

<b>Project Name</b>	<b>MSCP2 Feasibility</b>
<b>Report</b>	<b>Project Philosophy and Parameters</b>
<b>Project Sponsor</b>	Director Corporate Services
<b>Project Manager</b>	Manager Rangers Parking Community Services
<b>HP Records</b>	INT20/1830

## Feasibility of MSCP2 – Four Supporting Strands

This report is prepared in support of the feasibility report for a second Multi Storey Car Park (MSCP).

### PHILOSOPHY / PROJECT VISION

#### Strategic Community Plan and Strategic Financial Plan

One of the key themes of the City's Strategic Plan (Joondalup 2022) is Economic Prosperity, Vibrancy and Growth. One of the objectives of this theme is for Joondalup to be recognised as Perth's second CBD, which includes a strategic initiative for the City to:

***“Pursue the construction of multi-storey car park facilities within the Joondalup City Centre to facilitate greater accessibility.”***

The City constructed its first MSCP in 2015, the Reid Promenade Car Park (RPCP). The Strategic Financial Plan (adopted August 2019) has included an assumption for a second MSCP to begin construction in 2023-24 and to be completed by 2024-25.

#### Vision and Purpose of Project

The vision for this project is to confidently predict if/when the City should construct a second Multi Storey Car Park, build an affordable facility that is user friendly and contributes positively to the City's operating bottom line.

The purpose of this project is to evaluate:

1. IF there is a need for a second MSCP to be constructed by the City;
2. TIMEFRAME required to construct;
3. RESOURCES and PROJECT PLAN to deliver the second MSCP

While there is no specific Council resolution which requires the construction of a second MSCP, nor are there any community petitions or specific requests for a second MSCP there is a Council approved KPI for the Chief Executive Officer for 2019-20 for the development of the planning for a new Multi Storey Carpark. Therefore the consideration of a second MSCP is subject to feasibility which is expected to be reported to Council by 30 June 2020.

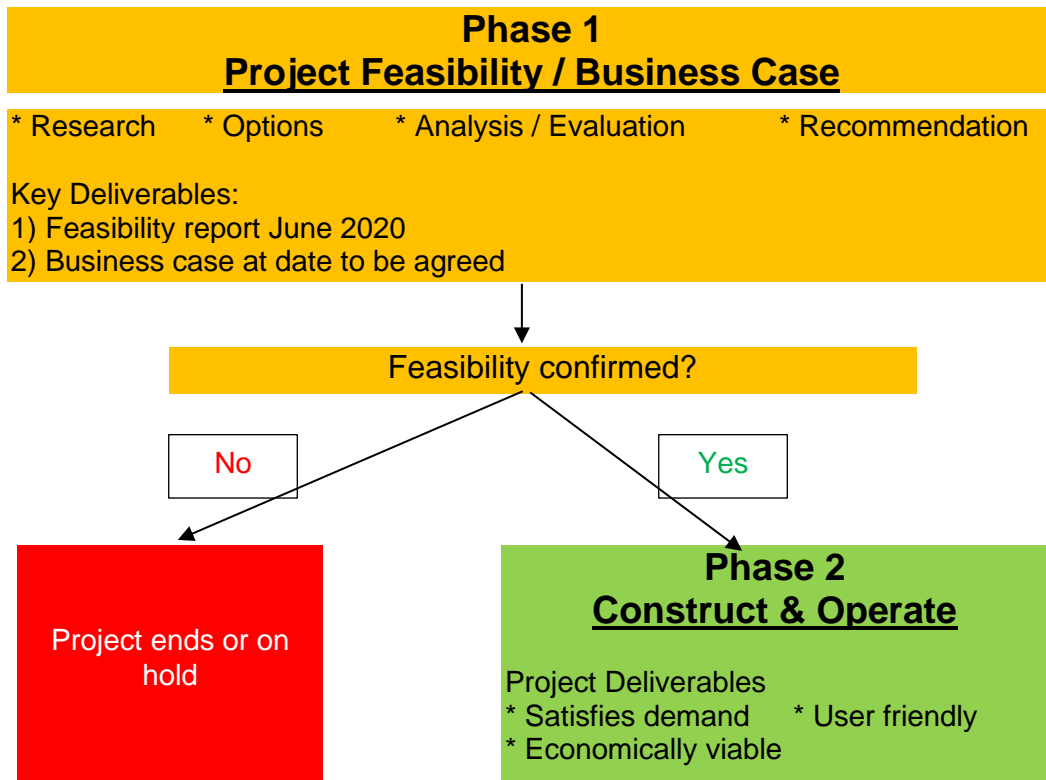
## OUTCOMES and PROJECT DELIVERABLES

The outcomes of the project are:

- Ensure that the City Centre has adequate parking to support businesses and attract visitors, taking account of current and future trends.
- Plan for the future – ensure that the City plans and builds additional parking at the right time, and at the right location.
- Users – if a facility is constructed it is safe to use, accessible and is perceived to provide value for money.
- Utilisation – facility must enjoy high and regular utilisation and not just provided for one-off events or infrequent usage.
- Financial viability – the facility must be affordably constructed and pay for itself on an ongoing basis.
- Capable of multiple uses in recognition that carparking as we know it today may change in the foreseeable future.

## PROJECT OBJECTIVES

The deliverables are split into two, as summarised in the chart below. The first project deliverable is for the feasibility for the project to be researched, evaluated and recommended. If the project recommends that a second MSCP then there will be more key deliverables.



Phase Two (Construction and Operation)

If Council approves the construction of a second MSCP then the project moves to Phase 2 – construction and operation. There will be seven key deliverables for this phase as listed in the table below.

No	Objective	Success Criteria	Measurement
1	<u>Business Growth</u> Facility supports or enhances the ability of business to attract or retain customers and employees	75% of businesses approve of project one year after opening	Post Implementation Review to be completed within 3 years after opening – this will include a survey of all businesses within the catchment area
2	<u>Utilisation</u> Utilisation of the facility is regularly high	At least 60% of the bays are occupied on average every day of its use from Year 5 onwards	This will be measured by the City's occupancy statistics
3	<u>Users</u> Facility is user-friendly provides a positive experience to users	Facility is safe to use, accessible and provides value for money	Post Implementation Review within 3 years will include a user survey. 75% positive results required.
4	<u>One-Off Cost</u> Facility is constructed affordably	Cost per Bay is equal to or below comparatives  Debt Ratios for the City are not adversely affected	Business Case will include assessment of Debt Ratios and stipulate comparatives for Cost Per Bay
5	<u>Operating Results</u> Facility does not worsen the operating results for the City	From Year 5 onwards the facility must provide a positive operating result or no worse than break even when compared to the Do Nothing option	Measured using the City's Financial System. The calculation of the operating results will include: <ul style="list-style-type: none"> <li>○ Operating Income directly related to the new facility</li> <li>○ Operating expenses required to operate and maintain the facility</li> <li>○ Depreciation</li> <li>○ Interest on Borrowings</li> <li>○ Interest foregone on Reserves used to construct facility</li> <li>○ Corporate Overheads, but only where there has been an incremental change directly resulting from the facility</li> </ul>

## RESEARCH REQUIRED

The key objective for the project in the first instance is to determine whether there is a need for a second MSCP and to present a Business Case to Council. This will include the collation and evaluation of a substantial amount of research to forecast future demand, trends, location and financial viability as listed below:

### 1. DEMAND RESEARCH

- City Centre Forecast Growth (Education Precinct, Lakeside Shopping Centre, Large residential developments such as Joondalup Connect, Arthouse).
- Major projects led by the City (Boas Place, Joondalup Performing Arts & Cultural Facility).
- Other parking facilities within the City currently or being developed by others
- Forecast traffic movements and accessibility issues.

The research will include known or assumed developments that the City is aware of. In addition the City may undertake additional consultation with both the public (e.g. surveys) and business community to evaluate current parking usage and future demand requirements.

### 2. FUTURE TRENDS which may affect vehicle usage and parking demand:

- Public Transport
- Bicycles
- Car-sharing
- Uber
- Driverless cars and reduced car ownership
- Working from home
- Park and Ride
- Retail visits/home shopping
- Any other technological advancement
- Other alternatives to additional parking to support greater accessibility to the CBD

### 3. LOCATION ANALYSIS – list and evaluate the freehold sites that the City has within the CBD, the suitability/restrictions for a second MSCP and how this aligns with demand research.

### 4. COMPARATIVES – engagement will be undertaken with other local governments and parking operators to share best practice on MSCP business case, development, construction and operation.

### 5. ONE-OFF COSTS. Rough order of magnitude will be developed for shortlisted sites.

### 6. FINANCIAL VIABILITY. Operating projections and overall impact on operating results will be estimated based on demand estimates, operating model and price assumptions. The Business Case must include detailed options evaluation including the Do Nothing option.

## PROJECT DEPENDENCIES

The feasibility and construction of a second MSCP is dependent on a wide number of other factors and projects as follows:

- Primewest second building as announced in June 2020
- Arthouse apartments (168 apartments) opening in 2020
- Utilisation of the RPCP
- Boas Place development. There are several impacts on CBD parking related to the project:

- Removal of existing off-street parking facilities (car park outside Lotteries House)
- Displacement of staff parking which increases demand elsewhere (most likely RPCP)
- Increased demand of RPCP
- Provision of new parking facilities within Boas Place for Boas Place
- Expectation of other City Centre Parking availability to support Boas Place users
- Other major developments e.g. Department of Housing e.g. Connect
- Joondalup Performing Arts & Cultural Facility. The scope for the project previously included a component for 300+ Parking Bays. The scope for the project is being revised.

There is a possibility that the business case for a second MSCP concludes that there is insufficient future demand or insufficient confidence for a second MSCP and should not proceed.

## **DEVELOPMENT PARAMETERS**

### **Governance**

- Project Management Framework will be used:
- Reports will be provided to the Major Projects & Finance Committee at key stages of the project.
- City is responsible for the funding and operation of a second MSCP, external suppliers would be used for construction.
- Consistency with adopted Council strategies and plans e.g. City Centre Structure Plan.

### **Resources**

- In-house resource will be used as much as possible to complete the Business Case.
- Temporary resource or overtime may be required to complete consultation surveys. Surveys are likely to be face to face and therefore require more resource than internet/postal surveys.

### **Land Use**

- There are no specific lots identified at this stage for this business case although it is acknowledged that a number of sites were canvassed in the development of the business case for the first multi storey car park.
- The only requirement is that the potential lots must have no limitations being used for a MSCP.
- Compliance with City Structure Plan.

### **Sustainability Considerations**

- Achievement of best practice in environmentally sustainable design principles whilst maintaining an aesthetically acceptable building.
- Implementation of architectural and construction techniques that show leadership in environmentally sustainable developments.

## **Financial Management**

The Strategic Financial Plan includes indicative estimates for the construction, funding and operation of a second MSCP. The Strategic Financial Plan is updated annually and can therefore take account of ongoing updates from the project.