the Major Projects Committee at its meeting held on 16 July 2018 (Item 6 refers):

- 1 Liaison and engagement with the State Government through LandCorp including transfer of proponentcy.
- 2 Progression of the environmental and planning approval processes.
- 3 Endorsement for community engagement of the refined concept plan (Attachment 1 refers) by the Government Steering Committee.
- 4 Stakeholder engagement.
- 5 Other matters.

Details of the above are provided in this Report.

The project is progressing in accordance with the amended Ocean Reef Marina Indicative Timeline as at 30 September 2018 (Attachment 2 refers).

It is therefore recommended that the Major Projects and Finance Committee NOTES:

- 1 *the Ocean Reef Marina Project Status Report;*
- 2 *that the process for the transference of the Ocean Reef Marina project proponentcy from the City to LandCorp has commenced.*

BACKGROUND

State Government / LandCorp

Following the announcement by Premier Mark McGowan and Hon. Rita Saffioti (Minister for Transport; Planning; Lands) in September 2017 that LandCorp would lead the implementation of the Ocean Reef Marina project, the City's ongoing involvement in the project was articulated in the Memorandum of Understanding (MOU) endorsed by Council in February 2018 (CJ031-02/18 refers) and executed in March 2018.

The following issues noted by the former Major Projects Committee at its meeting held on 11 September 2017 (Item 1 refers) were captured in the MOU:

- The City's involvement in the LandCorp project team.
- Acknowledgement and recognition of the City's financial contribution to the project thus far.
- Management of the community's expectation.
- Marina management post-construction.

Not captured in the MOU, the following matters, also identified by the former Major Projects Committee, remain the subject of on-going negotiation and/or resolution:

- Regular project updates for the City's Elected Members.
- Ocean Reef Marina Business Plan.
- The City's land contribution to the project.
- Management of the public spaces and car parking.

It was also noted by the former Major Projects Committee at its meeting held on 11 September 2017 that the outcome of the negotiations would be provided to Council through the committee.

Planning and Environmental Approvals

Metropolitan Region Scheme Amendment 1270/41

Following public advertising of Metropolitan Region Scheme Amendment 1270/41 (MRS Amendment 1270/41) from November 2016 to February 2017, responses to submissions (prepared collaboratively by the City and LandCorp) were provided to the Department of Planning, Lands and Heritage (DPLH) in February 2018.

Negotiated Planning Outcome for Bush Forever Site 325

Following public advertising concurrently with MRS Amendment 1270/41, finalisation of the draft Negotiated Planning Outcome (NPO) commenced. The finalisation of the NPO will take into consideration the suggestions/comments received from the community during the public advertising period and extensive engagement with the relevant agencies.

Public Environmental Review

Public advertising of the Public Environmental Review (PER) documents occurred from November 2016 to February 2017. Responses to submissions received, prepared collaboratively by the City and LandCorp following extensive engagement with the relevant agencies, were provided to EPA Services (formerly Office of the EPA) in February 2018.

Agency comments on the responses to submissions resulted in amendments to the document for consideration by EPA Services. The responses to submissions inform and contribute to the preparation of the assessment report which is then formally considered by the EPA Board.

Draft Preliminary Ocean Reef Marina Structure Plan

Formal consideration by Council of the final *Ocean Reef Marina Structure Plan* can only occur following finalisation of the MRS Amendment process (or the alternative planning approval process, if adopted) and the amendment of the City's district boundary.

Concept Plan Design Review

The aim of the review is to identify the concept plan "non-negotiables", consider the land use to identify better outcomes in line with the project vision and identify cost savings.

The review was facilitated by the LandCorp Project Team through the Ocean Reef Marina Project Steering Group (which includes a City representative) and representatives from DPLH, Department of Transport (DoT) and the Metropolitan Redevelopment Authority. Three workshops, resulting in the development of three draft design 'scenarios' that were evaluated against criteria identified in the following areas:

- Community wellbeing.
- Environmental leadership.
- Economic health.
- Design excellence.
- Governance.

Stakeholder Engagement

Of considerable importance to the success of the implementation of the project is timely and appropriate stakeholder engagement. An extensive stakeholder list has been prepared as well as a stakeholder engagement and communication strategy, endorsed by the Government Steering Committee.

DETAILS

State Government / LandCorp

Proponency

While LandCorp has assumed responsibility for the project, via the MOU, the City formally remains the proponent for the PER and MRS Amendment. It is therefore necessary that proponency formally transfer to LandCorp.

The project Philosophy and Parameters were endorsed by Council at its meeting held on 5 May 2009 (JSC5-05/09 refers) and reference was made to an understanding by the City that the development of the project is in partnership with the State Government (through departments and Ministers). The Philosophy and Parameters also refers to the need for an MOU between the City and the State.

At its meeting held on 6 October 2015 (CJ176-10/15 refers), Council agreed in part (among other things):

“Council REQUESTS the Minister for Planning, as the Minister responsible for the State Government lead agency for the Ocean Reef Marina project, to initiate action for the State Government to assume the role of proponent for the Ocean Reef Marina project.”

Further, at its meeting held on 15 August 2017 (CJ139-08/17 refers), Council agreed that should the State Government decide to assume the role of proponent for, and implementer of, the project, the Chief Executive Officer was to engage with the State Government and LandCorp in relation to the City’s on-going role in the delivery of the project as well as the future management and operation options.

Clause 7.1 of the MOU, endorsed by Council at its meeting held on 20 February 2018 (CJ031-02/18 refers) states that:

“The Parties agree to facilitate the transition of proponentcy to LandCorp in an orderly and expeditious manner.”

As part of the orderly transition process, the City has formally notified the EPA that proponentcy for the project, for the purposes of the PER, now rests with LandCorp.

Further engagement and negotiation with LandCorp and the DPLH is required to transfer proponentcy for the MRS Amendment. It is anticipated this will occur prior to gazettal of the MRS Amendment.

Additional discussion and negotiation is also required with LandCorp on matters affecting the City as the projects moves to construction and operation, including (but not limited to):

- marina management post-construction
- land assembly and contribution of the City owned land required for the project
- consideration of contributions to the cost of community infrastructure
- management of the public car parking
- other agreements required between the City and the State Government (via LandCorp).

The above matters were identified in the MOU endorsed by Council in February 2018 (CJ031-02/18 refers).

Ocean Reef Marina State Government Steering Committee

Meetings of the Ocean Reef Marina State Government Steering Committee (Steering Committee) were held on 14 September 2018 and 2 November 2018.

Matters discussed included:

- presentation of the refined Concept Plan to the community
- stakeholder/engagement activities
- status of the MRS Amendment and PER processes
- Marmion Marine Park excision
- native title and land assembly
- abalone compensation.

The City is represented on the Steering Committee by His Worship the Mayor and Chief Executive Officer. The Member for Joondalup, Emily Hamilton MLA, is also a member of the Steering Committee.

Planning and Environmental Approvals

Metropolitan Region Scheme Amendment 1270/41

The City and LandCorp made a deputation to the Western Australian Planning Commission in August 2018 as part of the hearings process for the assessment of the MRS Amendment.

Following the deputation, clarification was provided to the Commission on the current concept plan, consideration of the refined concept plan and the statutory planning delivery framework.

In short, the current concept plan remains the relevant plan for consideration in the MRS Amendment 1270/41 process. It is considered imperative that the current MRS process progresses in order to provide project certainty and to meet State Government expectations for onsite commencement in 2020.

It has been confirmed by DPLH that the current MRS Amendment process will continue, and finalisation will occur once the outcome of the PER assessment is known.

Negotiated Planning Outcome for Bush Forever Site 325

Through engagement with the Department of Biodiversity, Conservation and Attractions (DBCA), the process for the identification and purchase of a land suitable to satisfy the offset requirements of the draft NPO are well underway.

The rehabilitation component of the draft NPO will be the subject of on-going engagement with the relevant agencies, the City and local environmental groups. The draft NPO will be finalised and agreed in due course.

Public Environment Review

LandCorp, together with the City, presented the project to a meeting of the EPA Board in September 2018. The key focus areas of the presentation were as follows:

- The key environmental issues.
- How the mitigation hierarchy has been applied.
- The predicted environmental outcome.
- Whether there are significant residual impacts which require environmental offsets.

It is anticipated that the EPA will formally consider the proposal at its meeting to be held in November 2018 with the assessment and report to be finalised prior to the end of 2018. An appeals period will follow with a final decision from the Minister for the Environment expected in the first half of 2019.

It should be noted that the PER process is being undertaken on the current concept plan.

Marmion Marine Park

The actual impacts of the Ocean Reef Marina on the Marmion Marine Park habitat are considered through the PER process as are any offset requirements. However, separate to that process, the development requires excision from the Marmion Marine Park which is a complex process managed by DBCA on behalf of the Conservation and Parks Commission. In consultation with DoT (the ultimate managers of the marina), a draft excision boundary was prepared and presented to the Conservation and Parks Committee at its meeting held in August 2018. The presentation and accompanying briefing paper covered the following:

- Project update, State Government commitment and status.
- Justification for the excision.
- Marmion Marine Park habitat values and proposed impacts.
- Mitigation and management of impacts.

DBCA has confirmed that the Conservation and Parks Commission has resolved to approve “in-principle” the proposed Marmion Marine Park excision, subject to the project receiving the required statutory approvals. A Bill of Parliament will be required to facilitate and formalise the excision process.

Draft preliminary Ocean Reef Marina Structure Plan

Further development of the Structure Plan cannot progress until the outcome of the PER and MRS Amendment processes. The need for a structure plan will also be considered as part of the investigations into an alternate planning framework.

Concept Plan Design Review

The refined Concept Plan (Attachment 2 refers) was endorsed by the Steering Committee in August 2018. The refined plan was developed following an extensive review process undertaken by the Project Steering Group with considerable input from DoT.

The plan was refined, based on community, agency and project team feedback, to ensure that the Ocean Reef Marina is:

- appropriate to the location
- providing the amenities and features that the community wants
- environmentally responsible
- financially sustainable.

Stakeholder Engagement

In addition to engagement with the relevant State Government agencies on matters such as the PER, MRS Amendment, Marmion Marine Park excision, Land Assembly, abalone industry compensation and future marina management the following community engagement activities occurred over recent months:

- Presentation of the refined Concept Plan to the Ocean Reef Sea Sports Club, Joondalup City RSL and Whitfords Volunteer Sea Rescue Group.

These groups were asked to provide feedback/comments on the refined Concept Plan prior to the preparation of Business Plans (with assistance from LandCorp).

Further individual meetings with the above will be scheduled to enable the project team to address and resolve issues identified.

- Residents' Open Evening – residents within a radius of approximately one kilometre from the project were invited to attend an open event where the refined Concept Plan was available for review. Members of the Project Team were in attendance to answer questions and clarify and comment on issues raised by residents. Approximately 140 residents attended and, while the general mood of the event was positive, the following concerns were raised:
 - relocation of a residential component to the north of the development
 - loss of views
 - increased local traffic
 - impacts of construction on local residents.

LandCorp has committed to following up on the above directly with residents.

- Public Open Day – held at the Ocean Reef Sea Sports Club on 7 October 2018, approximately 2,100 people attended the open day and were provided with detailed information regarding the refined Concept Plan and project status.

Attendees also had the opportunity to view a 3D fly through of the refined Concept Plan, contribute ideas for the development of the public realm, drill down through various layers of the refined Concept Plan (such as car parking, pedestrian access, public amenities and food and beverage offerings).

The next major engagement process will be the establishment of a Community Reference Group (CRG) to assist with the development of the public realm. The CRG enables the community an opportunity to be directly involved in the development of the public spaces associated with the project. These spaces include the parks, streetscapes, boardwalks and walk trails.

The feedback provided by the group will assist LandCorp in making decisions that respond to community concerns and aspirations and have the best overall outcomes for the community.

Pending approval by the Steering Committee the CRG will consist of identified stakeholders (such as representatives from the City, local residents' groups, Inclusion WA, local environmental groups and educational institutions) as well as community members identified via an Expression of Interest process.

A summary of Phase 2 of LandCorp's Stakeholder and Community Engagement Strategy is presented in Attachment 3.

Other matters

Native Title

LandCorp is continuing to work closely with the relevant agencies including DPLH and the Department of the Premier and Cabinet to progress extinguishment of Native Title. Further, LandCorp is a signatory to the South West Native Title (SWNT) Agreement, which was registered in the National Native Title Tribunal in October 2018. Once finalised this Agreement will extinguish all Native Title claims for the project.

Abalone Compensation

The Minister for Fisheries has written to the Minister for Lands formally supporting the Voluntary Fisheries Adjustment Scheme (VFAS) process to progress compensation to the commercial abalone licence holders.

Formal establishment of the VFAS is currently awaiting Cabinet approval and the VFAS will be administrated through the Department of Primary Industry and Regional Development (Fisheries) (DPIRD).

Engagement is continuing with DPIRD and Recfishwest to facilitate a suitable strategy for non-commercial licence holders that fall outside the provisions of the *Fisheries Adjustment Scheme Act 1987*.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications**Legislation**

The City is governed by the requirements of the *Local Government Act 1995* in relation to dealings involving commercial undertakings and land development.

Other applicable legislation includes:

- *Planning and Development Act 2005.*
- *Environmental Protection Act 1986.*
- *Fisheries Adjustment Scheme Act 1987.*
- *Environmental Protection, Biodiversity and Conservation Act 1999 (Cwlth).*

The approvals for the development are influenced by State Planning and Development Control policies:

- *2.6: State Coastal Planning Policy.*
- *2.8: Bushland Policy for the Perth Metropolitan Region.*
- *3.7: Planning in Bushfire Prone Areas.*
- *1.8: Canal Estates and Artificial Water Developments.*

Strategic Community Plan**Key theme**

Economic Prosperity, Vibrancy and Growth.

Objective

Destination City.

Strategic initiative

- Facilitate the establishment of major tourism infrastructure.
- Encourage diverse accommodation options.

Policy

Not applicable.

Risk management considerations

Early engagement with the State Government / LandCorp on the City's on-going role and responsibilities as the project progresses was previously identified as a risk management consideration.

The execution of the MOU ensures that the City's interests in the project are acknowledged and protected. Further it allows the City to negotiate with the State Government on matters such as land tenure, on-going management responsibilities of a constructed marina and the City's contribution to the construction of community infrastructure.

Financial / budget implications

Current financial year impact

Account no.	C1001.
Budget Item	Ocean Reef Marina.
Budget amount	\$ 158,747
Amount spent to date	\$ 16,169
Balance	\$ 142,578

Total Project Expenditure (as at 30 June 2018 including internal staff costs)

2007-08	\$ 133,241
2008-09	\$ 968,284
2009-10	\$ 266,604
2010-11	\$ 325,046
2011-12	\$ 388,552
2012-13	\$ 376,393
2013-14	\$ 838,371
2014-15	\$ 1,314,917
2015-16	\$ 1,163,151
2016-17	\$ 575,906
2017-18	\$ 174,832
2018-19	\$ 16,169
LESS Grants Received	<u>\$(1,285,500)</u>
Total City Expenditure	\$ 5,256,026

2018-19 Budget

The 2018-19 project budget is \$158,747 which covers staff costs, communications and marketing (independent of LandCorp's stakeholder engagement strategy) as well as an allocation for the City to undertake financial / economic investigations on the on-going financial impacts (both income and expenditure) of the project. LandCorp are responsible for all costs related to the project (not directly attributable to the City).

Annual operating cost	Following the endorsement of the refined concept plan the
Estimated annual income	City will be in a position to investigate the on-going financial
Capital replacement	impacts (both income and expenditure).

20 Year Strategic Financial Plan impact	The results of these investigations will contribute to the City's negotiations with LandCorp on the matters identified in this Report, enabling a more accurate determination on whole of life impacts.
Impact year	

All amounts quoted in this report are exclusive of GST.

Regional significance

The Ocean Reef Marina development will become a significant tourist / visitor destination and a key focal point within the northern Perth corridor.

Sustainability implications

Endorsed by Council in 2009 (JSC5-05/09 refers), the Ocean Reef Marina Philosophy and Parameters articulated the City's vision for the project and acknowledged the City's commitment to achieving a sustainable green development.

At its meeting held on 20 February 2018 (CJ031-02/18 refers) it was agreed that Council, among other things that it:

“3 *REQUESTS the City to liaise with and request LandCorp to pursue development parameters which will deliver world class sustainable built form at the Ocean Reef Marina.*”

The project has been registered for an Infrastructure Sustainability (IS) Planning rating from the Infrastructure Sustainability Council of Australia.

The IS Rating Tool was developed by the Infrastructure Sustainability Council of Australia in collaboration with industry, to drive and measure sustainability within infrastructure projects and assets. The tool can be applied to built infrastructure as well as to the planning, design and operation of infrastructure.

As well as the opportunity to use IS for the purpose of gaining project recognition, it also provides a framework for increased awareness of key sustainability issues and a structure for organisational improvement.¹

Consultation

LandCorp's stakeholder engagement strategy identifies His Worship the Mayor, Elected Members and the City as well as Ministers, State Government Agencies and special interest groups such as abalone industry representatives as key stakeholders in the project.

Regular engagement with these, and other stakeholders, occurs as and when required and will continue throughout the life of the project.

The strategy also complements and builds on the community engagement undertaken by the City throughout the life of the project. The City has provided LandCorp with extensive information on the outcomes of past engagement with the community as well as other key stakeholders (including Government agencies).

COMMENT

Since the previous meeting of the Major Projects and Finance Committee in July 2018, the Ocean Reef Marina project has progressed in accordance with the program prepared by LandCorp.

¹ Source: ISCA - https://www.isca.org.au/infrastructure_sustainability, viewed 5 November 2018.

With a construction start date of 2020, there are some challenges to be resolved and LandCorp has identified a number of issues that could potentially delay this date. However, LandCorp is confident that through careful management of these issues, the start date of 2020 can be realised.

The City continues to be involved at all levels of the project and is committed to supporting LandCorp and the project team to realise the City's vision for the Ocean Reef Marina.

Cr Logan left the room at 7.17pm and returned at 7.20pm.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Taylor, SECONDED Cr Hamilton-Prime that the Major Projects and Finance Committee NOTES:

- 1 the Ocean Reef Marina Project Status Report;**
- 2 that the process for the transference of the Ocean Reef Marina project proponentcy from the City to LandCorp has commenced.**

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

Appendix 4 refers

To access this attachment on electronic document, click here: [Attach4agnMPF181112.pdf](#)

Disclosure of Proximity Interest

Name/Position	Cr Russell Poliwka.
Item No./Subject	Item 8 - Joondalup City Centre Development - Project Status.
Nature of interest	Proximity Interest.
Extent of Interest	Cr Poliwka owns a property adjacent to two lots.

Cr Poliwka left the room at 7.25pm.

ITEM 8 JOONDALUP CITY CENTRE DEVELOPMENT - PROJECT STATUS

WARD	North-Central
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	103036, 101515
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to note the progress on the Joondalup City Centre Development and the correspondence received from Devwest Group Pty Ltd (Devwest) regarding the proposed residential development on Lot C of the Boas Place Concept Plan.

EXECUTIVE SUMMARY

Following Council's decision at its meeting held on 21 August 2018 (CJ151-08/18 refers), regarding the proposal received from Devwest for a residential development on Lot C of the *Boas Place Concept Plan*, Devwest was requested to provide the following additional information:

- The information required to execute a Heads of Agreement and prepare a Sale and Development Agreement.
- The information required to enable the City to prepare a business plan in order to meet its obligations under the *Local Government Act 1995*.

Devwest was also requested to assist the City to resolve the following outstanding matters:

- Contribution to the public realm by Devwest.
- Agreement regarding the proposed alfresco licence if required for the residential development.

- Construction of Boas Square.
- Alignment of the proposed residential development with the City's planning requirements.
- Confirmation and agreement of the proposed site dimension.

At its meeting held on 21 August 2018 (CJ151-08/18 refers), Council also agreed that if the above information was not received, negotiations with Devwest should not progress.

In correspondence received by the City on 28 September 2018, the requested information and commentary regarding the outstanding matters was not provided by Devwest.

At its meeting held on 21 August 2018 (CJ151-08/18 refers), Council decided negotiations with Devwest for the sale of Lot C of the Boas Place Concept Plan would not be progressed.

Order of Magnitude Business Case

Consultants NS Advisory Pty Ltd are progressing the preparation of the Order of Magnitude Business Case (OMBC) for Boas Place and it is anticipated the draft OMBC will be provided to the City for review in December 2018.

It is therefore recommended that Council NOTES:

- 1 *the Joondalup City Centre Project Status Report;*
- 2 *in accordance with Council's decision of 21 August 2018 (CJ151-08/18 refers), negotiations with Devwest Group Pty Ltd for the sale and development of Lot C of the Boas Place Concept Plan will not be progressed;*
- 3 *a strategy for progressing the Joondalup City Centre Development will be prepared for consideration by Council based on the outcome and recommendations contained within the Order of Magnitude Business Case currently being prepared consultants NS Advisory Pty Ltd.*

BACKGROUND

Through a Memorandum of Understanding (MOU), which expired in September 2017, the City has been working with Devwest since late 2014 to progress the Boas Place development to construction stage.

Since 2014 a number of preliminary proposals for the development of Boas Place have been received from Devwest. These included:

- hotel development on Lot C
- aged care and independent living units on Lot F
- residential / mixed use development on Lot E
- multi-family or build-to rent development on Lot D
- residential development on Lot C.

The City's proposed land sale price of \$1,540,000 for the development of a hotel on Lot C of the Boas Place Concept Plan was accepted by Devwest subject to agreement on the following matters:

- Public realm contribution.
- Alfresco licence.
- Construction of Boas Square.
- Alignment of the proposed hotel design with the City's planning requirements.

At its meeting held on 15 May 2018 (CJ084-05/18 refers), Council considered a number of options for progressing with Devwest and determined that negotiations for the sale of Lot C for a hotel development as proposed by Devwest should continue subject to the satisfactory resolution of the above matters.

The following matters were also identified as requiring clarification prior to the preparation of a legally binding agreement with Devwest:

- How the development will address and integrate with the existing buildings and infrastructure.
- Hotel vehicular access and egress as well as information on car parking provision.
- The proposed Special Purpose Vehicle (SPV) to be formed by Devwest to facilitate the project. As the SPV has not yet been formed, the City is unable to instigate discussions regarding the guarantees required to mitigate the risk of non-delivery of the development. Prior to entering into any agreement with the SPV, the City will need to be confident that it has the solvency, financial capacity, skills, experience and ability to deliver the project.

Devwest provided no further information regarding the developments on Lots F, D and E. However, in April 2018 Devwest indicated that it wished to purchase Lot F based on the same square metre rate as Lot C.

At its meeting held on 15 May 2018 (CJ084-05/18 refers), Council resolved that it:

- 1 *NOTES the Joondalup City Centre Development Project Status Report;*
- 2 *NOTES that Devwest Group Pty Ltd has agreed to the sworn valuation of \$1,540,000 as the sale price for Lot C of the Boas Place Concept Plan and has proposed to purchase Lot F of the Boas Place Concept Plan based on the same square metre rate as Lot C;*
- 3 *ACCEPTS the sworn valuation of \$1,540,000 as the sale price for Lot C of the Boas Place Concept Plan for the development of a hotel as proposed by Devwest Group Pty Ltd and outlined in Attachment 3 to Report CJ084-05/18;*
- 4 *REQUESTS the Chief Executive Officer to continue negotiation with Devwest Group Pty Ltd for the sale of Lot C of the Boas Place Concept Plan for the development of a hotel as proposed by Devwest Group Pty Ltd and outlined in Attachment 3 to Report CJ084-05/18 for a purchase price of \$1,540,000 subject to the satisfactory resolution of the following matters:*
 - 4.1 *contribution to the public realm by Devwest Group Pty Ltd guided by a percentage contribution related to proportion of the overall development site;*
 - 4.2 *clarification and agreement regarding the proposed alfresco licence;*
 - 4.3 *construction of Boas Square;*

- 4.4 *alignment of the proposed hotel design with the City's planning requirements;*
- 4.5 *the conclusion of the site dimensions and area;*
- 5 *REQUESTS the Chief Executive Officer to establish agreement on the matters as outlined in Part 4, by 2 July 2018;*
- 6 *DOES NOT ACCEPT, at this time, the proposal by Devwest Group Pty Ltd to purchase Lot F of the Boas Place Concept Plan at the same per square metre rate as Lot C of the Boas Place Concept Plan.*

Devwest were advised of above decisions via correspondence dated 25 May 2018. The City subsequently met with representatives from Devwest who advised that due to the agreed sale price, a hotel development on Lot C was not viable and that a primarily residential development was now proposed.

To enable Council to make an informed decision on the sale of Lot C for a residential development, Devwest was requested to provide further information on what is proposed for the development. While additional information was provided, it was not considered sufficient to enable the necessary agreements to be progressed.

At its meeting held on 21 August 2018 (CJ151-08/18 refers), Council considered the following two options relating to the City's negotiations with Devwest:

- 1 Continue to negotiate with Devwest for the sale of Lot C for a primarily residential development.
- 2 Advise Devwest that further consideration of the sale of Lot C for a residential development can only proceed if the necessary detailed information was provided. Should that information not be provided, discontinue negotiations with Devwest and await the finalisation of the Order of Magnitude Business Case.

On the recommendation of the Major Projects and Finance Committee, Council agreed to proceed with Option 2.

Order of Magnitude Business Case

To harness potential interest, Council, at its meeting held on 20 March 2018 (CJ053-03/18 refers) requested the Chief Executive Officer to investigate alternative strategies through an Order of Magnitude Business Case (OMBC).

The City's previous methodology to attract potential developers for Boas Place was based on a market-led approach; that is letting the market inform the City of what it would like to develop on the site.

The main purpose of developing an OMBC is to provide Council with the appropriate information to enable an informed decision on the future of the site and the impact on the City's financial position. The OMBC will also enable the City to provide potential developers/interested parties with sufficient information on the benefits of joining with the City to develop Boas Place.

DETAILS

At its meeting held on 21 August 2018 (CJ151-08/18 refers), it was agreed that Council:

- 1 *NOTES the Joondalup City Centre Development Project Status Report;*
- 2 *REQUESTS the Chief Executive Officer to advise Devwest Group Pty Ltd that the sale of Lot C of the Boas Place concept plan for a residential development cannot be affected until:*
 - 2.1 *The following matters are resolved:*
 - 2.1.1 *contribution to the public realm by Devwest Group Pty Ltd guided by a percentage contribution related to the proportion of the overall development site;*
 - 2.1.2 *clarification and agreement regarding the proposed alfresco licence if required for the residential development;*
 - 2.1.3 *construction of Boas Square;*
 - 2.1.4 *alignment of the proposed residential development with the City's planning requirements;*
 - 2.1.5 *confirmation and agreement on the proposed site dimensions;*
 - 2.2 *The following is provided:*
 - 2.2.1 *the information required to execute a Heads of Agreement and prepare a Sale and Development Agreement;*
 - 2.2.1 *the information required to enable the City to prepare a business plan in order to meet its obligations under the Local Government Act 1995;*
- 3 *DOES NOT progress negotiations for the sale of Lot C, Boas Place to Devwest Group Pty Ltd for a residential development if the matters outlined in Part 2.1 above are unable to be resolved or that Devwest Group Pty Ltd is unable to provide the information as outlined in Part 2.2 above.*

Devwest was advised of the above decisions via correspondence dated 22 August 2018. In response (correspondence received on 28 September 2018) Devwest indicated that it had not anticipated contributing to the public realm costs if market value of the land was to be paid.

No further details or information on the proposed residential development were provided. However, Devwest did indicate an ongoing interest in developing a Holiday Inn Hotel on Lot C if the conditions of sale were agreeable. Further Devwest maintains that Boas Place is an exciting development and would be pleased to continue involvement in the project.

Order of Magnitude Business Case

Following an Expression of Interest process, the City engaged NS Advisory Pty Ltd to prepare an Order of Magnitude Business Case (OMBC) for Boas Place.

The main purpose of developing an OMBC for Boas Place is to provide Council with the appropriate information to enable an informed decision on the future of the site and the impact on the City's financial position. The OMBC will also enable the City to provide potential developers / interested parties with sufficient information on the benefits of joining with the City to develop Boas Place.

In September 2018 NS Advisory Pty Ltd updated the City on the works completed to date which included:

- background analysis
- precinct review
- potential market disruptors
- precinct attractors
- potential uses
- challenges and opportunities
- environmental constraints and opportunities.

Based on the outcomes and recommendations arising from the analyses being undertaken and the final Order of Magnitude Business Case, a strategy for progressing the Joondalup City Centre Development will be presented to a future meeting of the Major Projects and Finance Committee for consideration.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation

- The structure through which the City will facilitate any agreement with its development partner will comply with the City's obligations under the *Local Government Act 1995*.
- The development of the site (Lot 507 (90) Boas Avenue, Lot 496 (70) Davidson Terrace and part Lot 497 (102) Boas Avenue, Joondalup) is subject to the provisions of *Local Planning Scheme No. 3*.

Strategic Community Plan

Key theme Quality Urban Development.

Objective City Centre development.

Strategic initiative Pursue the development of commercial office buildings within the Joondalup City Centre.

Policy The development of the site is subject to the provision of the relevant City of Joondalup planning policies.

The project may also require the preparation of a Local Planning Policy.

Risk management considerations

The following risks to the project by continuing the current relationship with Devwest have been identified:

- The proposed residential development, as advised by Devwest, differs significantly from Council's recommendation to progress negotiations with Devwest for a hotel development on Lot C, Boas Place.
- To date none of the proposals received from Devwest have included the necessary detail to provide a level of certainty that the proposed developments will meet the City's planning requirements as well as the objectives and vision for Boas Place.
- The lack of detail prevents the preparation of a Heads of Agreement and Sale and Development Agreement both requirements to enable the sale of Lot C to proceed.
- The OMBC may identify alternatives and other options that may provide a better outcome for the City; proceeding with negotiations with Devwest at this time present a risk that other options/opportunities may be missed.

The City will continue to engage with Jackson McDonald to identify, mitigate and manage the risks associated with respect to not progressing its dealings with Devwest.

A comprehensive risk assessment will be included as part of the Order of Magnitude Business Case to inform the progression of the development of Boas Place.

Financial / budget implications

Current financial year impact

Account no.	220-C1041.
Budget Item	Joondalup City Centre Development – 220-2.
Budget amount	\$ 466,671
Amount spent to date	\$ 59,864
Balance	\$ 406,807

The approved 2018-2019 project budget makes provision for legal advice, other consultancy, subdivision costs and marketing/promotion as well as staff costs.

The project acknowledges that a business plan process will be undertaken in accordance with the City's obligations under the *Local Government Act 1995*.

Future financial year impact

Annual operating cost	The proposed OMBC will provide the City with estimated annual operating costs and income as well as potential one-off outlays. It will also enable a more accurate assessment of the merits of any proposals received.
Estimated annual income	
Capital replacement	
20 Year Strategic Financial Plan impact	The adopted <i>20 Year Strategic Financial Plan</i> includes \$1,048,000 relating to proceeds from land transactions.
	Completion of an OMBC will enable these figures to be more accurately reported.

All amounts quoted in this report are exclusive of GST.

Regional significance

An integrated mixed-used development across Lot 507 (90) Boas Avenue, Lot 496 (70) Davidson Terrace and part Lot 497 (102) Boas Avenue will enhance the vitality and vibrancy of the City Centre by increasing the number of people attracted to it for work, retail, leisure, entertainment and commercial purposes. This will provide the impetus for the City Centre to grow and become the preferred location for investment in high-order public and private employment generating infrastructure – key performance indicators identified by the State Government for the classification of a “primary centre” articulated in *Directions 2031 and Beyond* (Western Australian Planning Commission, 2010).

The development of the OMBC will enable a more accurate assessment of the impact of investment into the City Centre both in terms of employment generation as well as social and economic returns to the region.

Sustainability implications

Not applicable.

Consultation

Throughout the life of the project, extensive and ongoing consultation has occurred with the City’s legal advisor on matters relating to the MOU, the City’s dealings with Devwest and other agreements. Advice and opinion has also been sought from other suitably qualified experts as required.

The City will be required to undertake community consultation in relation to the sale of the Boas Place lots in accordance with the requirements of the LGA and the *Local Government (Functions and General) Regulations 1996*.

COMMENT

It is considered that the City and Devwest have acted in good faith during the negotiations to agree the terms for the sale of Lot C of the Boas Place Concept Plan. The City has repeatedly articulated to Devwest the need for sufficiently detailed information to enable informed decisions to be made on the future of Boas Place.

The Order of Magnitude Business Case will enable an informed decision to be made on the most appropriate implementation strategy to progress the Joondalup City Centre Development.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Hollywood, SECONDED Cr Hamilton-Prime that Council NOTES:

- 1 the Joondalup City Centre Project Status Report;**
- 2 in accordance with Council's decision of 21 August 2018 (CJ151-08/18 refers), negotiations with Devwest Group Pty Ltd for the sale and development of Lot C of the Boas Place Concept Plan will not be progressed;**
- 3 a strategy for progressing the Joondalup City Centre Development will be prepared for consideration by Council based on the outcome and recommendations contained within the Order of Magnitude Business Case currently being prepared consultants NS Advisory Pty Ltd.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan and Taylor.

Mayor Jacob left the room at 7.38pm. Cr Hollywood assumed the Chair.

Cr Poliwka entered the room at 7.38pm.

ITEM 9 JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY – PROJECT REVIEW STATUS

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	75577, 101515
ATTACHMENTS	Attachment 1 Preliminary condensed concept design drawings
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Major Projects and Finance Committee to note the review process undertaken for the Joondalup Performing Arts and Cultural Facility (JPACF) and to note a preliminary condensed concept design for the project.

EXECUTIVE SUMMARY

A report entitled Joondalup Performing Arts and Cultural Facility – Business Case Community Consultation Results and Project Progression Options was presented to Council on 27 June 2017 (CJ101-06/17 refers). The key recommendation in the report was that the project progress to the next stage of the design process, being the design development stage, however Council decided not to proceed with the design development stage, at that time. As detailed in the Council meeting minutes, the reason provided by Council for its decision, which was significantly different to the recommendation from both the City's Administration and the Major Projects Committee, was:

“to adopt a new vision for an alternative for the performing arts and cultural facility”.

At its meeting held on 16 July 2018 the Major Projects and Finance Committee considered an interim status report on a design review process being undertaken by the City. The review process focused on exploring opportunities to reduce the capital and ongoing operational costs of the JPACF while still maintaining a design standard appropriate for a world class, state of the art facility.

To assist with the review process the City engaged the services of ARM Architecture and Donald Cant Watts Corke quantity surveyor consultants to produce alternative design options. An independent architectural advisor was also engaged to assist the City with the process.

The consultants reviewed components of the design brief that generate income and areas that can be reduced, eliminated or rationalised into a multi-use space, resulting in a preliminary condensed concept design (Attachment 1 refers). This process resulted in several key components being removed from the design brief, including: the multi-storey car park (replaced with at-grade parking); dedicated art gallery; rehearsal rooms (black box now used for rehearsals); function/community rooms; and a reduced extent of back of house/front of house areas, administration areas and circulation spaces on the upper levels. The proposed new concept also removes the Jinan Gardens and the outdoor performance plaza from the brief.

The work undertaken by the consultants included exploring benchmark facilities and applying alternative (reduced) construction cost rates from two recent Western Australian projects to the preliminary condensed concept design, resulting in two additional alternative levels of build quality and associated capital costs scenarios.

The preliminary condensed concept design in its current form as shown in Attachment 1 represents initial conceptual massing diagrams only and as a consequence there are many aspects of the design that require much further detailed analysis of function, spatial relationships and operational movement through the building. Further detailed analysis is also required of the operating costs

The philosophy and parameters were initially adopted for the project in 2010. Given Council's intent to adopt a new vision for the project and having regard to the preliminary condensed concept design it is considered appropriate as a next step to review the philosophy and parameters and to explore and adopt new project objectives.

It is therefore recommended that the Major Projects and Finance Committee:

- 1 *NOTES the review process undertaken to date for the Joondalup Performing Arts Cultural Facility Project;*
- 2 *NOTES the concept design options and associated capital costs as detailed in this Report;*
- 3 *NOTES the preliminary condensed concept design described as 'Option 2' in this Report (Attachment 1 refers) will form the basis for further design refinement and cost analysis;*
- 4 *NOTES that the Chief Executive Officer will continue to investigate funding opportunities for the project;*
- 5 *NOTES the Chief Executive Officer will review the Project Philosophy and Parameters and present a further report to the Major Projects and Finance Committee at a later date.*

BACKGROUND

The need for a performing arts and cultural facility for the Joondalup region was first identified and defined in the 1992 Joondalup Cultural Plan. Throughout the period 1996 – 2006 significant progress was made towards achieving this ambition including the establishment of a dedicated reserve for the facility in 2000 (JSC29-08/00 refers) and the purchase of the site at Teakle Court, for \$595,000, for the purpose of developing the arts facility, in 2006.

During this time several studies and reports identified the need for a cultural facility in Joondalup and indicated support from community and other stakeholders for the concept of a centrally-located performing arts centre containing a range of venues and facilities.

At its meeting held on 22 June 2010 (CJ103-06/10 refers), Council endorsed the Project Philosophy and Parameters for the JPACF which articulated the philosophy/project vision for the facility as:

- *“Provide a world class, state of the art facility; incorporating innovative and sustainable design, symbiotic with the existing natural and built environment that is a place for the pursuit of activities such as performing arts, visual arts and crafts, film and media and cultural events for the community of the Perth’s northern corridor;*
- *Provide a facility that can host a mixture of commercial and community activities that creates an inclusive environment that becomes a place to celebrate imagination and creativity, inspiring individuals and the community to take part in culture and the arts and raise the aspirations of all users;*
- *Reinforce the Joondalup City Centre as the creative and educational centre of the northern corridor”.*

At its meeting held on 11 October 2011 (CJ200-10/11 refers), at the recommendation of the then JPACF Steering Committee, Council agreed in part to support the undertaking of a market analysis and feasibility study for the project. In March 2012 consultants were engaged by the City to undertake a market analysis and feasibility study for the JPACF.

At its meeting held on 19 March 2013 (CJ034-03/13 and CJ040-03/13 refers) Council noted the JPACF Market Analysis and Feasibility Study. This study reinforced the notion that there is a significant under provision of performing arts and cultural facilities within the northern corridor of Perth. It was identified that one of the key stages of the JPACF project was the progression of a concept design for the facility based on the “Art Box” model as outlined in the JPACF Market Analysis and Feasibility Study.

It was considered that the Art Box concept responded to the project Philosophy and Parameters by providing a world class, state of the art facility, incorporating innovative design and providing a mix of commercial and community activities. Upon consideration of the two reports it was agreed in part that Council:

- “1 *APPROVES the “Art Box” as the preferred model for the basis of an architectural design competition for the development of a refined conceptual design for the Joondalup Performing Arts and Cultural Facility;*
- 2 *AUTHORISES the Chief Executive Officer to initiate an architectural design competition for the development of a refined conceptual design for the Joondalup Performing Arts and Cultural Facility;”*

A design brief, based on the Art Box concept from the Market Analysis and Feasibility Study, was prepared with the assistance of expert consultants and the City commenced an architectural design competition in April 2013, receiving 21 submissions from local and international architects. As part of the design competition, a community survey was also completed, which indicated strong community support for the project.

At its meeting held on 15 April 2014 (CJ060-04/14 and CJ061-04/14 refer) Council considered two reports relating to the JPACF project progress and the Architectural Design Competition and resolved in part:

“That Council:

- *SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project in accordance with the project program as detailed in Attachment 2 to Report CJ060-04/14, including the undertaking of a social impact assessment of the Joondalup Performing Arts and Cultural Facility;”*

and:

“That Council:

- *ENDORSES Ashton Raggatt McDougall Pty Ltd T/A ARM Architecture as the winner of the Joondalup Performing Arts and Cultural Facility Architectural Design Competition;*
- *AUTHORISES the Chief Executive Officer to enter into negotiations with Ashton Raggatt McDougall Pty Ltd T/A ARM Architecture to determine the architectural fees and project program to get to a modified conceptual design as required to enable the project to progress.”*

At its meeting held on 15 December 2015 (C77-12/15 refers), Council considered a report entitled Joondalup Performing Arts and Cultural Facility Business Case and Progression Options.

The report provided a draft Business Case for the JPACF and options to progress the project through a schematic design stage at a cost of approximately \$1.45 million. The report also included details on the capital costs for the project of \$94 million (which was included in the *20 Year Strategic Financial Plan* at the time), plus details of additional costs for the integration of the JPACF with Jinan Gardens, traffic treatments and architectural treatments of the existing services buildings and forecourt area. Upon consideration of the report it was resolved that Council:

- “1 NOTES the Business Case, at this point in time, for the Joondalup Performing Arts and Cultural Facility as detailed in Attachment 1 to Report C77-12/15;*
- 2 REQUESTS the Chief Executive Officer to proceed with the schematic design stage of the Joondalup Performing Arts and Cultural Facility project and NOTES Ashton Raggatt MacDougall Pty Ltd T/A ARM Architecture will undertake the schematic design based on the scope of works and fee proposal as outlined in Report C77-12/15;”*

At its meeting held on 1 August 2016 the then Major Projects Committee considered a report entitled Joondalup Performing Arts and Cultural Facility Project Status Report (Item 1 refers). The report provided the results of the schematic design process, including a revised project cost of \$99.7 million and after consideration of this report it was resolved in part that the Major Projects Committee:

- “2 REQUESTS the Chief Executive Officer to review and refine the Business Case for the Joondalup Performing Arts and Cultural Facility taking into account the outcomes of the schematic design stage and the assessment of social and economic impacts, and a further report be presented to the October meeting of the Major Projects Committee with the intention of making the information available for public comment following Council’s consideration of this item.”*

At its special meeting held on 1 February 2017 (JSC01-02/17 refers), Council considered details of the proposed business case for the JPACF and resolved in part to endorse the business case for the purpose of advertising for public comment.

Following the public comment period, on 27 June 2017 a report entitled Joondalup Performing Arts and Cultural Facility – Business Case Community Consultation Results and Project Progression Options (CJ101-06/17 refers) was considered by Council. After due consideration of the report Council resolved in part as follows:

“That Council:

- 2 DOES NOT initiate the design development phase of the Joondalup Performing Arts and Cultural facility at this time”.*

At its meeting held on 16 July 2018 the Major Project and Finance Committee considered an interim status report on a design review process being undertaken by the City and resolved as follows:

“That the Major Projects and Finance Committee NOTES the review process initiated for the JPACF project”.

Council, at its meeting held on 21 August 2018 considered a report on the draft 20 Year Strategic Plan 2018 (2017-18 to 2036-37) (CJ152-08/18 refers). Upon consideration of the report it was resolved that Council:

- “1 ADOPTS the draft 20 Year Strategic Financial Plan for the period 2017-18 to 2036-37 as at Attachment 2 to Report CJ152-08/18 subject to:*
 - 1.1 the completion date for the Joondalup Performing Arts and Cultural Facility being 2027-28 in lieu of 2022-23;*
 - 1.3 the City’s capital contribution for the Joondalup Performing Arts and Cultural Facility being limited to \$30 million;*
 - 1.4 the City’s capital contribution in part 1.3 above is not to be funded with loan funds;”*

DETAILS

In line with Council’s intent to adopt a new vision for an alternative for the JPACF, and consistent with one of the Chief Executive Officer’s Key Performance Indicators, which requires a comprehensive review of the JPACF concept plan to be undertaken, the City commenced a review of the design and associated capital and operational costs, in June 2018.

At its meeting held on 16 July 2018 the Major Projects and Finance Committee considered an interim status report on a design review process being undertaken by the City. The review process focused on exploring opportunities to reduce the capital and ongoing operational costs of the JPACF. To assist with the review process the City engaged the services of ARM Architecture and Donald Cant Watts Corke quantity surveyor consultants to produce an alternative design option for the JPACF. An independent architectural advisor was also engaged to assist the City with the process.

Design

The review commenced with a focus on providing a less expensive facility with lower operating costs while still maintaining a design standard appropriate for a world class, state of the art facility, as per the current project vision. This process resulted in a proposed condensed facility containing spaces with greater flexibility, capable of housing 'multi-use' activities. For instance, the foyer space in the preliminary condensed concept design is capable of holding art exhibitions, in lieu of having a dedicated gallery space, and the black box theatre can be used for rehearsals, with the removal of the two dedicated rehearsal spaces.

The condensed design results in several key components being removed from the brief, including the:

- multi-storey car park (replaced with at-grade parking)
- dedicated art gallery
- the rehearsal rooms (black box now used for rehearsals)
- function/community rooms
- Jinan Gardens
- the outdoor performance plaza.

The condensed concept also results in reduced back of house/front of house areas, administration areas and circulation spaces on the upper levels. However, it is considered that the condensed concept still accommodates the primary elements required to deliver a quality civic amenity.

The condensed concept results in the facility occupying less than two thirds of the 8,000sqm City owned site at 3 Teakle Court. This leaves a large portion of the lot undeveloped and potentially available for other uses which may include, at-grade car parking to service the facility, future expansion of the facility, alternative development, land disposal or a mixture of these. For the purpose of this exercise it is assumed at-grade car parking to service the facility will be developed on this area.

It should be noted that the preliminary condensed concept design (Attachment 1 refers) in its current form represents initial conceptual massing diagrams only and therefore there are many aspects of the design that require much further detailed analysis of function, spatial relationships, and facility operations. It is proposed that these matters, along with the associated capital and operating costs, will continue to be refined.

Capital Costs

During a previous review of the JPACF concept design undertaken in 2016, ARM Architecture prepared a 'reduced cost' scheme which was costed at approximately \$83 million, however this was not progressed any further at that time. The current review process revisited the \$83 million option (Option 1) as well as a \$59 million option (Option 2). These options were both designed as world class, state of the art facilities with the same high-quality façade, performance spaces and interior fit-outs and finishing as the original proposal (\$98 million in today's dollars), in line with the project Philosophy and Parameters. With the aim of providing further cheaper capital cost options, alternative levels of design quality were then applied to the preliminary condensed concept design. Benchmark construction rates from two recently completed Western Australian projects were applied: being a regional performing arts facility built in Karratha (Option 3); and a high school facility built in Perth (Option 4).

These construction rates reflect lower levels of design specification applied to Option 2 and result in lower capital costs of \$52 million (Option 3) and \$34 million (Option 4) respectively. A breakdown of the capital costs allocated to each component of the four design options was measured against the original \$98 million design (base option) and is presented in the following table:

Capital & Other One-Off Costs (excluding escalation)	Base \$98m Build	Option1 \$83m Build	Option2 \$59m Build	Option3 Regional PAC	Option4 High School PAC
01) Primary Theatre	\$000s (\$21,645)	(\$23,366)	(\$23,258)	(\$18,523)	(\$9,953)
02) Black Box Theatre	\$000s (\$3,622)	(\$3,729)	(\$3,922)	(\$4,032)	(\$4,069)
03) Gallery	\$000s (\$3,033)				
04) Rehearsal Rooms	\$000s (\$2,411)				
05) Community Studios / Conference Rooms	\$000s (\$4,081)	(\$2,777)			
06) Community / Conference Foyer / Amenities / Store	\$000s (\$2,768)	(\$2,221)			
07) Car Park	\$000s (\$14,359)	(\$12,790)	(\$560)	(\$560)	(\$560)
08) Café / Bar	\$000s (\$2,018)	(\$2,329)	(\$2,000)	(\$2,128)	(\$1,447)
09) Box Office / WC / FOH	\$000s (\$4,245)	(\$4,379)	(\$3,831)	(\$3,360)	(\$1,714)
10) Foyer	\$000s (\$9,927)	(\$9,713)	(\$8,044)	(\$7,057)	(\$3,598)
11) BOH / Loading / Admin	\$000s (\$15,537)	(\$12,070)	(\$9,465)	(\$8,647)	(\$5,986)
12) Plant	\$000s (\$5,836)	(\$2,793)	(\$2,456)	(\$2,521)	(\$1,745)
13) Unallocated	\$000s (\$8,317)	(\$7,072)	(\$5,369)	(\$5,087)	(\$5,071)
Total One-off Costs	\$000s (\$97,800)	(\$83,239)	(\$58,906)	(\$51,915)	(\$34,143)
vs Base	\$000s	\$14,561	\$38,894	\$45,885	\$63,657

Project objectives

The project Philosophy and Parameters were initially adopted for the project in 2010 and have guided the project since then. Given Council's intent to adopt a new vision for the project and having regard to the preliminary condensed concept design options it is considered appropriate to review the philosophy and parameters and to explore and adopt a new project vision and financial objectives. The outcomes of this review will be presented to the Major Projects Committee at a later date.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation

Local Government Act 1995.

Strategic Community Plan

Key theme

Community Wellbeing.

Objective

Cultural development.

Strategic initiative

Establish a significant cultural facility with the capacity to attract world-class visual and performing arts events.

Policy

Not applicable.

Risk management considerations

The risk considerations for the development of the project will be investigated as part of the project review process. Other current potential risk factors include:

- protracted time to progress the design review process
- Council unable to agree on, or adopt amendments to, the original Project Philosophy and Parameters for the JPACF
- managing community/stakeholder expectations, those in favour of and those against the original JPACF proposal and any proposed alternative
- establishing a new funding regime, such as increased borrowing due to lack of external funding/grants and the value of reserve funds.

Financial / budget implications

Current financial year impact

Account no.	1-210-C1002.
Budget Item	Joondalup Performing Arts and Cultural Facility.
Budget amount	\$ 231,581
Amount spent to date	\$ 39,109
Proposed cost	\$ 0
Balance	\$ 192,472

Future financial year impact

Annual operating cost	Annual operating costs have been investigated as part of the project review process, as detailed in this report. These matters will continue to be refined as the project progresses.
Estimated annual income	Estimated annual income have been investigated as part of the project review process, as detailed in this report. These matters will continue to be refined as the project progresses.
Capital replacement	Capital replacement costs have been investigated as part of the project review process, as detailed in this report. These matters will continue to be refined as the project progresses.
20 Year Strategic Financial Plan impact	\$80 million.
Impact year	Completion date 2027-28.

All amounts quoted in this report are exclusive of GST.

Regional significance

It is envisaged that the construction of the JPACF will enhance the City Centre as the major commercial, educational, recreational and arts and cultural centre for the northern corridor of the Perth metropolitan area.

Sustainability implications

Sustainability implications have previously been considered during the design phase of the current JPACF concept plan and were incorporated into the Business Case for the facility. The consideration of sustainability implications will continue as the project progresses.

Consultation

From the early stages of the project, commencing with a comprehensive youth, audience, venue and performing art organisations survey in 2001, the City has continued to consult widely on the JPACF project.

The following consultation has taken place on the project to date:

- In the initial scoping and planning phases of the project a comprehensive survey of various schools, community groups and professional cultural and performing arts performers and artists was undertaken by the City from 2010 - 2011.
- In the preparation of the 2012 Market Analysis and Feasibility Study, numerous performing arts managers, performing arts venue representatives, arts producers, local cultural organisations and existing, school, convention, sporting and learning facility representatives were consulted.
- During the architectural design competition for the concept design, ratepayers, residents and the broader community were given the opportunity to view the four conceptual design submissions and vote and comment on their preferred design. The City received over 450 votes and numerous comments.
- On an ongoing basis the City has consulted with performing arts facility managers, the Department of Culture and the Arts and the Perth Theatre Trust. The City has also liaised with experts in the performing arts, conferencing, events, exhibitions and education sectors.
- From 2011 to 2015 the JPACF project was overseen by the former JPACF Steering Committee which included Elected Members, external members from the Joondalup Learning Precinct, specialist performing arts and cultural experts and members from community arts groups.
- The City has briefed Government and Opposition representatives at both State and Federal level highlighting the local, regional, social and economic benefit of this proposed facility, with the intention of obtaining financial support.
- Throughout the various phases of the project, consultants specialising in facility operation and management, architecture and social, economic and financial analysis, have been engaged by the City.
- Community Consultation on the JPACF Business Case was undertaken over a 42 day period from 16 February 2017 to 30 March 2017. The results of Community Consultation process were detailed in a report considered by Council at its meeting held on 27 June 2017 (CJ101-06/17 refers).

COMMENT

Taking into consideration the results of the review process to date it is considered that the \$59 million option (Option 2) is suitable as a benchmark concept for further consideration in terms of design refinement and further capital and operating cost analysis, in conjunction with a review of the project Philosophy and Parameters. The concept represents a facility with a standard of design appropriate for a world class, state of the art facility and would have the capacity to attract international visual and performing arts events to the Joondalup City Centre. Options 3 and 4, while providing the same spaces and seating capacities might lack the acoustic qualities, level of amenity, aesthetic presence and architectural merit required to

enhance the City Centre as the major arts and cultural centre for the northern corridor of the Perth metropolitan area.

It should be noted that the \$59 million design cost estimate excludes key features previously included in the JPACF project scope, such as the Jinan Gardens and an external events space. Including these elements would increase the project costs and may be considered in the future, subject to the availability of external funding opportunities.

The recently adopted *20 Year Strategic Plan 2017-18 to 2036-37* assumes a total project capital cost of \$80 million, with a maximum contribution from City reserves of \$30 million. A facility with a \$80 million capital cost would therefore require external (government and/or private) funding of \$50 million. The City could continue to consider a range of design options with varying capital costs that can respond to external funding opportunities and prevailing political circumstances as they arise.

VOTING REQUIREMENTS

Simple Majority.

The Senior Projects Officer left the room at 7.41pm.

Mayor Jacob entered the room at 7.41pm and resumed the Chair.

MOVED Cr Taylor, SECONDED Cr Hamilton-Prime that the Major Projects and Finance Committee:

- 1 NOTES the review process undertaken to date for the Joondalup Performing Arts and Cultural Facility project;**
- 2 NOTES the concept design options and associated capital costs as detailed in this Report;**
- 3 NOTES the preliminary condensed concept design described as 'Option 2' in this Report (Attachment 1 refers) will form the basis for further design refinement and cost analysis;**
- 4 NOTES that the Chief Executive Officer will continue to investigate funding opportunities for the project;**
- 5 NOTES the Chief Executive Officer will review the Project Philosophy and Parameters and present a further report to the Major Projects and Finance Committee at a later date.**

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

Appendix 5 refers

To access this attachment on electronic document, click here: [Attach5agnMPF181112.pdf](#)

ITEM 10 STATUS REPORT ON CITY FREEHOLD PROPERTIES PROPOSED FOR DISPOSAL AND A PROPOSED CROWN LAND ACQUISITION

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	63627, 101515
ATTACHMENTS	Attachment 1 Lot 2 (20) Kanangra Crescent, Greenwood Attachment 2 Lot 803 (15) Burlos Court, Joondalup Attachment 3 Lot 12223 (12) Blackwattle Parade, Padbury
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Major Projects and Finance Committee to note the progress towards the disposal of a number of City-owned freehold properties and the proposed acquisition of a Crown land community purpose reserve.

EXECUTIVE SUMMARY

The City's freehold land disposal project initially included 14 sites with two sites being withdrawn from consideration. Ten sites have now been sold with Table 1 below indicating the sales proceeds achieved to-date.

The last two remaining sites to be sold, Lot 2 (20) Kanangra Crescent, Greenwood (Attachment 1 refers) and Lot 803 (15) Burlos Court, Joondalup (Attachment 2 refers) went to auction on 13 June 2018 and did not sell. Follow up enquires were made by the City's real estate agent with parties that had indicated an interest. Post-auction, one formal offer and one informal offer were received, both of which were well short of the reserve. One developer who showed an interest in both sites has advised that his company is currently undertaking due diligence and plans to present a proposal to the City.

Interest in the above properties will continue to be reported to the Major Projects and Finance Committee.

Concerning Lot 12223 (12) Blackwattle Parade, Padbury (Attachment 3 refers) the Department of Planning, Lands and Heritage (DPLH) advised that prior to providing a sales contract to the City, the required access easement on Lot 12223 needs to be registered on the certificate of title. The access easement will ensure that the adjoining shopping centre owners retain legal access over Lot 12223 to their services area.

To expedite this matter, the City decided to organise the development of an easement via its own solicitors to ensure it was fit for purpose, as amending the easement provided by the DPLH was proving cumbersome. This action has proven successful and the document has been executed and returned and once registered on the certificate of title, it will be attached to the contract of sale which can then be provided to the City.

Table 2 of this report provides a summarised account of the progress towards the disposal of the remaining freehold sites and the acquisition of Lot 12223 (12) Blackwattle Parade, Padbury.

It is therefore recommended that the Major Projects and Finance Committee NOTES a further status report on the progress of the City's proposed disposal of freehold land and proposed acquisition of a Crown land site will be submitted to the Major Projects and Finance Committee at a date to be determined.

BACKGROUND

The City's freehold land disposal project initially included 14 sites. Lot 181 (4) Rowan Place, Mullaloo (CJ096-05/12 refers) and Lot 971 (52) Creaney Drive, Kingsley (CJ103-06/14 refers) were withdrawn from sale. The total value of these two properties being in the vicinity of \$4.5 million.

Table 1 indicates the 10 sites that have sold to-date and their sales price.

Except for the site that was sold to Masonic Care WA in Kingsley, Council approved the sale of these properties for the development of 'Aged and Dependent Persons' Dwellings' – or unit developments for people over 55 years of age.

Table 1 (GST exclusive)

Property	Date Sold	Sale Price
Lot 200 (18) Quilter Drive, Duncraig	March 2013	\$1,350,000
Lot 766 (167) Dampier Avenue, Kallaroo	March 2013	\$1,055,000
Lot 147 (25) Millport Drive, Warwick	March 2013	\$1,340,000
Lot 613 (11) Pacific Way, Beldon	March 2013	\$ 700,000
Lot 671 (178) Camberwarra Drive, Craigie	March 2013	\$ 828,000
Part Lot 702 (11) Moolanda Boulevard, Kingsley	August 2015	\$1,050,000
Lot 745 (103) Caridean Street, Heathridge	December 2015	\$ 874,000
Lot 23 (77) Gibson Avenue, Padbury	December 2016	\$1,800,000
Lot 900 (57) Marri Road, Duncraig	July 2017	\$1,030,000
Lot 1001 (14) Camberwarra Drive, Craigie	December 2017	\$ 990,000
	TOTAL	\$11,017,000

At its meeting held on 13 December 2016 (CJ234-12/16 refers), Council resolved the following in part that it:

- "2 *NOTES that Council authorised the Chief Executive Officer to dispose of Lot 803 (15) Burlos Court, Joondalup by public auction or private treaty, at its meeting held on 18 October 2016 (CJ167-10/16 refers);*
- 4 *AUTHORISES the Chief Executive Officer to dispose of the following sites by public auction:*

- 4.1 Lot 2 (20) Kanangra Crescent, Greenwood;
 4.2 Lot 900 (57) Marri Road, Duncraig;
 4.3 Lot 1001 (14) Camberwarra Drive, Craigie.”

Lot 803 (15) Burlos Court, Joondalup and Lot 2 (20) Kanangra Crescent, Greenwood are the two remaining properties to be sold.

DETAILS

Table 2

	Property Address	Land Disposals – Current Status
1	<p>Lot 2 (20) Kanangra Crescent, Greenwood.</p> <p>Land Area: 3005m².</p> <p>Attachment 1 refers.</p>	<p>This site is zoned Residential with a restricted use to ‘Aged or Dependent Persons’ Dwellings’ and it has a density code of R40.</p> <p>Lot 2 (20) Kanangra Crescent, Greenwood did not sell at auction on 13 June 2018. As opportunities present themselves, the City provides information and advice on the disposal process to developers with offers received being provided to the CEO for review.</p>
2	<p>Lot 803 (15) Burlos Court, Joondalup.</p> <p>Land Area: 4,410m².</p> <p>Attachment 2 refers.</p>	<p>This site is zoned Residential with a restricted use to ‘Aged or Dependent Persons’ Dwellings’ and it has a density code of R60.</p> <p>Lot 803 (15) Burlos Court, Joondalup did not sell at auction on 13 June 2018. As opportunities present themselves, the City provides information and advice on the disposal process to developers with offers received being provided to the CEO for review.</p>

		Acquisition – Current Status
1	<p>Lot 12223 (12) Blackwattle Parade, Padbury</p> <p>Land Area: 3,332m²</p> <p>Attachment 3 refers</p>	<p>At its meeting held on 24 June 2014 (CJ104-06/14 refers), Council accepted in-principle the DPLH’s concessional purchase price of \$88,000 (exclusive GST) subject to the outcome of a 30-day public advertising period. The DPLH advised the City during May 2016 that the Minister for Planning, Lands and Heritage (former Minister for Lands) had approved this acquisition.</p> <p>During this acquisition process, on the advice of DPLH – Lands, conditional support was sought and provided by DPLH – Planning. One of the conditions being that the future sale proceeds from this site are spent on community projects in line with the definition of “Community Purposes” under the then <i>District Planning Scheme No. 2 (DPS2)</i>.</p> <p>The City’s community consultation regarding this matter not only dealt with the proposed acquisition of the site, but the consideration of three capital improvement projects for the area. One of these options was Council’s preferred project of the installation of traffic lights at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury.</p>

		Acquisition – Current Status
		<p>Advice from DPLH is that projects connected with parking, traffic and pedestrian issues were not considered to fall within the definition of “Community Purposes”.</p> <p>On acquisition of the site, and in accordance the City will seek clarification from the Minister for Planning, Lands and Heritage regarding the conditions provided to the City on how the disposal proceeds should be utilised.</p> <p>At its meeting held on 19 May 2015 (CJ082-05/15 refers), Council requested that an advocacy plan be developed. The purpose of the plan was to gain support from the relevant State Government departments to enable the future sale proceeds for this site be utilised on the community's and Council's preferred project which is to install traffic lights at the intersection of Walter Padbury Boulevard and Hepburn Avenue, Padbury. This advocacy plan has been developed and will be implemented subsequent to the transfer of the site to the City.</p> <p>Ministerial approval was provided to Amendment No. 87 on 21 December 2017 to rezone Lot 12223 from ‘Civic and Cultural’ to ‘Commercial.’ The gazettal date being 12 January 2018.</p> <p>Concerning the City's receipt of a contract of sale, the DPLH advised that on the registration of an easement on the certificate of title for Lot 12223 that allows continued access to the services area of the shopping centre on Lot 195 (6) Blackwattle Parade, Padbury (Lot 195), the registered easement will form part of the contract of sale.</p> <p>The City's legal advice was that a public access easement would be a suitable mechanism, which did not need the strata owners of Lot 195 to be a party, although it still protected their access rights. The DPLH has agreed to the use of a public access easement. Using this type of easement will require future owners of Lot 12223 to be responsible for the maintenance of the easement land.</p> <p>The easement document has been executed by the City and returned to solicitors to undertake the stamp duty process. The City is exempt from paying stamp duty, however, there is still a related process to be followed. Once the easement has been forwarded to the DPLH, it will allow the contract of sale for the purchase of Lot 12223 to be completed and forwarded to the City for execution.</p>

Issues and options considered

As detailed in Table 2.

Legislation / Strategic Community Plan / policy implications

Legislation Sections 3.58 and 3.59 of the *Local Government Act 1995*, together with the *Local Government (Functions and General) Regulations 1996* determine how a local government may dispose of property.

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.
Buildings and landscaping is suitable for the immediate environment and reflect community values.

Key theme Financial sustainability.

Objective Financial diversity.

Strategic initiative Identify opportunities for new income streams that are financially sound and equitable.

Policy *Asset Management Policy.*
Sustainability Policy.

Risk management considerations

Disposal of property needs to comply with the requirements of sections 3.58 and 3.59 of the *Local Government Act 1995*, which are designed to ensure openness and accountability in the disposal process.

It is possible that the reserve price as per the market valuations obtained may not be realised and the City needs to determine reserve prices below which it will not sell.

The recommendations for disposal are based on a combination of the best financial return, planning outcomes and community benefit.

Regarding the proposed sale of Lot 2 (20) Kanangra Crescent, Greenwood and Lot 803 (15) Burlos Court, Joondalup, the future of these sites may wish to be reconsidered based on the market's response to their proposed sale and the developer's feedback.

Financial / budget implications

Council has agreed that the proceeds from the sale of freehold land are to be transferred to the *Joondalup Performing Arts and Cultural Facility Reserve Fund*. The Reserve Fund currently holds an amount of \$19,702,939.

Advice from the DPLH was that proceeds achieved from the future sale of Lot 12223 (12) Blackwattle Parade, Padbury are required to be spent on capital/community projects in line with the definition of “Community Purposes” under DPS2, which has the same definition under the City’s *Local Planning Scheme No. 3* (LPS3).

The associated main expenditure costs related to the City’s disposal of freehold land are legal and settlement fees, advertising costs, valuation costs, land surveying and costs related to subdivision/amalgamations.

Regional significance

Not applicable.

Sustainability implications

The disposal of City freehold land that has been set aside for community use should not be disposed of without there being a nominated purpose addressing a community need.

Concerning the freehold land disposal project to date, Council has supported the restricted use of aged or dependent persons’ dwellings providing alternative housing choices for the City’s ageing population. The sale proceeds from the eventual disposal of Lot 12223 (12) Blackwattle Parade, Padbury will be used for community projects.

Consultation

Public auction, public tender and private treaty methods have been used regarding the City’s land disposal project. Advertising is a requirement with all three methods unless, in respect of private treaty, the disposal is exempt under Regulation 30 of the *Local Government (Functions and General) Regulations 1996*.

The statutory public advertising period of 42 days for amendments to LPS3 provides an opportunity for the community to make a submission on the future intent for the site on disposal.

The method of community consultation followed during the proposed acquisition of Lot 12223 (12) Blackwattle Parade, Padbury, was conducted in accordance with the City’s approved *Community Consultation and Engagement Policy* and *Community Engagement Protocol*.

COMMENT

Concerning the remaining two development sites, the City can consider private treaty offers for these sites without further advertising for a period of six months from the auction date of 13 June 2018 as outlined under *Regulation 30, (2a)(a) of the Local Government (Functions and General) Regulations 1996*.

A public access easement has now been executed by the City for the driveway/access land on Lot 12223 (12) Blackwattle Parade, Padbury which will give the strata owners of Lot 195 the protection it requires for its access. It is expected that the contract of sale for the purchase of Lot 12223 will be provided to the City once the easement has been registered on the title.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Hamilton-Prime, **SECONDED** Cr Poliwka that the Major Projects and Finance Committee **NOTES** a further status report on the progress of the City's proposed disposal of freehold land and proposed acquisition of a Crown land site will be submitted to the Major Projects and Finance Committee at a date to be determined.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

Appendix 6 refers

To access this attachment on electronic document, click here: [Attach6agnMPF181112.pdf](#)

ITEM 11 EXPRESSION OF INTEREST 017/18 - RESIDENTIAL DEVELOPMENT AND LEASING OF AIRSPACE ABOVE AN OPERATIONAL DRAINAGE SUMP

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	107402, 105202, 101515
ATTACHMENTS	Nil
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Major Projects and Finance Committee to note the evaluation results of Expression of Interest 017/18 – Residential Development and Leasing of Airspace Above an Operation Drainage Sump.

EXECUTIVE SUMMARY

At its meeting held on 27 June 2017, (CJ103-06/17 refers) part of Council's resolution authorised the Chief Executive Officer (CEO) to initiate an Expression of Interest (EOI) process for the leasing of air space over sumps for potential development opportunities. On undertaking the EOI process, the CEO was requested to report to the Major Projects and Finance Committee on the progress of the EOI investigations and how the private sector may be engaged in a potential pilot project.

Statewide advertising of an EOI commenced on 11 August 2018 closing on 28 August 2018 for the residential development and leasing of airspace above an operational drainage sump. The EOI was to determine if there was market interest from suitably qualified companies for this potential development opportunity and whether the models submitted were feasible. Equal weighting was given to the following selection criteria:

- Financial.
- Methodology and Risks.
- Technical.
- Demonstrated Previous Experience.
- Capacity of Respondent.

Submissions were received from:

- ParkD Ltd
- Spanditch Pty Ltd.

The submissions did not provide a sufficient level of detail to demonstrate the necessary methodology, technical expertise, experience and capacity to conduct a pilot project which was reported to the CEO. A decision was made by the CEO under his delegated authority not to continue with this EOI.

It is therefore recommended that the Major Projects and Finance Committee NOTES that the Chief Executive Officer DOES NOT list any respondents as acceptable tenderers for EOI 017/18 - Residential Development and Leasing of Airspace Above an Operational Drainage Sump.

BACKGROUND

A report was submitted to Council at its meeting held on 13 December 2016 (C80-12/16 refers) based on the City receiving enquiries on potential development opportunities over operational drainage sites owned or managed by the City. It was proposed to the City that a selected development site could be on a leased “air space” basis using an engineered platform over an operational sump.

Council requested the CEO to submit a report on the leasing the air space over sumps to enable residential, and where appropriate commercial development, to be undertaken. Certain factors needed to be taken into consideration, such as the use of substructure support and engaging with the private sector to undertake a pilot project.

At its meeting held on 27 June 2017 (CJ103-06/17 refers), Council decided on a further report on the subject, the resolution being that Council:

- “1 NOTES the content of Report CJ103-06/17 on the nature of investigation the Chief Executive Officer will undertake to explore the possibilities of leasing air space over sumps to enable various development opportunities;*
- 2 AUTHORISES the Chief Executive Officer to initiate and Expression of Interest process for the leasing of air space over sumps to enable various development opportunities;*
- 3 REQUESTS the Chief Executive Officer to report to the Finance Committee on the progress with the above investigations and how the private sector may be engaged in a potential pilot project;*
- 4 NOTES the Expression of Interest process is to be considered and progressed relative to the City’s existing major project priorities.”*

In line with Item 2 above, an EOI was advertised from 11 August 2018 to 28 August 2018 for the residential development and leasing of airspace above an operational drainage sump.

DETAILS

During the advertising period, submissions were received from:

- ParkD Ltd
- Spanditch Pty Ltd.

Evaluation of the Expression of Interest

Four panel members evaluated the submissions, one with tender and contract preparation skills and three with appropriate and various technical expertise.

The panel carried out the assessment of submissions in accordance with the City's evaluation process in a fair and equitable manner.

All submissions were assessed as compliant and remained for further consideration.

The selection criteria and weighting used in evaluating the submissions received were as follows:

Selection Criteria		Weighting
1	Financial	20%
2	Methodology and risks	20%
3	Technical	20%
4	Demonstrated previous experience	20%
5	Capacity of Respondent	20%

ParkD Ltd

ParkD Ltd scored 13% and was ranked second in the qualitative assessment.

ParkD Ltd did not demonstrate experience in the design, delivery and management of similar complex multi-disciplinary projects. Its experience is limited to multilevel parking development and therefore not relevant to the EOI details advertised.

There was limited, or no information provided to demonstrate its capacity to manage the design, construction and lease arrangements required. The company provided visual representations of a number of car parking projects that it is currently involved in. The technical information and brief methodology submitted were for the development of multilevel car parking solutions which was not relevant to the scope of the EOI.

A risk assessment was provided. No response was provided to the financial criterion.

Spanditch

Spanditch scored 17% and was ranked first in the qualitative assessment.

It was detailed that the company was formed in 2016. No information was provided on the company structure, its employees and resources. Limited information was provided on its project partners in various disciplines and the working relationship of Spanditch with them.

The company did not demonstrate experience in the design, delivery and management of civil / structural / building projects of a complex, multi-disciplinary nature. Information was provided on two residential development projects in Queensland without the company's role in these projects being clear in the submission.

Concerning the financial requirements requested in the EOI, there was insufficient information on return on investment, total expected costs and return, cost/profit distribution between the parties, the financial returns from a selected site, methods and materials of the financial modelling and cash flow requirements. Also, cost estimates for design, project management, construction costs plus any fees, levies or licences, finance costs and legal costs required for the capital and ongoing maintenance of the drainage site to the City were not addressed.

The submission did not adequately demonstrate that Spanditch has the technical expertise in design, construction, building, project management and financial control, nor did the submission clarify its proposed contractual arrangement with various professional consultants required to carry out this multi-disciplinary project.

The proposed solution by Spanditch was considered to have inherent risks related to structural durability that were neither addressed nor recognised in the submission. The submission stated some benefits to City relating to improvement of area, utilising land in an innovative manner, densification and operational savings to the City. No risk management plan was provided though some risks were mentioned in the submission.

Evaluation Summary

The following table summarises the result of the evaluation as assessed by the evaluation panel.

Respondent	Weighted Percentage Score	Ranking
Spanditch	17%	1
ParkD Ltd	13%	2

Based on the evaluation result, the panel recommended that none of the Respondents should be shortlisted to conduct a pilot project and there is no need to proceed further than this EOI.

Issues and options considered

An Expression of Interest was sought for the residential development and leasing of airspace above an operational drainage sump. The City does not have the internal expertise or resources to undertake this project and as such, requires an appropriate external contractor.

It could be considered that there is limited market interest with only two submissions being received during the EOI's advertising period. Additionally, evaluation of the submissions that were received, did not demonstrate sufficient capacity and technical expertise specific to the requirements detailed by the City in the EOI.

Legislation / Strategic Community Plan / policy implications

Legislation

A statewide public expression of interest was advertised, opened and evaluated in accordance with Clause 21 of Part 4 of the *Local Government (Functions and General) Regulations 1996*, where a limitation may be placed on who can tender due to the nature of the required goods or services.

Local Government Act 1995, Part 5, Division 4.

Section 5.42, - Delegation of some powers and duties to CEO.

A local government may delegate to the CEO the exercise of any of its powers or the discharge of any of its duties under this Act other than those referred to in section 5.43.

A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.

Delegation Choice of acceptable tenders from an expression of interest.

The Chief Executive Officer has the delegated authority to select acceptable tenderers from an Expression of Interest.

Strategic Community Plan

Key theme Quality Urban Environment.

Objective Quality built outcomes.

Strategic initiative Housing infill and densification is encouraged and enabled through a strategic, planned approach in appropriate locations.

Policy Not applicable.

Risk Management considerations:

Should the EOI not proceed, the risk to the City is low as there is no obligation to proceed with the requirement any further.

Financial/Budget Implications:

Not applicable.

Regional Significance:

Not applicable.

Sustainability implications:

Environmental

There is the potential to improve the visual appearance of drainage sites through landscaping and vegetation.

Social

Social amenity can be improved by the addition of well-designed residential or commercial development that allows improved streetscape and function.

Economic

Economic benefits related to the development over operational drainage sites may be a possibility with the correct development and leasing model.

Consultation:

Not applicable.

COMMENT

The evaluation of the submissions was carried out by the panel in accordance with the City's evaluation process. The conclusion was that none of the submitted responses provided a sufficient level of detail to demonstrate the necessary methodology, technical expertise, experience and capacities to conduct a pilot project.

Identification and management of technical and financial risks were notably absent from all respondents.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Hollywood, SECONDED Cr Hamilton-Prime that the Major Projects and Finance Committee NOTES that the Chief Executive Officer DOES NOT list any respondents as acceptable tenderers for EOI 017-18 – Residential Development and Leasing of Airspace Above an Operational Drainage Sump.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Jacob, Crs Fishwick, Hamilton-Prime, Hollywood, Logan, Poliwka and Taylor.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 8.17pm; the following Committee Members being present at that time:

MAYOR HON. ALBERT JACOB, JP
CR RUSS FISHWICK, JP
CR CHRISTINE HAMILTON-PRIME
CR KERRY HOLLYWOOD
CR JOHN LOGAN
CR RUSSELL POLIWKA
CR PHILIPPA TAYLOR