

ITEM 1 OCEAN REEF MARINA CONCEPT: FINANCIAL FEASIBILITY CONCEPT PLAN 7

WARD: All

RESPONSIBLE: Mr Garry Hunt, Chief Executive Officer

FILE NUMBER: 04171B

ATTACHMENTS: Attachment 1 Ocean Reef Marina: Executive Summary -
Financial Feasibility (Coffey Projects (August
2010)
Attachment 2 Concept Plan 7.1 (Super Lot Diagram)
Attachment 3 Concept Plan 7.1 Financial Analysis

PURPOSE

To provide the Committee with the results of the Financial Feasibility undertaken on Concept Plan 7 and inform of amendments to the concept plan which have the potential to deliver a more favourable financial outcome whilst maintaining the philosophy and parameters endorsed for the development.

EXECUTIVE SUMMARY

At the meeting held 15 December 2009, Council endorsed proceeding with the preparation of a Structure Plan and Business Case for the Ocean Reef Marina Development in accordance with the Ocean Reef Marina Draft Work Task Flow Chart (Item CJ285-12/09 refers).

The Ocean Reef Marina Works Task Flow Chart identifies a preliminary financial feasibility analysis of Concept Plan 7 as the next step in progressing the project. This process advances the Business Case and provides a preliminary financial feasibility analysis based on Concept Plan 7 that:

- Determines the total cost of the development.
- Determines the revenue potential of the entire development.
- Estimates the development timeline taking into account a construction program and the ability of the market to absorb the product offered.
- Provides a financial feasibility model which assists in determining the nature and extent of any necessary changes to Concept Plan 7.

The financial feasibility analysis was commenced in May 2010 and the following consultants were engaged to undertake the works required:

- Marine Engineering: MP Rogers & Associates
- Civil Engineering: Cossill Webley
- Hydrographic Surveying: McMullen Nolan
- Market Analysis: Colliers
- Quantity Surveying: Davis Langdon
- Planning Advice: Taylor Burrell Barnett
- Project Management: Coffey Projects

The financial analysis results in a negative net cash flow indicating a project loss. The magnitude of the loss and the resultant resident value of the land on a present value basis indicate strongly that Concept Plan 7 is not financially feasible and is unlikely to become financially feasible in the short to medium term.

The prepared report (Ocean Reef Marina: Financial Feasibility – Coffey Projects, August 2010 - Attachment 1 refers) states that Concept Plan 7 generates a project deficit of \$178.7 million over a forecast development term of 15 years.

Following an analysis of the report the project consultants were authorised to investigate potential amendments to Concept Plan 7 which may improve the overall financial feasibility of the concept plan without compromising Council's endorsed Project Philosophy and Parameters.

The potential amendments included a review of cost items that generate little or no income stream and the constraints of these items and their financial impact. The land use yields and project phasing were also reviewed and assessed for potential amendments that could affect the overall financial performance of the development.

The financial analysis of the amended concept plan (Concept Plan 7.1 – Attachment 2) results in a positive net cash flow and indicates that Concept Plan 7.1 has the potential to be financially feasible and indicates a project surplus of \$14,564,823 over a forecast development term of 10 years.

It is recommended that the Ocean Reef Marina Committee:

1 RECOMMENDS that Council:

- *NOTES the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report;*
- *ENDORSES proceeding with the preparation of a Business Case and Structure Plan for the Ocean Reef Marina Development in accordance with the Draft Work Task Flow Chart (CJ285-12/09 refers);*
- *ENDORSES an iterative approach toward the development of a concept plan for the preparation of a Business Case and Structure Plan for the Ocean Reef Marina development based on Concept Plan 7.1;*
- *AUTHORISES to the Chief Executive Officer to initiate discussions with the State Government, through its agencies, to investigate the optimum method for progressing the project;*

2 REFERS the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report to the Ocean Reef Marina Community Reference Group for comment and feedback.

BACKGROUND

The Ocean Reef Marina Development site is located on the coast at Ocean Reef and has a total area of approximately 91 hectares. The site extends from just north of Swanson Way to north of Resolute Way, Ocean Reef. The City purchased part Lot 1029 at Ocean Reef in 1979 for a price of \$525,000. This purchase was made as an investment for the benefit of the community, to enable the development of a range of recreational, commercial and ancillary service uses.

Land ownership and percentage of total development area for Ocean Reef Marina Concept Plan 7 is as follows:

Land Owner	Existing land area within project boundary	Percentage of Total
Water Corporation	3.44ha	5.94%
City of Joondalup	27.06ha	46.91%
State Government	27.18ha	47.12%
Total Existing Land Area	57.68ha	100%
Additional reclaimed land / sea bed	33.61ha	
TOTAL DEVELOPMENT AREA	91.29ha	

In November 2004 the then Minister for Planning and Infrastructure announced the State Government of the day would commit up to \$700,000 towards Concept Plans and a Structure Plan aimed at transforming the Ocean Reef Boat Launching facility into a world-class commercial and recreational marina. Since that time the City has undertaken significant preliminary financial, engineering and environmental investigations into the feasibility of the project.

Through an iterative process, Concept Plan 7 was prepared collaboratively by the Ocean Reef Marina Committee (of Council) and the City's external consultants with input from the Ocean Reef Marina Government Steering Committee and the Ocean Reef Marina Community Reference Group. This plan was endorsed by Council in May 2009 as the plan to be progressed towards a Structure Plan for the Ocean Reef Marina site and for public comment in May 2009 (Item JSC7-05/09 refers).

The community consultation process conducted in 2009 resulted in an overwhelming 11,728 responses from the community with 93.9% of respondents in favour of redeveloping the marina site and 96.5% strongly supporting or supporting the concept plan as presented. The results of the community consultation were presented to Council in September 2009 (Item CJ217-09/09 refers).

Following a review of the survey results and qualitative data by the Ocean Reef Marina Committee (of Council) and the Ocean Reef Marina Community Reference Group, at the meeting held 5 December 2009 Council agreed to:

- 1 *NOTE the unconfirmed minutes of the Ocean Reef Marina Committee meeting held on 8 December 2009 forming Attachment 1 to Report CJ285-12/09;*
- 2 *PROCEED with the preparation of a Structure Plan and Business Case for the Ocean Reef Marina Development in accordance with the Draft Work Taskflow Chart, dated December 2009, as detailed in Attachment 2 to Report CJ285-12/09;*
- 3 *ENDORSE the Ocean Reef Marina Committee to GIVE further consideration to:*

- (a) *the items listed in Attachment 3 to Report CJ285-12/09 – Community Consultation Report - for the items identified as highly desirable and desirable as part of the Structure Plan Development process;*
 - (b) *the ideal location for an artificial reef and supporting infrastructure within the development area;*
 - (c) *an additional layer of car parking;*
 - (d) *additional trailer ramps;*
- 4 *APPOINT Mr Albert Jacob MLA, Member for Ocean Reef, as an observer to the Ocean Reef Marina Community Reference Group;*
- 5 *APPOINTS Sandra Foster to the vacant position on the Ocean Reef Marina Community Reference group representing the Ocean Reef Sea Sports Club. (Item CJ285-12/09 refers).*

During the period December 2009 to May 2010, a number of activities were undertaken on the project. These included:

- Review of the proposed 2010/11 budget in line with the endorsed Draft Work Task Flow Chart.
- As per recommendations from environmental consultants, SMEC Australia Pty Ltd, arising from the Graceful Sun Moth survey undertaken in 2009, a further survey was commissioned and undertaken in late March and early April.

The results of the survey indicate that no adult Graceful Sun Moths were definitively identified. However consultants Western Wildlife concluded that it was unlikely that the population was extinct. The species is difficult to detect, is sensitive to weather conditions and is only active for a few weeks in the year. Therefore, it is likely that the Graceful Sun Moth was present but undetected during the 2010 survey.

- Preparation and submission of grant application for the Recreational Boating Facilities Scheme (RBFS).

The RBFS provides funding for the planning of recreational boating facilities up to \$500,000 and the submitted application requested the full amount of \$500,000. While the City was successful in obtaining funding via the RBFS the resultant amount of \$100,000 was less than requested amount.

- External Project Managers (Coffey Projects) were requested to submit a report on the next steps required to progress the project in accordance with the Draft Work Task Flow Chart. The report identified the first task as the undertaking of a financial feasibility on Concept Plan 7. The report also outlined the activities required to undertake the financial feasibility, proposed timeframe for completion of the activities and consultant quotes.
- Following endorsement by Council of the 2010/11 Budget (incorporating the anticipated expenditure on the Ocean Reef Marina development), consultants were engaged to commence the financial feasibility in May 2010.

- On 27 May 2010 the Ocean Reef Marina Government Steering Committee was briefed on the project activities and was provided with an overview of Council's decisions concerning progressing the project through the approvals phase.

At the meeting held 22 June 2010 Council noted the Ocean Reef Marina Status Report in particular the initiation of the "Next Steps" process and anticipated a further report would be presented to the August 2010 Council meeting (Item CJ109-06/10 refers).

DETAILS

At the meeting held 15 December 2009, Council endorsed proceeding with the preparation of a Structure Plan and Business Case for the Ocean Reef Marina Development in accordance with the Ocean Reef Marina Draft Work Task Flow Chart (Item CJ285-12/09 refers).

The Ocean Reef Marina Works Task Flow Chart identifies a preliminary financial feasibility analysis of Concept Plan 7 as the next step in progressing the project. This process advances the Business Case and provides a preliminary financial feasibility analysis based on Concept Plan 7 that:

- Determines the total cost of the development and will include the following components:
 - Marine infrastructure and facilities;
 - Civil infrastructure assuming serviced land parcels;
 - Public and community facilities;
 - Professional fees;
 - Interest/holding costs.
- Determines the revenue potential of the entire development by:
 - Using a land parcel diagram, indicate a basket of rights for each revenue generating land parcel;
 - Determine the value of each land parcel based on the proposed basket of rights and preliminary market analysis.

- Estimates the development timeline taking into account a construction program and the ability of the market to absorb the product offered.
- Provides a financial feasibility model which will assist in determining the nature and extend of any necessary changes to Concept Plan 7.

The financial feasibility analysis was commenced in May 2010 and the following consultants have been engaged to undertake the works as indicated below:

- Marine Engineering: MP Rogers & Associates
- Civil Engineering: Cossill Webley
- Hydrographic Surveying: McMullen Nolan
- Market Analysis: Colliers
- Quantity Surveying: Davis Langdon
- Planning Advice: Taylor Burrell Barnett
- Project Management: Coffey Projects

1 Deliverables

1.1. Super Lot Diagram

To assist in determining the revenue potential of the development, consultants Taylor Burrell Barnett prepared a Super Lot diagram (Attachment 2 refers) which identified 12 Super Lots and the “basket of rights” attached to each lot.

The assumption was made that a notional Marina Developer would develop the infrastructure and facilities and then sell (or lease) the Super Lots to the market. The “purchasers” of the Super Lots would then be responsible for developing the top structures on the Super Lots in accordance with the basket of rights and design guidelines. The Marina Developer would be responsible for the common facility infrastructure and delivering the “purchasers” fully serviced, vacant sites on which to develop.

Consultants Colliers International determined probable (notional) land tenure (interest in land) as per the Concept Plan 7 Land Use Yield. Colliers further determined the gross realisation (revenue) for each Super Lot by examining the available market evidence and applied a direct comparison approach to value. The revenue analysis also took into account (where applicable) the future Super Lot developer obligations to provide structured parking on the respective Super Lots.

1.2. Hydrographic Survey

The significant cost sensitivity of marine infrastructure to the level of the seabed necessitated the undertaking of a hydrographic survey. Consultants McMullen Nolan were commissioned to survey at four cross sections through the marina. The results were matched with bathymetry and topography data obtained from the Department of Transport using a LIDAR system and were used for calculating the quantities of bulk earthworks and the marine structures.

1.3. Bulk Earthworks

Using the validated survey data, consultants Cossill & Webley prepared a model to calculate the bulk earthworks volumes and determine the vertical alignment of the roads, retaining systems and the existent of undercroft (basement) parking excavations.

It was assessed that significant cost reductions could be made if a proportion of the cut areas were worked as a quarry to provide core and other materials for the breakwaters, seawalls and revetments. This would also reduce the impact on the social and natural environment of truck traffic and landfill.

1.4. Phasing

To suit construction sequencing and market demand, a phasing plan was generated by consultants M P Rogers & Associates. This plan provided input to the infrastructure costs and the revenue analysis. Delivery of the development was phased over four (4) periods commencing September 2010 and concluding May 2026.

1.5. Parking Plan

In accordance with the parking requirements determined by Taylor Burrell Barnett for the land uses indicated on Concept Plan 7, public open and undercroft parking together with private undercroft parking were accommodated on certain Super Lots.

1.6. Sea Wall Details

Consultants M P Rogers & Associates designed typical cross sections for the sea walls which differ according to position. Where possible limestone armour was proposed, however the external faces of the sea walls require granite cladding which will require trucking in from commercial quarries in the region.

2 Assumptions and Constraints

- The costs of the top structures on the individual Super Lots are excluded from the cost estimates. It is assumed that a notional Marina Developer will develop the infrastructure and facilities and then sell (or lease) the Super Lots to the market. The “purchasers” of the Super Lots would be responsible for developing the top structures on the Super Lots in accordance with the basket of rights and design guidelines.

The Marina Developer would be responsible for the common facility infrastructure and delivering the “purchasers” fully serviced vacant sites on which to develop.

- The analysis excludes the development of boat pens and ongoing marina operations. The assumption is that the Department of Transport (Coastal Infrastructure) will take responsibility for the marina waterways and that the boat pens will be provided by the Department of Transport (public) and the Ocean Reef Sea Sports Club (private). However, to provide impetus to the development the construction of 50 pens in Phase 1 is included in the cost estimates.

Further assumptions and constraints affecting the financial feasibility analysis are outlined in the *Ocean Reef Marina: Financial Feasibility* (Coffey Projects, August 2010 - Attachment 1 refers).

3 Project Costs

Consultants M P Rogers & Associates (in conjunction with Cossill & Webley) prepared a cost estimate of the marina which includes:

- Breakwaters, seawalls, revetments.
- Dredging.
- Roads, parking, drainage.
- Services.
- Ocean pool.
- Artificial surf reef.

In addition, consultants Davis Langdon prepared Preliminary Indicative Order of Construction Cost Allowances which applies additional allowances for costs not included by M P Rogers & Associates – such as:

- Community buildings.
- Public amenities.
- Landscaping and entrance statements.
- Sustainability initiatives.
- Helipad.
- Additional professional fees.

The costings generated from the above were analysed by consultants Colliers International and the project phasing for the Super Lot development was applied. The resultant estimated project costs have been summarised below:

Table 1: Development Cost Estimates/Provisions (ex gst)

ITEM	COST
Marina & Civil servicing:	
Phase 1	\$ 83,311,555
Phase 2	8,856,915
Phase 3	68,173,809
Phase 4	<u>14,098,822</u>
	\$ 174,441,101
Temporary relocation of existing facilities	4,000,000
Ocean pool	10,164,000
Artificial surf reef	7,081,800
Community buildings	875,000
Public amenities and maintenance	3,788,585
Helipad	300,000
Entrance statements	500,000
Statutory planning & implementation fees	<u>750,000</u>
TOTAL	\$ 201,900,486

Fees and Charges

Revenue component	\$ 6,218,967	
Cost Component	<u>4,592,885</u>	<u>\$ 10,811,852</u>
GROSS DEVELOPMENT COSTS		<u>\$ 212,712,338</u>

4 Project Revenue

The anticipated revenue for each Super Lot was based on “as if complete” market value estimates for both freehold and leasehold estates potentially able to be sold. “As if complete” valuation means a valuation that assumes the proposed development to be in a completed state as at the date of valuation and reflects current market conditions.

In considering the basket of rights for each Super Lot, Council’s philosophy of predominantly leasehold for the Ocean Reef Marina Development was given a high priority. However, expert opinion suggests that the market preference is for freehold estates in fee simple. The banking sector generally retains a preference for freehold estates for mortgage lending purposes. Thus, the basket of rights for all residential and a portion of retail is freehold in fee simple.

The gross realisation (revenue) for each Super Lot as determined by Colliers International is summarised below:

Table 2: Revenue Estimates (ex gst)

	CAPITAL VALUE
FREEHOLD ESTATES	\$ 53,500,000
LEASEHOLD ESTATES	20,400,000
TOTAL REVENUE ESTIMATE	<u>\$ 73,900,000</u>

5 Summary Project Cash Flow Data

Based on the analysis undertaken by Colliers International, the Project Cash Flow is summarised below:

Table 3: Project Cash Flow (inc GST)

	Escalated	Unescalated
GROSS REALISATIONS FROM SALES	\$ 102,753,661	\$ 81,290,000
PLUS Other Income:		
Prefunded Infrastructure	2,849,231	2,288,000
TOTAL REVENUE	\$ 105,602,892	\$ 83,578,000
LESS GST on land sales	(9,600,263)	(7,598,000)
Fees and charges	(6,386,140)	(5,052,174)
	\$ (15,986,403)	\$ (12,650,174)
GROSS DEVELOPMENT REVENUE	\$ 89,616,489	\$ 70,927,826
LESS PROJECT COSTS		
Fees & Charges	\$ (8,860,622)	\$ (6,840,864)
Development Cost Estimates	(286,952,586)	(222,090,534)
GST Recovery	27,472,668	21,271,234
	\$ (268,340,540)	\$ (207,660,164)
NET PROCEEDS/(LOSS)	\$ (178,724,053)	\$ (136,732,338)

6 Feasibility Conclusion

Table 4: Summary Project and Financial Data

Project Return Analysis	Escalated Inputs	Unescalated Inputs
Profit on Cost	(66.60%)	(65.84%)
Average annual profit on cost	(4.23%)	(4.18%)
Level of Debt	\$ (179,499,994)	\$ (137,099,113)
Date	February 2026	February 2026
Break Even	Not achieved	Not achieved
Project Discount Rate	25.00%	15.00%
Project Present Value	\$ (44,335,000)	\$ (56,990,000)
Cost of Capital	9.48%	9.48%
Modified Internal Rate of Capital	11.08%	5.69%

The financial analysis applied to Ocean Reef Marina Concept Plan 7 indicates:

- Concept Plan 7 generates a project deficit of \$178.7 million over a forecast development of 15 years.
- Concept Plan 7 is not feasible in the present market and this is not likely to change in the short to medium term;
- The primary driver is the high cost associated with the delivery of marina and civil servicing infrastructure, compounded by:
 - the land use balance with large areas set aside for low revenue marine industry and clubs;
 - feasibility of hotel and short stay uses;
 - contingent under utilisation of particular Super Lots;
 - nature of built form and requisite double basement parking to meet requirements;
 - present weak demand for prestige-high quality residential accommodation.
- A project deficit of \$(178.7M) is projected over a forecast development term of 15 years. The resultant Net Present Value is \$(44.3M).

POSSIBLE AMENDMENTS TO CONCEPT PLAN 7

The focus of the consulting team was on the financial feasibility of Concept Plan 7; however following a review of the results of the feasibility authority was given to the team to consider potential amendments that may generate an improved financial feasibility result.

The consultant briefs were extended to include a review of:

- cost items that generate little or no income stream.
- the size of the marina water body.
- land use yields and the provision of parking.
- Phasing Plan.
- the constraints of the above items and their financial impact.

Due to the unavailability of Cossill Webley (sub-consultants to M P Rogers and Associates), engineers Wood & Grieve provided the civil engineering input for the proposed amendments to the Concept Plan.

The resultant Concept Plan (Concept Plan 7.1) and financial feasibility has been generated as a point of discussion. It should be noted that, while many of the differences between Concept Plans 7 and 7.1 are minor and superficial, the plans do differ; however the overarching philosophy and parameters for the project remain (Attachment 2 refers)

The yield and site analysis for Concept Plan 7.1 in comparison to Concept Plan 7 is summarised in Table 4 (below).

In considering the “basket of rights” attached to the revised Super Lots, the proportion of leasehold to freehold was increased and a decrease to the marina water body greatly reduced the overall costs of the marine and civil infrastructure costs. Other amendments which affected the financial outcome of Concept Plan 7.1 include:

- Provision of single residential lots.
- Extension of mixed use retail/commercial to the north of the central precinct.
- Utilisation of central pier for short stay accommodation and mixed use retail whilst maintaining public access.
- Reduction in the height of revetments and circular road.
- Reduction in multilevel undercroft parking and the provision of additional parking in the northern area of the development.
- Deletion of artificial surf reef, ocean pool and second internal marina beach.

Table 4: What is different?

	Concept Plan 7 (based on yields generated by the Super Lot diagram)	Concept Plan 7.1
Deliverables	<ul style="list-style-type: none"> • World class recreation, boating, residential and tourist marina development. • 700 – 750 boat pens and 100 – 150 temporary pens; • 150 – 200 boat stackers; • 896 individual residential dwellings; • 325 short stay apartments and hotel rooms. 	<ul style="list-style-type: none"> • World class recreation, boating, residential and tourist marina development. • Total number of pens 500 (mix subject to detailed design); • 150 – 200 boat stackers; • 824 individual residential dwellings; • 137 short stay apartments and hotel rooms.
Design	<ul style="list-style-type: none"> • Balance of public, residential and commercial amenities. • Two marina openings 	<ul style="list-style-type: none"> • Balance of public, residential and commercial amenities – amendments made to maximise land use and yields. • One marina opening
Phasing	<ul style="list-style-type: none"> • Four (4) phases 	<ul style="list-style-type: none"> • Two (2) phases
Duration	<ul style="list-style-type: none"> • 15.76 years 	<ul style="list-style-type: none"> • 10.50 years

Concept Plan 7.1 was subjected to the same financial feasibility model used for Concept Plan 7 and the results are summarised below:

Table 5: Project Cash Flow Data – Concept Plan 7.1 (inc GST)

	Escalated	Unescalated
GROSS REALISATIONS FROM SALES	\$ 226,374,378	\$ 187,835,000
PLUS Other Income: Prefunded Infrastructure	3,321,836	2,648,085
TOTAL REVENUE	\$ 229,696,214	\$ 190,483,085
LESS GST on land sales	(20,881,474)	(17,316,644)
Fees and charges	(14,069,168)	(11,673,945)
	\$ (34,950,642)	\$ (28,990,589)
GROSS DEVELOPMENT REVENUE	\$ 194,745,572	\$ 161,492,496
LESS PROJECT COSTS		
Fees & Charges	\$ (9,498,767)	\$ (8,385,213)
Development Cost Estimates	(190,106,974)	(165,953,513)
GST Recovery	19,424,992	16,910,243
	\$ (180,180,749)	\$ (157,428,483)
NET PROCEEDS/(LOSS)	\$ 14,564,823	\$ 4,064,013

Table 6: Project Summary and Financial Data

Project Return Analysis	Escalated Inputs	Unescalated Inputs
Profit on Cost	8.08%	2.58%
Average annual profit on cost	0.77%	0.25%
Peak Level of Debt	\$ (114,190,816)	\$ (103,702,416)
Date	May 2015	April 2015
Break Even	February 2021	February 2021
Project Discount Rate	25.00%	15.00%
Project Present Value	\$ (24,510,000)	\$ (21,990,000)
Cost of Capital	9.48%	9.48%
Modified Internal Rate of Capital	14.17%	9.81%

The financial analysis applied to Ocean Reef Marina Concept Plan 7 indicates:

- Concept Plan 7.1 generates a project surplus of \$14,564,823 million over a forecast development of 10.5 years.
- Concept Plan 7.1 is feasible in the present market.
- A project surplus of \$14.5M is projected over a forecast development term of 10 years. The resultant Net Present Value is \$(24.5M).

Issues and options considered:

Concept Plan 7.1

Although significant improvement to the financial viability of the Ocean Reef Marina Development was evident from the feasibility analysis undertaken on Concept Plan 7.1, the plan was prepared in a short time frame and further detailed investigations in the areas of town planning, commerciality, civil and marine engineering should be undertaken. These additional investigations into potential amendments will, in all probability further improve the financial viability whilst maintaining the Project Philosophy and Parameters, and delivering a development in keeping with community expectations. It should be noted that this process is in accordance with the tasks outlined in the endorsed Draft Work Task Flow Chart (Item CJ285-12/09 refers).

Options for Progressing the Project

To ensure momentum on the Ocean Reef Marina project is maintained in accordance with Council and community expectations, the optimum method of project delivery should be investigated and considered. Potential options for bringing the Ocean Reef Marina to fruition include:

- The City maintains its current position of authority and project control, relying on in-house management with the support of an external team of consultants, to deliver a Business Case and Structure Plan for the development.

However, the City has little or no experience in projects the size and complexity of the Ocean Reef Marina. The City's in-house skill, resources and capacity will not meet the demands required in the longer term, particularly post Structure Plan phase.

- The City enters into a joint venture partnership with the State Government, and its agencies (for example LandCorp), to progress the project through the approvals process.

The State Government, through its agencies (in particular LandCorp), have particular experience and expertise with large-scale, complex developments and they have the capacity and resources required to progress the project.

- The City enters into a public/private partnership with the State Government (and its agencies) and a private developer to progress the project through the approvals process.

As above, the State Government and private sector developers have the experience, expertise and resources to bring the project to fruition.

It should also be noted that a joint venture partnership, with or without private sector involvement, enables the City to continue its involvement in the project.

- The City considers an outright sale of its land holdings at the Ocean Reef Marina site to an entity for the purposes of developing a marina on the site.

Although independent valuations indicate that there is significant capital value attached to the City's land, realisation of capital may differ significantly in view of current market conditions, zoning potential and other mitigating factors.

This option is not preferred as Council's ongoing involvement in the project would be limited to that of a regulatory approvals agency only.

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

Strategic Plan

Key Focus Area: The Build Environment

Objective 4.2: To progress a range of innovative and high quality urban development projects within the City

Strategy 4.2.1 Develop a concept for, and commit to, the development of land at the Ocean Reef Marina Site.

Policy Recognition that the project will conform to City governance framework and is aligned with the Project Philosophy and Parameters Report as endorsed by Council (JSC5-05/09 refers).

Risk Management considerations:

A comprehensive Risk Assessment Report has been prepared.

Financial/Budget Implications:

The 2010/11 Budget allocates an amount of \$2.05M to the preparation of the Ocean Reef Marina Business Case and Structure Plan. These funds will be used to undertake the activities and studies outlined in the Draft Work Task Flow Chart (CJ285-12/09 refers). Funds for the services of a Probit Auditor have been allocated within this budget.

Regional Significance:

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

Sustainability Implications:

Progression of the structure planning process will facilitate a number of studies/reports that address key issues pertaining to sustainability ie economic feasibility, environmental sustainability. The undertaking of these studies is aligned with the Project Philosophy and Parameters Report as endorsed by Council (JSC5-05/09 refers).

Consultation:

A community consultation plan was prepared and implemented in accordance with Public Participation Policy 1.2 and the development of the consultation process for the Ocean Reef Marina Concept Plan was informed by the Policy and in alignment with the Public Participation Strategy (2006).

COMMENT

Not Applicable.

VOTING REQUIREMENTS

Simple Majority.

OFFICER'S RECOMMENDATION: That the Ocean Reef Marina Committee:

- 1 RECOMMENDS that Council:
 - 1.1 NOTES the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report;
 - 1.2 ENDORSES proceeding with the preparation of a Business Case and Structure Plan for the Ocean Reef Marina Development in accordance with the Draft Work Task Flow Chart (CJ285-12/09 refers);
 - 1.3 ENDORSES an iterative approach toward the development of a concept plan for the preparation of a Business Case and Structure Plan for the Ocean Reef Marina development based on Concept Plan 7.1;
 - 1.4 AUTHORISES to the Chief Executive Officer to initiate discussions with the State Government, through its agencies, to investigate the optimum method for progressing the project;
- 2 REFERS the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report to the Ocean Reef Marina Community Reference Group for comment and feedback.

During discussion:

Cr Chester left the Room at 9.50 pm and returned at 9.53 pm.

Cr Amphlett left the Room at 9.59 pm and returned at 10.02 pm.

MOVED Cr Amphlett, SECONDED Cr Taylor that the Ocean Reef Marina Committee:

1 RECOMMENDS that Council:

1.1 NOTES the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report;

1.2 ENDORSES an iterative approach toward the development of a Concept Plan for the preparation of a Business Case and Structure Plan for the Ocean Reef Marina development based on Concept Plan 7.1 with the following considerations:

1.2.1 Removal of second marina entry subject to no adverse impact on the water quality within the marina;

1.2.2 The public open space near the northern entry point not to be utilised for car parking;

1.2.3 The amphitheatre site to be aligned to create a strong linkage to the water body and beach area;

1.2.4 The concept plan retains the urban design and landscape principles contained within Concept Plan 7 and remains consistent with the vision created in Concept Plan 7;

1.2.5 Maximisation of the public equity within the marina;

1.2.6 Evaluation of the opportunities for additional short stay accommodation and boutique hotel rooms;

1.2.7 A further feasibility analysis to be conducted on the provision of facilities for super yachts and the temporary relocation of the Whitford Volunteer Sea Rescue and Ocean Reef Sea Sport Club;

1.2.8 Identification of features/amenities that could be constructed in subsequent development stages;

1.2.9 Commercial activities within the northern breakwater perimeter to be at commercial rental;

1.2.10 Any modifications and/or amendments to the concept plan to be considered in terms of a financial break-even for the project;

1.3 ENDORSES proceeding with the preparation of a Business Case and Structure Plan for the ocean Reef Marina Development in accordance with the Draft Work Task Flow Chart (CJ285-12/09 refers);

1.4 AUTHORISES the Mayor and the Chief Executive Officer to engage with the relevant State and Federal Government ministerial portfolios to investigate the optimum method for progressing the project;

1.5 AUTHORISES the Chief Executive Officer to initiate discussions with the State Government, through its agencies, to investigate the optimum method for progressing the project;

2 REFERS the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report and Concept Plan 7.1, including the items for consideration outlined in 1.2 above, to the Ocean Reef Marina Community Reference Group for comment and feedback.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Mayor Pickard, Crs Amphlett, Corr, Fishwick, Hamilton-Prime, McLean and Taylor

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1ORM291110.pdf](#)

OCEAN REEF MARINA

NOT FOR PUBLICATION



APPENDIX 1

ATTACHMENT 1

EXECUTIVE SUMMARY

EXTRACTED FROM:

OCEAN REEF MARINA – FINANCIAL FEASIBILITY

Contributing to Determine the Nature and Extent of any
Amendments to Concept Plan 7

City of Joondalup

August 2010

Coffey Projects (Australia) Pty Ltd

NOTE: The discrepancies presented in the financial analysis contained within this Executive Summary relate to the rounding up/down of figures and the application of 10% gst.

Further detailed explanation on any discrepancies can be obtained through the Chief Executive Officer.

A copy of the full the **confidential** report may be cited in the Councillors' Reading Room.

1. EXECUTIVE SUMMARY

The City of Joondalup is currently advancing the proposed development of the Ocean Reef Marina through a Structure Plan process.

On 5 May 2009 the Council endorsed the Development Vision for the Ocean Reef Marina:

- World class recreation, boating, residential and tourist marina development
- Sustainable community amenity
- Social and economic benefit to all residents
- Balance of public, residential and commercial amenities
- Equitable facility for visitors and residents
- Social and economic maximisation of land use

Since work started on the project, seven Concept Plans have been generated for the development.

The current concept plan (Concept Plan 7) was advertised for public comment and feedback in May 2009. An overwhelming positive public response was received. The outcomes of the public process were presented to Council in September 2009 and were referred by Council to the Community Reference Group for comment.

The Structure Plan approval process requires that the plan be supported by a Business Case. On 15 December 2009 Council approved the preparation of a Structure Plan and Business Case.

This report is the first step in generating a Business Case. It is important to note the essential link between the plan to be submitted for Structure Plan approval and the robustness of the Business Case supporting the plan.

The purpose of this report is to interrogate the financial feasibility of Concept Plan 7 to test if Concept Plan 7 is capable of satisfying the financial aspects of the Business Case before presenting Concept Plan 7 as the plan to be submitted for Structure Plan approval.

The financial analysis results in a **negative net cashflow** indicating a project loss. The magnitude of the loss and the resultant residual value of the land on a present value basis indicate strongly that **Concept Plan 7 is not financially feasible** and is unlikely to become financially feasible in the short to medium term.

A negative Net Present Value for a project of this nature does not necessarily render the project non viable when measured against Triple Bottom Line criteria. However, the magnitude of the negative financial feasibility result suggests that Concept Plan 7 should be reviewed to improve the financial result.

This report is an important step in determining the nature and extent of any amendments to Concept Plan 7. The conclusion is that reasonably significant changes will have to be made to Concept Plan 7 to improve financial feasibility.

Coffey Projects and the project team are confident that with the appropriate amendments the project will be able to achieve a positive Triple Bottom Line outcome for the City of Joondalup, stakeholders and the community.

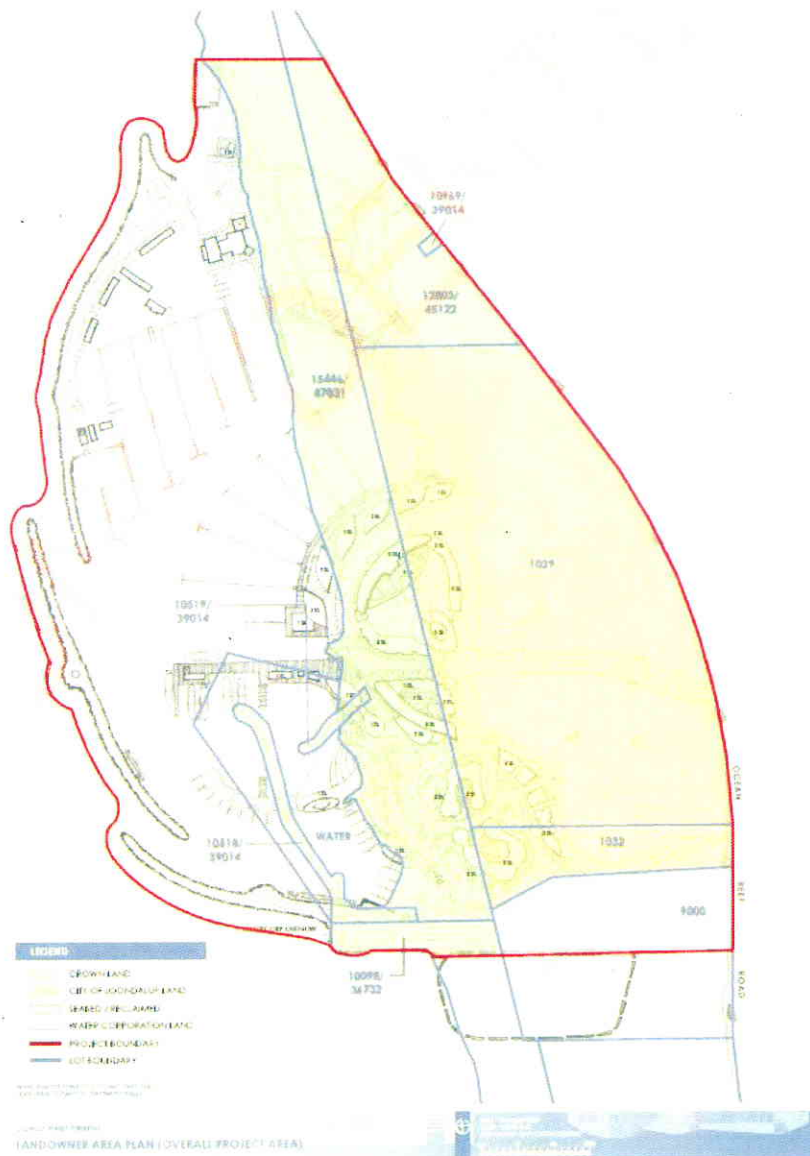
2. BACKGROUND

2.1 Introduction

The City of Joondalup is leading the proposed development of the Ocean Reef Marina through a Structure Plan process.

The Structure Plan approval process requires that the plan be supported by a Business Case. This report is the first step in generating a Business Case.

The proposed development covers sites owned by City of Joondalup, State of Western Australia and the Water Corporation as shown on the plan below:



OVERALL PROJECT AREA

2.2 Project Philosophy and Key Parameters

The following is an extract from the Minutes of Special Council Meeting of Council of 5 May 2009:

The City holds a vision for the Ocean Reef Marina site as a world class recreational, residential and tourism development that encapsulates high levels of environmental sustainability, community amenity and delivers economic growth and social benefit to the residents of the City of Joondalup. The purpose of the vision is to articulate for the record and for historical purposes the intent of the Council in progressing the project, what it is trying to do and why it is trying to do it.

The existing infrastructure at the Ocean Reef Boat Harbour is both outdated and ageing and no longer meets the expectations and needs of present and future generations of City residents or the wider Western Australian community. The site has been recognised as having the potential for development as a major tourism and recreation node for over 30years.

The proposed facilities envisaged for the Ocean Reef Marina redevelopment provide the community with a state of the art iconic marina facility which caters for the needs of the community and provides a balance of residential, commercial and public amenities that will service the community and attract local and outside visitors into the future. The development design principles seek to ensure that the development does not become an exclusive residential enclave but rather an equitable community based facility where visitor and resident alike, can enjoy a variety of first class amenities and leisure activities.

The City recognises that there is limited opportunity for development nodes along its ocean coast line that provides an interface with the community; therefore any development must maximise land use and built form in order to satisfy this unique opportunity while recognising the environmental integrity of the site.

The project attempts to balance the needs of the community with the need to maintain and preserve the natural environmental. The development concepts are sensitive and compatible with the existing environment and provide an interface between sustainable development and the natural marine and terrestrial environments.

At the City of Joondalup Special Meeting of Council on 5 May 2009 the following motion was put and carried (9/0):

That Council ENDORSES the following Project Philosophy and Key Parameters related to the Ocean Reef Marina Development Project:

1 Development Vision

- World class recreation, boating, residential and tourist marina development
- Sustainable community amenity
- Social and economic benefit to all residents
- Balance of public, residential and commercial amenities
- Equitable facility for visitors and residents
- Social and economic maximisation of land use

2 Environmental Strategy

- Best practice management techniques
- Coastal processes
- Flora/fauna
- Geotechnical
- Public amenity
- Innovation in green design and sustainability
- Conservation, maintenance and management of the Bush Forever site

3 Governance and Fiscal responsibility

- High ethical standards
- Probity, legal and legislative compliance
- Accurate and timely expediency in the preparation and submission of required documentation for the approval of a Structure Plan
- Due diligence in the engagement of professional consultants to undertake reports/studies
- Transparent, accountable decision making process

4 Liaison protocol

- Successful, sustainable partnerships with State Government departments and agencies
- Transparent, co-operative communication and consultation with all relevant agencies
- Transparent, co-operative communication and consultation with City of Joondalup residents and the wider community
- Development of a Memorandum of Understanding with the State Government

5 Commerciality

- Best practice financial management
- Maintaining public ownership in accordance with statutory requirements
- Consideration of the establishment of a joint venture partnership

2.3 Recent Project History

Since work started on the project, seven Concept Plans have been generated for the development.

The most recent financial feasibility undertaken on the project was on Concept Plan 5 in November 2008; a summary of this study was presented to the Council on 27 January 2009.

The current concept plan (Concept Plan 7) was advertised for public comment and feedback in May 2009. An overwhelming positive public response was received. The outcomes of the public process were presented to Council in September 2009 and were referred by Council to the Community Reference Group for comment.

On 15 December 2009 Council approved the preparation of a Structure Plan and Business Case.

It is important to note the essential link between the plan to be submitted for Structure Plan approval and the robustness of the Business Case supporting the plan.

In March 2010 Coffey Projects prepared a Report on the “Next Step” to advance the Business Case attached as Appendix H.

In May 2010 the City of Joondalup instructed Coffey Projects to commence with the recommendation of the “Next Step” report namely to appoint the necessary consultants to maintain the momentum of the Structure Plan process and the preparation of the Business Case.

Concept Plan 7 is the culmination of a lengthy process (including earlier Concept Plans 1-6) and incorporates contributions from the Ocean Reef Marina Community Reference Group and the Ocean Reef Marina Committee of Council. Concept Plan 7 includes an artificial reef to the south of the development site.

The approximate land use yields and areas from Concept Plan 7 are as follows:

LAND USE	UNIT	QUANTITY
Residential Dwellings	Number	585
Short Stay Apartments	Number	125
Hotel rooms	Number	200
Retail	Gross Floor Area (m2)	4000
Food & Beverage	Gross Floor Area (m2)	3600
Commercial	Gross Floor Area (m2)	700
Future Retail	Gross Floor Area (m2)	2100
Mixed use	Gross Floor Area (m2)	1400
Community	Gross Floor Area (m2)	1500
Boat Pens	Number	700-750
Temporary Boat Pens	Number	100-150
Boat Stackers	Number	150-200

Key public facilities include:

FACILITY	COMMENT	LEGEND REF.
Ocean Pool	To the northern end of the development.	1
Public Open Space	Various locations through the development.	2
General Parking	Significant public open (at grade) parking is made available; structured (undercroft) parking is also provided on the individual Super Lots sites	3
Beach	Two internal beaches (one for families, and one closer to the boat club, plus a beach to the north of the development near the Ocean Pool).	5
Dual Use Path	Upgrade and continuation of the existing dual use path providing pedestrian and cyclist access.	6

FACILITY	COMMENT	LEGEND REF.
Bush Forever	Significant, commercially valuable areas have been set aside for Bush Forever. The City of Joondalup has indicated that, in addition, other sites controlled by the City may be set aside as Bush Forever as offsets.	7
“Wayfinder” Markers	Along Ocean Reef Drive.	8
Fauna Underpass	To provide linkages below roads for fauna. Size and number subject to detailed design and environmental input.	9
Helipad	Near the base of the northern sea wall.	10
Clubhouse Site	Provision made for a site to accommodate the ski-boat club.	11, 12
Sea Rescue and DPI Site	Provision made for a site to accommodate DPI and Sea Rescue.	13
Boat Ramps	Near the base of the southern sea wall and in two location on the northern marina edge.	19
Boardwalk	In front of the retail/ food and beverage facilities in the centre of the development (to be provided by super lot developer).	21
Amphitheatre	At the northern end of the marina, close to the northern entrance.	22
Memorial Park	Close to the amphitheatre.	23
Dunal Vegetation	Revegetation in an area where there will be significant excavations for the water body	24
Government Building	Provision for a Police Station.	28
Undercroft Parking Entry	A significant component of the development's parking requirement is provided in structured parking on the various Super Lots. This parking will be a combination of private and public parking.	29
Central Pier	The central pier provides an activity spine and a view corridor along the main Hodges Drive Extension entrance to the development.	32
Marine Museum/ Arts and Crafts	Provision has been made for a site in a prime position in the heart of the main tourist activity zone.	33

FACILITY	COMMENT	LEGEND REF.
Lookout	View platform at the highest point of the site accessed by a pedestrian path through the Bush Forever area.	35
CAT bus system to Joondalup	Provision for bus bay for CAT buses to and from the Joondalup City Centre.	36
Waterpark	Located in the hub of the tourist area close to the main internal beach.	37
Active Play Area	Links to Waterpark and beach area.	38
Grassed Terraces	Close to beach, Waterpark and Active play area.	39
Landmark	Provision has been made for a landmark on the island groyne.	42
Island Groyne	This is not a feature. It is a function of the possible need for a second harbour entrance to aid flushing of the marina.	43
Floating Jetty	To provide a pedestrian loop and calm the water to the swimming beach.	44
Trailer Parking	Provided over the Water Corp easement.	49
Artificial Reef	To the south of the development area. Note that due to nominal tidal changes in Perth, artificial reefs are difficult to make work.	51

4. PURPOSE OF THIS REPORT

The output of this report is a "First Cut" Financial Feasibility contributing to determine the nature and extent of any possible amendments to Concept Plan 7.

The Structure Plan to be submitted must be underpinned by a robust Business Case. The purpose of this report is to interrogate the financial feasibility of Concept Plan 7 to test if Concept Plan 7 is capable of satisfying the financial aspects of the Business Case before presenting Concept Plan 7 as the plan to be submitted for Structure Plan approval.

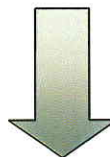
It is important to note that financial viability (favourable or not) is not the sole measure of project viability. The Business Case will assess the project in terms of triple bottom line outcomes (Social, Environmental and Economic).

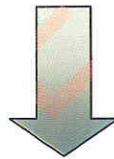
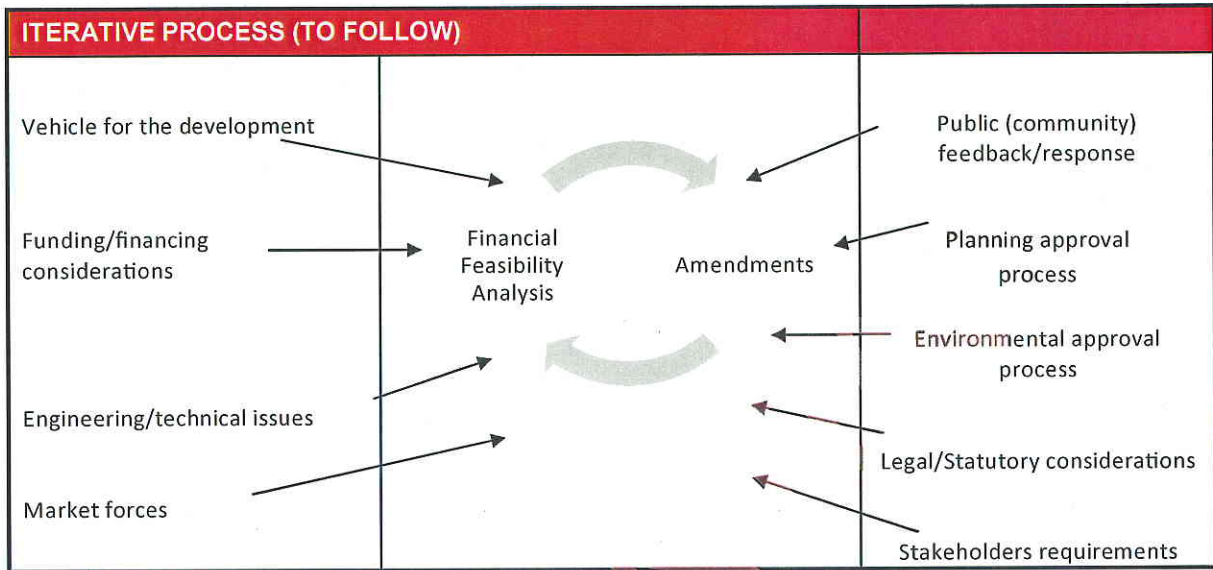
The following diagram illustrates the completed activities, current status and future activities in advancing the Ocean Reef Marina Structure Plan.

COMPLETED	CONCEPT PLAN 7
	Published for public comment Public response received Council has approved Concept Plan 7 and approved the commencement of the business case



CURRENT STATUS (THIS REPORT)	FINANCIAL FEASIBILITY ON CONCEPT PLAN 7
	Anticipated development revenue and costs Output: "First Cut" Financial feasibility contributing to determine the nature and extent of any amendment to Concept Plan 7





OUTPUT FROM ITERATIVE PROCESS (TO FOLLOW)	CONCEPT PLAN 8
	Capable of being supported by a BUSINESS CASE addressing the triple bottom line outcomes. To be submitted as the STRUCTURE PLAN for approval

5. METHODOLOGY

5.1 The Need for an Updated Feasibility

As mentioned in section 2.3, the most recent financial feasibility undertaken was on Concept Plan 5 in November 2008.

The need for an updated financial feasibility, with the supporting detailed studies and investigations to test Concept Plan 7 was underpinned by the following:

- The key technical data supporting the previous financial feasibility was sourced from desk top investigations and existing information – not actual field tests and studies;
- Concept Plan 7 differs significantly from Concept 5 in terms of layout and facilities; and
- The impact of the GFC on the market had not been fully realised in November 2008.

5.2 Super Lot Diagram

To assist in determining the revenue potential of the development TBB prepared the Super Lot diagram (shown over) which identifies 12 Super Lots and the "Basket of Rights" attached to each Super Lot.

City of Joondalup – Ocean Reef Marina
Financial Feasibility - Contributing to Determine
the Nature and Extent of any Amendments to Concept Plan 7



The assumption was made that a notional Marina Developer would develop the infrastructure and facilities and then sell (or lease) the Super Lots to the market. The “purchasers” of the Super Lots would then be responsible for developing the top structures on the Super Lots in accordance with the basket of rights and design guidelines. The Marina Developer would be responsible for the common facility infrastructure and delivering the “purchasers” fully serviced, vacant sites on which to develop.

The Financial Feasibility Report by Colliers determines land values for each of the Super Lots.

As part of the costing exercise MRA superimposed the Super Lot diagram on the Concept Plan 7 to assist in clarifying the allocation of costs between the Marina Developer and the Super Lot “Purchasers”.

5.3 Hydrographic Survey

The marine infrastructure is the major cost contributor to the entire development. Because of the uncertainty regarding the accuracy of the hydrographic survey information and the significant cost sensitivity of the marine infrastructure to the level of the seabed, MAPS were commissioned to undertake a hydrographic survey at 4 cross sections through the marina as shown overleaf.

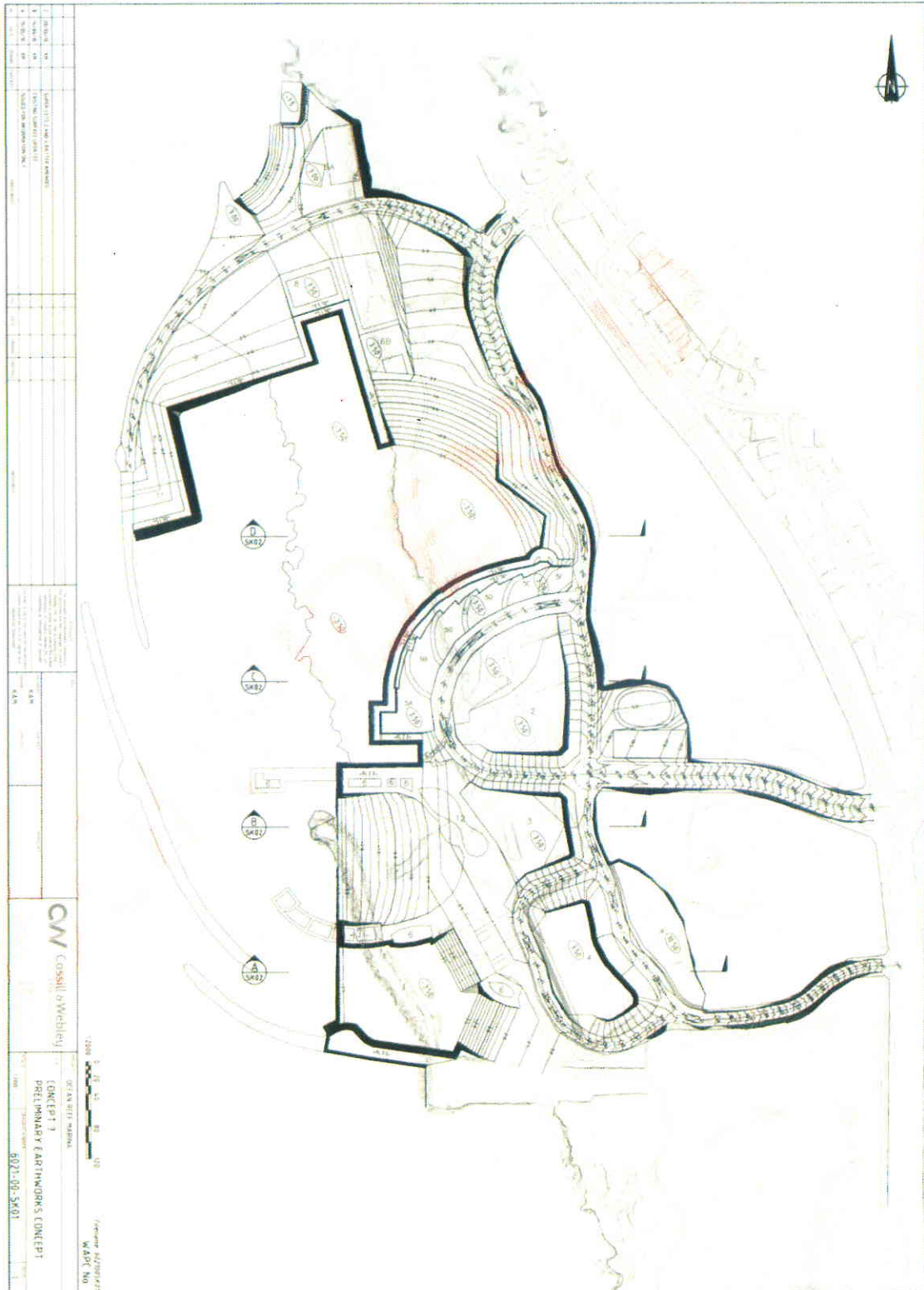
The survey was completed after some delay following adverse weather conditions. The survey data was used to validate contours obtained from existing sources (LIDAR). The correlation between the actual marine survey and the LIDAR information for the area was excellent which provided comfort in the calculation of the quantities of the bulk earthworks and the marine structures.

5.4 Bulk Earthworks

Using the validated survey data, C&W prepared a bulk earthworks model to calculate the bulk earthworks volumes and to determine the vertical alignment of the roads, retaining systems and the extent of undercroft (basement) parking excavations.

As explained in 5.7, the bulk earthworks model incorporates quarrying of on-site material for the core of the sea walls and the limestone cladding.

City of Joondalup – Ocean Reef Marina
Financial Feasibility - Contributing to Determine
the Nature and Extent of any Amendments to Concept Plan 7



5.5 Phasing

The project team analysed the phasing of Concept Plan 7 to suit construction sequencing and market demand. The phasing plan in 8.1 below was generated by MRA following a meeting between MRA, C&W, Colliers and Coffey Projects. The phasing plan provided input to the infrastructure costs and the revenue analysis.

5.6 Parking Plan

The parking requirements for the development were accommodated by providing open, public parking and by providing private and public parking in undercroft parking on certain Super Lots. The number of parking bays provided balances with the parking requirements determined by TBB in accordance with the land uses indicated on Concept Plan 7.

5.7 Sea Wall Details

MRA designed typical cross sections for the sea walls. The cross sections differ according to position. Where possible, limestone armour is proposed; however the external faces of the sea walls require granite cladding which will have to be trucked in from commercial quarries in the region.

MRA determined that a quarrying operation on site to provide the core and the limestone armour would be cost effective and would further reduce the number of trucks importing / exporting material.

5.8 Value Engineering

A key focus of the project team was to strictly adhere to analysing Concept Plan 7 and to not get sidetracked on possible alternatives including land use and the realignment of roads, the perimeter of the marina water body and sea walls.

The initial bulk earthworks calculations generated a significant net earthworks surplus, which apart from adding significant haulage costs, to the project also poses a significant environmental issue with multiple truck loads of material being removed from site with the associated noise, dust and general traffic disruptions. Instead of the initial concept of conventional jetties the surplus material was used to create the proposed jetties and then simply decked to give the appearance of a conventional jetty. This solution not only assisted in balancing the earthworks but also reduced the cost of the jetties.

To reduce the inconvenience and cost of later bulk earthworks operations the decision was made to substantially excavate the undercroft parking areas of the affected Super Lots. Whilst this does increase the initial costs, these excavations would be far cheaper than if they were undertaken at a later stage, in a more confined environment by the respective Super Lot “purchasers” resulting in improved revenue calculations for the affected Super Lots.

6. PROJECT COSTS – CONCEPT PLAN 7

6.1 Anticipated Estimated Development Costs

MP Rogers and Associates (MRA) in conjunction with Cossill & Webley (C&W) prepared a cost estimate of the marine infrastructure, bulk earthworks, roads, drainage and servicing for Concept Plan 7 as detailed in Concept Plan 7 Cost Estimate (attached as Appendix A).

In addition, Davis Langdon prepared Preliminary Indicative Order of Construction Cost Allowances (attached as Appendix B) which included the costs as per MRA's report but also included additional allowances for costs not provided for by MRA such as Community Buildings, Public Amenities, Landscaping, Entrance Statements, Sustainability Initiatives, Helipad and additional professional fees.

Davis Langdon also prepared a Private Developer Preliminary Opinion of Probable Cost Benchmark allowances based on the Fully Enclosed Covered Area (F.E.C.A.) which was used by Colliers in the assessment of the residual values of the individual Super Lots.

The information provided by MRA and Davis Langdon was reanalysed by Colliers and tabled into phases for application of the projected timings of the marina and Super Lot development. For full details of the Colliers costs analysis refer to Appendix C, in particular Chapter 11.

A summary of the Anticipated Estimated Development Costs interpreted from the Colliers report is as follows:

Anticipated Estimated Development Costs of Concept Plan 7 (ex GST)	
Project Management (Sales Revenue)	\$2,438,700
Marketing Coordination Fee	\$812,900
Selling Commissions	\$1,219,350
Settlement Fees	\$121,935
Project Administration Fee	\$2,372,262
Project Management on Cost Base	\$2,220,905
Marketing Expense	\$1,625,800
Statutory Planning and Implementation Fees	\$750,000
Phase 1 Professional Fees	\$6,258,403
Phase 1 Infrastructure	\$77,053,153
Phase 2 Professional Fees	\$600,425
Phase 2 Infrastructure	\$8,256,489
Phase 3 Professional Fees	\$5,083,031
Phase 3 Infrastructure	\$63,090,778
Phase 4 Professional Fees	\$1,067,643
Phase 4 Infrastructure	\$13,031,179
Temporary Relocation Existing Facilities	\$4,000,000
Seawater Swimming Pool	\$10,164,000
Surf Reef	\$7,081,800
Community Buildings	\$875,000
Cont'd over)	

Anticipated Estimated Development Costs of Concept Plan 7 (ex GST)	
Public Amenities	\$2,970,000
Helipad	\$300,000
Entry Statement	\$500,000
Estate Maintenance	\$818,585
Rates and Taxes	\$0
Development Finance	\$0
	\$212,712,338

6.2 Assumptions and Clarifications

Top Structures to Super Lots: The costs of top structures on the individual Super Lots is excluded from the above table. The costs of the top structures, including the allocated basement parking, will be covered by the respective Super Lot developers. Colliers has factored this into the calculations of the anticipated revenues for each Super Lot.

Rates and taxes: For the purposes of this assessment, it has been assumed the projects will be exempt from all rates and taxes on the englobo land throughout the development.

Development Finance: The project feasibility analysis has been taken exclusive of development financing on a discounted cashflow basis. This is implicit in the discount rate adopted.

Escalation: The above costs are based on static (current) costs. The financial feasibility model takes cost escalation into account as detailed in Table 20 of Appendix C.

Land Assembly- Acquisition Costs (Stamp Duty): It is assumed that the initial land assembly is at Nil costs and attracts no transfer and statutory charges.

Boat Pens: This analysis excludes the development of boat pens and ongoing marina operations. The assumption is that the Department of Transport (Coastal Infrastructure) will take responsibility for the marina waterways and that the boat pens would be provided by the Department of Transport and the Boat Club.

Note: The above assumptions and clarifications are not intended to replace the exclusions, assumptions and clarifications included in the reports by the various consultants annexed hereto but to rather provide an executive summary of such exclusions, assumptions and clarifications to assist the understanding of this report.

7. PROJECT REVENUE – CONCEPT PLAN 7

7.1 Land Tenure

Using the Super Lot Diagram [referred to in 5.2 (also attached as Appendix E)] Colliers determined probable (notional) land tenure (Interest in Land) as per the Concept Plan 7 Yield Table below.

TBB CONCEPT PLAN 7 YIELD INPUT									
Site No	Land Use	Interest In Land	Yield Analysis						
			Site Area (m ²)	Retail	Commercial or Retail	Apartments	Short Stay	Hotel	Onsite Car Parking
1	Mixed Use Residential and Retail	Freehold Estate in Fee Simple	8,719	200	0	365	0	0	390
2	Mixed Use Residential and Retail	Freehold Estate in Fee Simple	16,070	1,800	350	220	0	0	580
3	Mixed Use Hotel/Short Stay	Freehold Estate in Fee Simple	13,000	650	800	0	20	200	575
4	Short Stay	Freehold Estate in Fee Simple	27,572	0	0	0	105	0	435
5	Tourist Retail	Freehold Estate in Fee Simple	12,240	4,950	0	0	0	0	0
6A	Tourist Retail	Leasehold	6,538	535	0	0	0	0	0
6B	Tourist Retail	Leasehold	2,853	415	0	0	0	0	0
7	Tourist Retail	Leasehold	3,424	2,100	0	0	0	0	0
8	Club	Leasehold	29,930	0	0	0	0	0	0
9	Marine Industrial/Service Commercial - Chandlery	Leasehold	8,312	0	0	0	0	0	0
10	Marine Industrial/Service Commercial	Leasehold	4,570	0	0	0	0	0	0
11	Marine Industrial/Service Commercial -Sea Rescue	Leasehold	3,208	0	0	0	0	0	0
12	Community	Leasehold	2,341	0	0	0	0	0	0
			138,777	10,650	1,150	585	125	200	1,980

7.2 Methodology

Colliers determined the gross realisation (revenue) for each Super Lot by examining the available market evidence and applied the direct comparison approach to value and prepared a preliminary hypothetical development calculation as a check.

For the hypothetical development revenue calculations Colliers applied a direct comparison to both the commercial/ retail strata and residential dwellings on \$/m2 NLA. Where retail is the primary use, Colliers has attributed a rental to the retail NLA and then capitalised to arrive at a capital value.

Colliers applied a similar capitalisation method to the leasehold interest with the end value being a reflection of the present value of income for a notional 21 year lease term.

The revenue analysis took into account (where applicable) the future Super Lot developer obligations to provide structured parking and the bulk earthworks on the respective Super Lots to be undertaken by the Marina developer.

7.3 Revenue

The anticipated revenues for each of the Super Lots is based on “as if complete” market value estimates for both freehold and leasehold estates potentially able to be sold.

FREEHOLD ESTATES			
Site	Site Area	Total NLA m ²	Capital Value
1	8,719	25,400	\$17,450,000
2	16,070	28,510	\$13,650,000
3	13,000	16,150	\$3,250,000
4	27,572	35,350	\$6,900,000
5	12,240	4,950	\$12,250,000
Totals			\$53,500,000

LEASEHOLD ESTATES			
Site	Site Area Curtilage	Possible GLA m ²	Capital Value
6A	800	200	\$450,000
6B	2,853	400	\$2,150,000
6C	4,000	600	\$3,750,000
6D	1,000	250	\$1,300,000
6E	2,000	400	\$2,250,000
7	3,424	2,100	\$3,850,000
10	4,570	0	\$2,600,000
11	3,208	0	\$0
Totals			\$20,400,000

7.4 Assumptions and Clarifications

Escalation: The above revenues are based on current “as if complete” market value estimates. The feasibility model takes into account the timing of the revenue stream and escalates the anticipated revenues as per the Price Escalation table, table 20 in Appendix C.

“As if Complete”: *“as if complete” valuation means a valuation that assumes the proposed development to be in a completed state as at the date of valuation and reflects current market conditions at the date of valuation.*

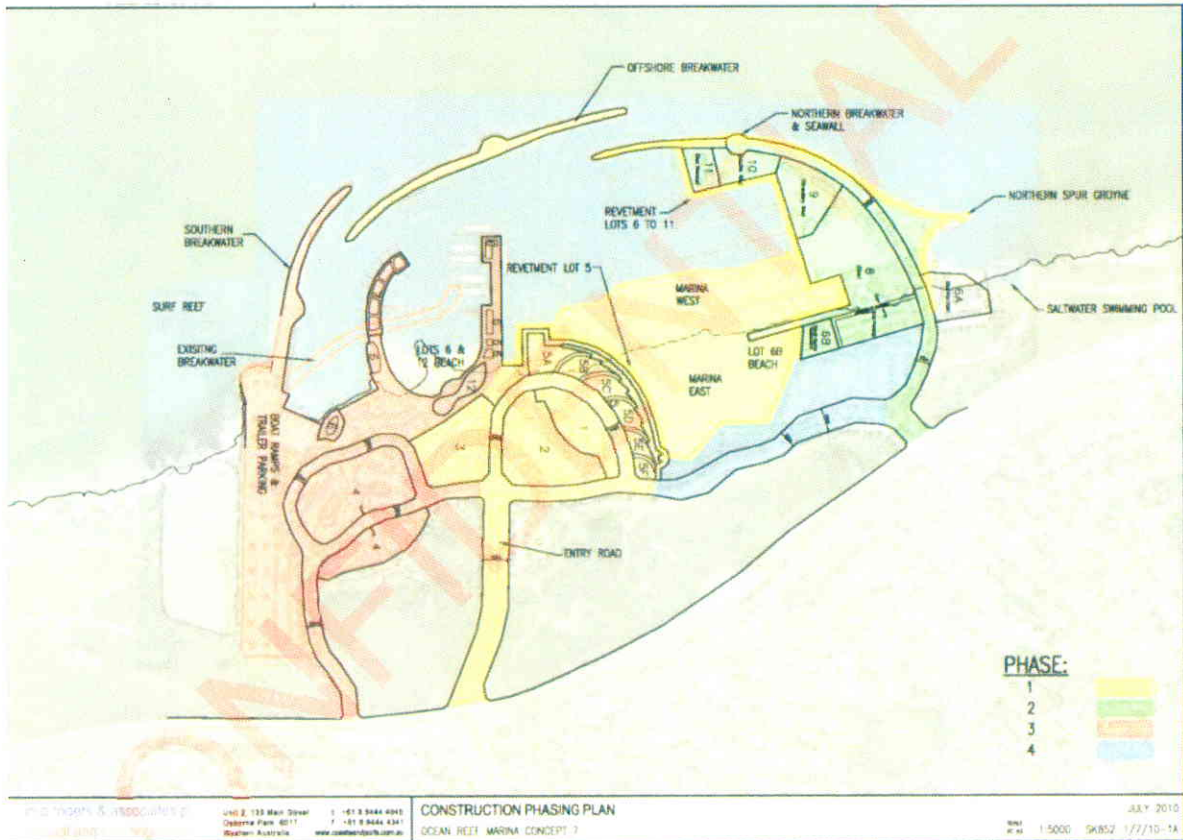
Boat Pens: This analysis excludes the development of boat pens and ongoing marina operations. The assumption is that the Department of Transport (Coastal Infrastructure) will take responsibility for the marina waterways and that the boat pens would be provided by the Department of Transport and the Boat Club.

Note: The above assumptions and clarifications are not intended to replace the exclusions, assumptions and clarifications included in the reports by the various consultants annexed hereto but to rather provide an executive summary of such exclusions, assumptions and clarifications to assist the understanding of this report.

8. PHASING AND PROGRAM – CONCEPT PLAN 7

8.1 Phasing Diagram

The phasing diagram (under) was prepared with input from MRA, C&W, CP, Colliers and Davis Langdon. This phasing diagram was used as the basis for the timing of the cashflows for the financial feasibility.



8.2 Timings

A summary of the general tasks and the timing provision for the “First Cut” financial feasibility is tabulated below:

Timings			
Cash Flow Start Date	01 Sep 2010		
Planning	Period (months)	Start	End date
LSP – Statutory Planning	18	01 Sep 2010	29 Feb 2012
Subdivision Approval	6	01 Dec 2011	30 May 2012
Detailed Design	9	01 May 2012	31 Jan 2013
Tender, Award and Mobilisation	3	01 Feb 2013	30 Apr 2013
Construction			
Marina and Civil Works – Phase 1	24	01 May 2013	30 Apr 2015
Marketing and Sales			
Construction Periods thereafter		01 May 2014	31 May 2026
Marina and Civil Works – Phase 4	12	01 Dec 2016	30 Nov 2017
Marina and Civil Works – Phase 4	18	01 Jan 2019	30 Jun 2020
Marina and Civil Works – Phase 4	12	01 Feb 2022	31 Jan 2023



9. FINANCIAL FEASIBILITY – CONCEPT PLAN 7

The headings and text that follow in *italics* have been extracted from Chapter 10 of the Colliers report (attached as Appendix C).

9.1 Methodology

The assessment approach applied is discounted cash flow analysis in accordance with Department of Treasury and Finance, 2005, Project Evaluation Guidelines, Government of Western Australia. This approach best replicates the probable development scenario whilst recognising the attributes and disadvantages of site specific land use and built form limitations, benefit of location, amenity and existing planning and infrastructure framework. The modelling technique and the basis for assessment reflect present industry standards in respect to residential subdivision and property development.

The discounted cash flow methodology is one that recognises the time value of money, inflation, financial risk and opportunity. The discounting process requires the selection of a discount rate that is used to bring all future cash flows both positive and negative back to a present value for comparative purposes. It is accepted throughout the industry that the net present value rule for investment decision criteria is the most robust and technically correct.

Moreover, the resultant Present Value (PV) is then adopted as being a realistic guide to the “residual value” of the land, in that it measures what a prudent purchaser would be able to pay for the land for subdivision/development purposes and make a profit from the venture, while at the same time being sufficiently rewarded for the risk undertaken.

Future cash flows are determined by firstly, calculating the gross realisation for the lots yielded by subdivision, establishing anticipated selling rates and price escalation; and then deducting from this figure an allowance for project management, selling commission, legal expenses, advertising, Goods and Services Tax, whilst simultaneously mapping all planning and development costs; rates and taxes, including a provision for cost escalation and the initial purchase expenses.

The projected income stream reflects the anticipated growth, or otherwise, inherent in a property investment based upon the physical and market characteristics related to that property. The future values quoted for property prices and costs are projections only, formed on the basis of information currently available and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

9.2 Discount Rate Selection

Under normal circumstances, we believe the land by virtue of location, would be highly sought after by many of the major land and property developers Australia wide. Unimpeded, we believe the land as a development site, would command a tight (competitive) discount rate in price analysis.

Having said that, the land is heavily constrained by topography, access to servicing infrastructure and requirements to meet marina infrastructure and public parking provisions on a narrow footprint. This is compounded by a high proportion (by land area) of marina product which traditionally offers a relatively low return for capital invested. Accordingly, this would prudently advance an uncertainty factor in discount rate analysis above usual commercial terms. Since 2002, analysed market discount rates have typically ranged from 15% to 22%, with 15% - 17% for the more premium locations.

Further to this, consideration was given to State policy on project evaluation by reference to Department of Treasury and Finance, 2005, Project Evaluation Guidelines (PEG). PEG references several methods to determine discount rates for Government projects. These methods and definitions are summarised as follows;

“The Rule of Thumb”

A quick and simple approximation for the discount rate for a given level of risk is the Rule of Thumb method. This has the advantage of enabling a quick assessment of the likely magnitude of the rate and does not require sophisticated calculations.

Rates are divided into categories of low, medium and high risk, and are accorded 3%, 5% and 7% premiums, respectively, over the WATC long term borrowing rate. This broad banding approach recognises that the precision of theoretical models is more apparent than real, although the underlying concept of risk premium is sound.

“Weighted Average Cost of Capital”

The Capital Asset Pricing Model (CAPM) and the Weighted Average Cost of Capital (WACC) model can be used to ascertain a market based risk premium for a given project. This approach is more complex, but technically more robust than the Rule of Thumb approach.

The CAPM is used to ascertain the relevant cost of equity for a given level of risk. This is then combined with the cost of debt funds according to the relative amount of debt and equity used to fund the project. This combined approach is known as the Weighted Average Cost of Capital.

“Recent Commercial Examples”

It is recommended that the broad banded and theoretical approach to discount rates be checked against observable commercial rates for projects with a similar risk profile, preferably in the private sector, using recent projects of a similar nature, or confirmed with companies that operate in similar areas of industries. Consultants can often provide this information.

9.3 Discount Rate Conclusion

Having considered the above discussion, status of planning, comments and market enquiry, market analysis of comparable discount rates, we consider a commercial discount rate of 25% per annum is appropriate. This discount rate is in our view cognisant of the opportunity and risks. Despite the above policy position signalling as primary an evaluation and decision based on Net Present Value (NPV), it has been our past experience that a positive NPV is not always paramount and wider consideration has been afforded factors of economic stimulus and effect into the broader community, as well as acknowledgement of community and state infrastructure needs.

9.4 Projected Proceeds of Concept Plan 7

The financial analysis results in a **negative net cashflow** indicating a project loss. The magnitude of the loss and the resultant residual value of the land on a present value basis indicates strongly that **Concept Plan 7 is not financially feasible** and is unlikely to become financially feasible in the short to medium term.

A sensitivity analysis conducted by Colliers indicates that minor amendments to Concept Plan 7 would not generate a favourable financial feasibility result.

Concept Plan 7 generates a project deficit of \$178.7 million over a forecast development term of 15 years.

The resultant Net Present Value is negative \$44.3 million.

Summary Project and Financial Data		
Projected Timings -Feasibility Assumptions	Escalated Inputs	Unescalated Inputs
Project Start	September-10	
Civil Works Commencement	May-13	
First Settlements	June-15	
Final Settlements	May-26	
Duration (years)	15.76	
Project Return Analysis		
Profit on Cost	(66.60%)	(65.84%)
Average annual profit on cost	(4.23%)	(4.18%)
Peak Debt		
Level of Debt	(\$179,499,994)	(\$137,099,113)
Date	February-26	February-26
Break Even	Not Achieved	Not Achieved
Project Discount Rate	25.00%	15.00%
Project Present Value	(\$44,335,000)	(\$56,990,000)
Cost of Capital	9.48%	9.48%
Modified Internal Rate of Return	11.08%	5.69%

Summary Project Cash Flow Data		
Ocean Reef Marina Option 7	Escalated	Unescalated
Gross Realisation From Sales	\$102,753,661	\$81,290,000
Plus Other Income		
Prefunded Infrastructure Phase 1	\$2,375,650	\$1,980,000
Prefunded Infrastructure Phase 3	\$473,581	\$308,000
	\$2,849,231	\$2,288,000
Total Revenue	\$105,602,892	\$83,578,000
Less		
GST on Land Sales	(\$9,600,263)	(\$7,598,000)
Project Management (Sales Revenue)	(\$3,390,871)	(\$2,682,570)
Marketing Coordination Fee	(\$1,130,290)	(\$894,190)
Selling Commissions	(\$1,695,435)	(\$1,341,285)
Settlement Fees	(\$169,544)	(\$134,129)
	(\$15,986,403)	(\$12,650,174)
Gross Development Revenue	\$89,616,489	\$70,927,827
Less		
Project Administration Fee	(\$2,609,488)	(\$2,609,488)
Project Management on Cost Base	(\$3,165,553)	(\$2,442,996)
Marketing Expense	(\$2,260,581)	(\$1,788,380)
Statutory Planning and Implementation Fees	(\$825,000)	(\$825,000)
Phase 1 Professional Fees	(\$7,325,303)	(\$6,884,243)
Phase 1 Infrastructure	(\$93,796,340)	(\$84,758,468)
Phase 2 Professional Fees	(\$827,549)	(\$660,468)
Phase 2 Infrastructure	(\$11,605,035)	(\$9,082,138)
Phase 3 Professional Fees	(\$7,528,092)	(\$5,591,334)
Phase 3 Infrastructure	(\$96,228,355)	(\$69,399,856)
Phase 4 Professional Fees	(\$1,802,046)	(\$1,174,407)
Phase 4 Infrastructure	(\$22,430,573)	(\$14,334,297)
Temporary Relocation Existing Facilities	(\$4,606,010)	(\$4,400,000)
Seawater Swimming Pool	(\$19,234,690)	(\$11,180,400)
Surf Reef	(\$13,401,833)	(\$7,789,980)
Community Buildings	(\$1,334,582)	(\$962,500)
Public Amenities	(\$4,529,952)	(\$3,267,000)
Helipad	(\$516,390)	(\$330,000)
Entry Statement	(\$647,642)	(\$550,000)
Estate Maintenance	(\$1,138,194)	(\$900,443)
GST Recovery	\$27,472,668	\$21,271,234
Rates and Taxes	\$0	\$0
Development Finance	\$0	\$0
	(\$268,340,542)	(\$207,660,164)
Net Proceeds	(\$178,724,053)	(\$136,732,338)

10. POSSIBLE AMENDMENTS TO CONCEPT PLAN 7

The focus of the study team has been on the financial feasibility of Concept Plan 7. The study team strictly restricted costs and revenues to the facilities and mix of uses described in Concept Plan 7.

It is important to note that the driving factors that led to the generation of Concept Plan 7 were not financial feasibility orientated but more community orientated. Thus it does not come as a surprise that the financial feasibility of Concept Plan 7 generates a negative result and that is the main reason for undertaking the financial feasibility of Concept Plan 7 before presenting a plan for Structure Plan approval.

The primary contributor to the negative financial feasibility result is the high cost associated with the delivery of the marina and civil service infrastructure, and requisite double basement parking to meet private and public parking. This is compounded by low revenue generating land uses on large, expensive Super Lots.

During the study period, as the negative financial feasibility result became more apparent, the study team was able to identify areas where Concept Plan 7 could be amended to generate an improved financial feasibility result.

Possible areas of improvement include:

- Reducing the size of the marina water body by not cutting into the land. This will result in huge savings on earthworks;
- A reduced water body would assist in flushing and accordingly the need for the expensive double harbour entry would be eliminated thus saving capital and maintenance costs;
- Amending the mix of uses to increase revenue;
- Review parking requirements in line with an amended mix of uses to reduce multilevel undercroft (basement) parking on the Super Lots;
- Phasing the construction and roll out to avoid temporary relocation costs; and
- Reviewing the expensive "Nice-to-have" elements included in Concept Plan 7 and providing more practical, affordable alternatives.

11. THE WAY FORWARD

11.1 Comment

The community has demonstrated clear and overwhelming support for the Ocean Reef Marina and is anxious to see a start to the development. It is essential to the success of the project that the momentum of the project and the project team be maintained.

It could be said that Concept Plan 7 tried to provide everything to everyone. The reality is that Concept Plan 7 is not financially viable.

A negative Net Present Value for a project of this nature does not necessarily render the project non viable when measured against Triple Bottom Line criteria. However, the magnitude of the negative financial feasibility result suggests that Concept Plan 7 should be reviewed to improve the financial result.

The outcome of this report should not be seen as a negative. The exercise has been an important step in determining the nature and extent of any amendments to Concept Plan 7. The conclusion is that reasonably significant changes will have to be made to Concept Plan 7 to improve financial feasibility.

Coffey Projects and the project team are confident that with the appropriate amendments, the project will be able to achieve a positive Triple Bottom Line outcome for the City of Joondalup, stakeholders and the community.

11.2 Recommendation

In view of the above, Coffey Projects recommends that:

1. The City of Joondalup instructs the Project Team to proceed with the Iterative Process to **modify** Concept Plan 7 to generate a Concept Plan that yields an improved financial feasibility result whilst still adhering to the City's Vision for the Ocean Reef Marina; and
2. The Project Team be expanded to include:
 - An Environmental Consultant to continue with the necessary environmental studies to support the Structure Plan application process; and
 - An Economic Analysis Consultant to report on the broader economic benefits that the project is likely to generate to support the Business Case.

12. GLOSSARY

C&W	Cossill & Webley – Consulting Engineers
Coffey Projects	Coffey Projects (Australia) Pty Ltd
Colliers	Colliers International (WA) Pty Ltd
Davis Langdon	Davis Langdon – Global Construction Consultants
MAPS	McMullen Nolan & Partners – Land Surveyors
Marina Developer	The notional entity that will be the developer of the infrastructure and serviced super lots
MRA	MP Rogers & Associates Pty Ltd – Coastal and Port Engineers
NLA	Nett Lettable Area
<i>Super Lot</i>	One of the 12 notional lots created to be sold or leased to the market.
TBB	Taylor Burrell Barnett – Town Planning & Design

13. ACKNOWLEDGEMENTS

Coffey Projects wishes to acknowledge the valuable contributions of the City of Joondalup and the consultant team.



Business Case Superlots Review of Option 7
OCEAN REEF MARINA

DRAFT

date:	01/11/2009	designer:	WHD	scale:	1:5000/1000
client:	WHD	site no.:	PLANNING	status:	15
project no.:	33/09/2009	author:	PLANNING	date:	15
revision:	15	date:	15		

Taylor Kerrall Domestic Town Planning & Design
 2/17 Brisbane Street, Brisbane, Queensland, Australia
 Tel: 07 3402 2023 Fax: 07 3402 4188
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Ocean Reef Marina Option 7.1

Release	Site	Land Use	Site Area m ²	Retail NLA (m ²)	Short Stay	Residential Apts	Lots (Ave 350m ²)	Ave Lot Rate	Adopted Rate \$/m ²	Adopted Value	GST Inclusive
1	2	Marine Industry/Service Commercial	4,570						\$750	\$3,450,000	\$3,795,000
1	3	Marine Industry/Service Commercial	8,312						\$650	\$5,400,000	\$5,940,000
1	10	Single Residential Lots	21,150				60	\$816,667	\$2,317	\$49,000,000	\$49,000,000
2	8	Mixed use Retail/Residential	2,473	480		40			\$850	\$2,100,000	\$2,310,000
2	9	Mixed use Retail/Residential	1,265	240		20			\$2,500	\$3,150,000	\$3,465,000
3	11	Retail	7,448	3,000					\$1,200	\$8,950,000	\$9,845,000
4	7	Mixed use Retail/Residential	3,280	800		54			\$2,000	\$6,550,000	\$7,205,000
4	16	15/16 combined Retail Apartment	11,548	1,120		286			\$1,500	\$17,300,000	\$19,030,000
4	17	Single Residential Lots	24,563				69	\$818,841	\$2,300	\$56,500,000	\$56,500,000
5	13	Short Stay Site	8,005		32				\$1,000	\$8,000,000	\$8,800,000
5	12	Retail Tavern	3,200	1,200					\$1,500	\$4,800,000	\$5,280,000
6	6	North Marina Restaurant	4,202	500					\$650	\$2,750,000	\$3,025,000
6	14	Residential/Hotel/Short Stay/Retail and Public Parking	24,800	1,000	105	295			\$500	\$12,400,000	\$13,640,000
			124,816	8,340	137	695	129			\$180,350,000	\$187,835,000

Ocean Reef Marina Option 7.1

Ocean Reef Marina Option 7.1	Escalated	Static
Gross Realisation From Sales	\$226,374,378	\$187,835,000
Plus Other Income		
Prefunded Infrastructure Phase 1	\$1,588,617	\$1,324,043
Prefunded Infrastructure Phase 4	\$1,733,219	\$1,324,043
	\$3,321,836	\$2,648,085
Total Revenue	\$229,696,214	\$190,483,085
Less		
GST on Land Sales	(\$20,881,474)	(\$17,316,644)
Project Management (Sales Revenue)	(\$7,470,354)	(\$6,198,555)
Marketing Coordination Fee	(\$2,490,118)	(\$2,066,185)
Selling Commissions	(\$3,735,177)	(\$3,099,278)
Settlement Fees	(\$373,518)	(\$309,928)
	(\$34,950,642)	(\$28,990,589)
Gross Development Revenue	\$194,745,572	\$161,492,496
Less		
Project Administration Fee	(\$1,593,279)	(\$1,593,279)
Project Management on Cost Base	(\$2,100,252)	(\$1,834,564)
Marketing Expense	(\$4,980,236)	(\$4,132,370)
Statutory Planning and Implementation Fees	(\$825,000)	(\$825,000)
Phase 1 Professional Fees	(\$9,166,516)	(\$8,614,595)
Phase 1 Infrastructure	(\$104,261,048)	(\$94,214,835)
Phase 4 Professional Fees	(\$4,298,436)	(\$3,638,470)
Phase 4 Infrastructure	(\$56,805,114)	(\$46,234,100)
Temporary Relocation Existing Facilities	(\$4,606,010)	(\$4,400,000)
Temporary Car Park Site 14	(\$1,955,668)	(\$1,650,000)
Community Buildings	(\$1,237,935)	(\$962,500)
Public Amenities	(\$4,201,907)	(\$3,267,000)
Helipad	(\$405,452)	(\$330,000)
Entry Statement	(\$647,642)	(\$550,000)
Estate Maintenance	(\$2,521,245)	(\$2,092,012)
GST Recovery	\$19,424,992	\$16,910,243
Rates and Taxes	\$0	\$0
Development Finance	\$0	\$0
	(\$180,180,749)	(\$157,428,483)
Net Proceeds	\$14,564,823	\$4,064,013
Projected Timings - Feasibility Assumptions		
Project Start	September-10	September-10
Civil Works Commencement	May-13	May-13
First Settlements	June-15	June-15
Final Settlements	February-21	February-21
Duration (years)	10.50	10.50
Project Return Analysis		
Profit on Cost	8.08%	2.58%
Average annual profit on cost	0.77%	0.25%
Peak Debt		
Level of Debt	(\$114,190,816)	(\$103,702,416)
Date	May-15	April-15
Break Even	February-21	February-21
Project Discount Rate	25.00%	15.00%
Project Present Value	(\$24,510,000)	(\$21,990,000)
Cost of Capital	9.48%	9.48%
Modified Internal Rate of Return	14.17%	9.81%

Ocean Reef Marina Option 7.1

Values	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Grand Total
Sum of Settlements	0	0	0	0	6	58	2	70	0	2	2	0	140
Sum of Gross Realisation from Sales	\$0	\$0	\$0	\$0	\$6,190,668	\$64,322,756	\$20,293,233	\$90,865,767	\$0	\$19,581,641	\$25,120,313	\$0	\$226,374,378
Sum of GST on Revenue	\$0	\$0	\$0	\$0	(\$562,788)	(\$5,991,943)	(\$1,844,839)	(\$8,418,090)	\$0	(\$1,780,149)	(\$2,283,665)	\$0	(\$20,881,474)
Sum of Prefunded Infrastructure Phase 1	\$0	\$0	\$0	\$0	\$0	\$1,588,617	\$0	\$0	\$0	\$0	\$0	\$0	\$1,588,617
Sum of Prefunded Infrastructure Phase 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,733,219	\$0	\$0	\$0	\$0	\$1,733,219
Sum of Project Management	\$0	\$0	\$0	\$0	(\$204,292)	(\$2,122,651)	(\$669,677)	(\$2,998,570)	\$0	(\$646,194)	(\$828,970)	\$0	(\$7,470,354)
Sum of Marketing Coord	\$0	\$0	\$0	\$0	(\$68,097)	(\$707,550)	(\$223,226)	(\$999,523)	\$0	(\$215,398)	(\$276,323)	\$0	(\$2,490,118)
Sum of Commissions	\$0	\$0	\$0	\$0	(\$102,146)	(\$1,061,325)	(\$334,838)	(\$1,499,285)	\$0	(\$323,097)	(\$414,485)	\$0	(\$3,735,177)
Sum of Settlement	\$0	\$0	\$0	\$0	(\$10,215)	(\$106,133)	(\$33,484)	(\$149,929)	\$0	(\$32,310)	(\$41,449)	\$0	(\$373,518)
Sum of Marketing	\$0	\$0	\$0	(\$136,195)	(\$1,415,101)	(\$446,451)	(\$1,999,047)	\$0	(\$430,796)	(\$552,647)	\$0	\$0	(\$4,980,236)
Sum of Administration	(\$111,229)	(\$137,142)	(\$141,256)	(\$145,494)	(\$149,859)	(\$154,355)	(\$158,985)	(\$163,755)	(\$168,668)	(\$173,728)	(\$88,809)	\$0	(\$1,593,279)
Sum of Project Management on Cost Base	(\$3,946)	(\$31,199)	(\$107,390)	(\$525,618)	(\$678,960)	(\$184,321)	(\$507,976)	(\$42,866)	(\$6,677)	(\$4,109)	(\$4,109)	(\$3,082)	(\$2,100,252)
Sum of Statutory Planning and Implementation Fees	(\$358,696)	(\$430,435)	(\$35,870)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$825,000)
Sum of Phase 1 Professional Fees	\$0	(\$509,251)	(\$3,055,505)	(\$3,055,505)	(\$2,546,255)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,166,516)
Sum of Phase 1 Infrastructure	\$0	\$0	(\$3,961,920)	(\$4,727,989)	(\$5,571,138)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$104,261,048)
Sum of Phase 4 Professional Fees	\$0	\$0	\$0	\$0	(\$1,002,968)	(\$1,719,375)	(\$1,576,093)	\$0	\$0	\$0	\$0	\$0	(\$4,298,436)
Sum of Phase 4 Infrastructure	\$0	\$0	\$0	\$0	\$0	(\$14,258,084)	(\$42,547,031)	\$0	\$0	\$0	\$0	\$0	(\$56,805,114)
Sum of Temporary Relocation Existing Facilities	\$0	(\$1,896,592)	(\$2,709,418)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,606,010)
Sum of Temporary Car Park Site 14	\$0	\$0	\$0	\$0	(\$1,955,668)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,955,668)
Sum of Community Buildings	\$0	\$0	\$0	\$0	\$0	\$0	(\$515,806)	(\$722,129)	\$0	\$0	\$0	\$0	(\$1,237,935)
Sum of Public Amenities	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,167,196)	(\$2,801,271)	(\$233,439)	\$0	\$0	\$0	(\$4,201,907)
Sum of Helipad	\$0	\$0	\$0	\$0	\$0	(\$405,452)	\$0	\$0	\$0	\$0	\$0	\$0	(\$405,452)
Sum of Entry Statement	\$0	\$0	\$0	\$0	(\$647,642)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$647,642)
Sum of Estate Maintenance	\$0	\$0	\$0	\$0	\$0	(\$373,518)	(\$373,518)	(\$373,518)	(\$373,518)	(\$373,518)	(\$373,518)	(\$280,138)	(\$2,521,245)
Sum of Rates and Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of GST Recovery	\$38,760	\$224,812	\$746,640	\$4,088,708	\$6,315,734	\$1,743,441	\$4,803,691	\$876,933	\$161,036	\$210,961	\$185,667	\$28,608	\$19,424,992
	(\$435,110)	(\$2,779,807)	(\$9,264,719)	(\$44,502,094)	(\$52,408,727)	\$40,123,659	(\$26,854,793)	\$75,306,983	(\$1,052,061)	\$15,691,453	\$20,994,653	(\$254,612)	\$14,564,823
Cumulative Cash Flow	(\$435,110)	(\$3,214,917)	(\$12,479,637)	(\$56,981,731)	(\$109,390,458)	(\$69,266,800)	(\$96,121,593)	(\$20,814,609)	(\$21,866,671)	(\$6,175,218)	\$14,819,435	\$14,564,823	

Ocean Reef Marina Option 7.1

PRESENT VALUE SENSITIVITY

		Change in Base Revenue Forecast								
		(20.00%)	(15.00%)	(10.00%)	(5.00%)	0.00%	5.00%	10.00%	25.00%	50.00%
Change in Cost Forecast	(\$24,510,000)									
	(20.00%)	(\$19,960,000)	(\$17,845,000)	(\$15,730,000)	(\$13,615,000)	(\$11,500,000)	(\$9,385,000)	(\$7,275,000)	(\$930,000)	\$9,645,000
	(15.00%)	(\$23,210,000)	(\$21,095,000)	(\$18,980,000)	(\$16,865,000)	(\$14,755,000)	(\$12,640,000)	(\$10,525,000)	(\$4,180,000)	\$6,390,000
	(10.00%)	(\$26,460,000)	(\$24,350,000)	(\$22,235,000)	(\$20,120,000)	(\$18,005,000)	(\$15,890,000)	(\$13,775,000)	(\$7,430,000)	\$3,140,000
	(5.00%)	(\$29,715,000)	(\$27,600,000)	(\$25,485,000)	(\$23,370,000)	(\$21,255,000)	(\$19,140,000)	(\$17,025,000)	(\$10,685,000)	(\$110,000)
	0.00%	(\$32,965,000)	(\$30,850,000)	(\$28,735,000)	(\$26,620,000)	(\$24,510,000)	(\$22,395,000)	(\$20,280,000)	(\$13,935,000)	(\$3,365,000)
	5.00%	(\$36,215,000)	(\$34,105,000)	(\$31,990,000)	(\$29,875,000)	(\$27,760,000)	(\$25,645,000)	(\$23,530,000)	(\$17,185,000)	(\$6,615,000)
	10.00%	(\$39,470,000)	(\$37,355,000)	(\$35,240,000)	(\$33,125,000)	(\$31,010,000)	(\$28,895,000)	(\$26,780,000)	(\$20,440,000)	(\$9,865,000)
	15.00%	(\$42,720,000)	(\$40,605,000)	(\$38,490,000)	(\$36,375,000)	(\$34,265,000)	(\$32,150,000)	(\$30,035,000)	(\$23,690,000)	(\$13,120,000)
	20.00%	(\$45,970,000)	(\$43,860,000)	(\$41,745,000)	(\$39,630,000)	(\$37,515,000)	(\$35,400,000)	(\$33,285,000)	(\$26,940,000)	(\$16,370,000)

NET CASH FLOW SENSITIVITY

		Change in Base Revenue Forecast								
		(20.00%)	(15.00%)	(10.00%)	(5.00%)	0.00%	5.00%	10.00%	25.00%	50.00%
Change in Cost Forecast	\$14,564,823									
	(20.00%)	\$10,456,674	\$20,142,041	\$29,827,407	\$39,512,774	\$49,198,141	\$58,883,508	\$68,568,874	\$97,624,974	\$146,051,808
	(15.00%)	\$1,798,345	\$11,483,711	\$21,169,078	\$30,854,445	\$40,539,811	\$50,225,178	\$59,910,545	\$88,966,645	\$137,393,479
	(10.00%)	(\$6,859,985)	\$2,825,382	\$12,510,749	\$22,196,115	\$31,881,482	\$41,566,849	\$51,252,215	\$80,308,316	\$128,735,149
	(5.00%)	(\$15,518,314)	(\$5,832,947)	\$3,852,419	\$13,537,786	\$23,223,153	\$32,908,519	\$42,593,886	\$71,649,986	\$120,076,820
	0.00%	(\$24,176,644)	(\$14,491,277)	(\$4,805,910)	\$4,879,457	\$14,564,823	\$24,250,190	\$33,935,557	\$62,991,657	\$111,418,490
	5.00%	(\$32,834,973)	(\$23,149,606)	(\$13,464,240)	(\$3,778,873)	\$5,906,494	\$15,591,861	\$25,277,227	\$54,333,327	\$102,760,161
	10.00%	(\$41,493,302)	(\$31,807,936)	(\$22,122,569)	(\$12,437,202)	(\$2,751,835)	\$6,933,531	\$16,618,898	\$45,674,998	\$94,101,832
	15.00%	(\$50,151,632)	(\$40,466,265)	(\$30,780,898)	(\$21,095,532)	(\$11,410,165)	(\$1,724,798)	\$7,960,569	\$37,016,669	\$85,443,502
	20.00%	(\$58,809,961)	(\$49,124,594)	(\$39,439,228)	(\$29,753,861)	(\$20,068,494)	(\$10,383,128)	(\$697,761)	\$28,358,339	\$76,785,173

MIRR SENSITIVITY

		Change in Base Revenue Forecast								
		(20.00%)	(15.00%)	(10.00%)	(5.00%)	0.00%	5.00%	10.00%	25.00%	50.00%
Change in Cost Forecast	14.17%									
	(20.00%)	14.15%	14.80%	15.42%	16.00%	16.55%	17.08%	17.58%	18.95%	20.90%
	(15.00%)	13.50%	14.15%	14.77%	15.35%	15.91%	16.43%	16.43%	18.38%	20.40%
	(10.00%)	12.83%	13.50%	14.13%	14.73%	15.30%	15.83%	16.35%	17.77%	19.79%
	(5.00%)	12.25%	12.92%	13.56%	14.15%	14.72%	15.26%	15.77%	17.19%	19.21%
	0.00%	11.70%	12.38%	13.01%	13.60%	14.17%	14.71%	15.22%	16.63%	18.66%
	5.00%	11.18%	11.85%	12.48%	13.08%	13.65%	14.19%	14.70%	16.11%	18.13%
	10.00%	10.68%	11.35%	11.98%	12.58%	13.15%	13.69%	14.20%	15.61%	17.63%
	15.00%	10.20%	10.87%	11.51%	12.10%	12.67%	13.21%	13.72%	15.13%	17.15%
	20.00%	9.74%	10.41%	11.05%	11.65%	12.21%	12.75%	13.27%	14.68%	16.69%

ITEM 1 OCEAN REEF MARINA COMMUNITY REFERENCE GROUP – CONCEPT PLAN 7 FINANCIAL FEASIBILITY BRIEFING

WARD:	All
RESPONSIBLE	Mr Garry Hunt, Chief Executive Officer
FILE NUMBER:	04171, 07303
ATTACHMENTS:	Attachment 1 Attendance Register – 8 December 2010 Attachment 2 Additional slides – power point presentation

PURPOSE

This report provides the outcomes of the Ocean Reef Marina Community Reference Group at its meeting held on 8 December 2010 in response to the Committee's decision to refer the Ocean Reef Marina: Financial Feasibility Concept Plan 7 Report and Concept Plan 7.1 to the Group for their comment and feedback.

EXECUTIVE SUMMARY

A meeting of the Ocean Reef Marina Community Reference Group was convened on 8 December 2010 the purpose of which was to brief the Group on the results of the financial feasibility of Concept Plan 7.

The Group were also asked to provide comment on the recommendations arising from the Ocean Reef Marina Committee at its meeting held on 29 November 2010 relating to the proposed amendments to the plan (Concept Plan 7.1).

RECOMMENDATION

That the Ocean Reef Marina Committee NOTES the:

- 1 report related to the Ocean Reef Marina Community Reference Group – Concept Plan 7 Financial Feasibility Briefing;*
- 2 Ocean Reef Marina Community Reference Group support of the Committee's recommendations for the Ocean Reef Marina Development based on Concept Plan 7.1.*

BACKGROUND

At its meeting held on 19 February 2008 (CJ004-02/08 refers), Council resolved to appoint 34 people to the Ocean Reef Marina Community Reference Group (CRG) under the following categories:

- Individuals representing resident of Ocean Reef.
- Individuals representing surrounding suburbs including Iluka, Mullaloo, Heathridge, Connolly and Currambine.

- Individuals representing community groups/agencies.
- Individuals representing northwest corridor communities.

The role of the group was to:

- help the City develop a concept design and structure for the Ocean Reef Marina;
- ensure the issues and concerns of the community are adequately represented;
- represent the interests of the wider community;
- act as a conduit to disseminate information and feedback to and from the wider community;
- liaise with extended networks and community groups to facilitate information sharing about the project.

Since its formation in 2008, the Group met on five occasions to consider, discuss and provide comment on the initial concept designs (Concept Plan 1 – 6) the result of which was the positive endorsement of Concept Plan 6 in January 2009. In consideration of the feedback and comments received from the Group, some minor modifications were incorporated into Concept Plan 7.

Following endorsement of Concept Plan 7 as the plan to be progressed towards a Structure Plan for the Ocean Reef Marina Site and for release for public comment for a period of 60 days (JSC7-05/09 refers), Council agreed to the continuation of the Group past the public consultation period (JSC8-05/09 refers) and subsequently referred the report on the Ocean Reef Marina Concept Plan community consultation to the Group for further comment (CJ217-09/09 refers). The matter was then to be referred back to the Ocean Reef Marina Committee for further consideration (CJ217-09/09 refers).

In accordance with the *Local Government Act 1995*, following the local government elections held on 17 October 2009, Council re-established the Ocean Reef Marina Community Reference Group and confirmed the appointment of Group members (CJ246-11/09 refers).

DETAILS

A meeting of the Ocean Reef Marina Community Reference Group was convened on 8 December 2010. Of the 33 appointees, 16 Group members were in attendance (as detailed in Attachment 1). In addition, three members of the consulting team were also in attendance to provide expert advice as required.

The purpose of the meeting was to brief Group members on the results of the financial feasibility of Concept Plan 7 and to provide the opportunity for Group members to ask questions regarding the proposed amendments to the plan (Concept Plan 7.1).

Group members were also asked to consider, and provide comment on, the recommendations arising from the Ocean Reef Marina Committee at its meeting held on 29 November 2010 relating to Concept Plan 7.1.

The financial feasibility analysis was presented to Group members in the form of a power point presentation which was essentially identical to that presented to the Ocean Reef Marina Committee meeting held 29 November 2010. For the purposes of comparison between Concept Plan 7 and Concept Plan 7.1, two additional slides were added to the presentation (as detailed in Attachment 2) highlighting Concept Plan 7 amenities retained in Concept Plan 7.1.

Community Reference Group Comments

The following comments were provided relative to the Ocean Reef Marina Committee recommendations to Council for the Ocean Reef Marina development based on Concept Plan 7.1:

- **Removal of second marina entry subject to no adverse impact on the water quality within the marina:**

Concur

- **The public open space near the northern entry point not to be utilised for car parking:**

Concur

- **The amphitheatre site to be aligned to create a strong linkage to the water body and beach area:**

There was limited support for the retention of the northern internal beach; however the Group members supported the creation of a strong linkage between the amphitheatre site to the water body area.

- **The concept plan retains the urban design and landscape principles contained within Concept Plan 7 and remains consistent with the vision created in Concept Plan 7:**

Concur.

- **Maximisation of the public equity within the marina:**

Concur.

- **Evaluation of the opportunities for additional short stay accommodation and boutique hotel rooms:**

Concur.

- **A further feasibility analysis to be conducted on the provision of facilities for super yachts and the temporary relocation of the Whitford Volunteer Sea Rescue and Ocean Reef Sea Sport Club:**

No comment.

- **Identification of features/amenities that could be constructed in subsequent development stages:**

No comment.

- **Commercial activities within the northern breakwater perimeter to be at commercial rental:**

Concur.

- **Any modifications and/or amendments to the concept plan to be considered in terms of a financial break-even for the project:**

Concur.

Issues and options considered:

Not Applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Not Applicable.

Strategic Plan

Key Focus Area: Leadership and Governance

Objective: 1.1 To engage proactively with the community

Key Focus Area: The Built Environment

Objective: 4.2 To progress a range of innovative and high quality urban development projects within the city.

4.2.1 Develop a concept for, and commit to, the development of land at the Ocean Reef Marina site.

Policy No Applicable.

Risk Management considerations:

Not Applicable.

Financial/Budget Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

COMMENT**VOTING REQUIREMENTS**

Simple Majority

OFFICER'S RECOMMENDATION: That the Ocean Reef Marina Committee **NOTES** the:

- 1 report related to the Ocean Reef Marina Community Reference Group – Concept Plan 7 Financial Feasibility Briefing;
- 2 Ocean Reef Marina Committee Reference Group support of the Ocean Reef Marina Committee's recommendations for the Ocean Reef Marina Development based on Concept Plan 7.1.

MOVED Cr Hamilton-Prime, SECONDED Cr Amphlett that the Ocean Reef Marina Committee RECOMMENDS that Council:

- 1 **NOTES** the report related to the Ocean Reef Marina Community Reference Group – Concept Plan 7 Financial Feasibility Briefing;
- 2 **NOTES** the Ocean Reef Marina Community Reference Group support of the Ocean Reef Marina Committee's recommendations for the Ocean Reef Marina Development based on Concept Plan 7.1;
- 3 **MAKES** the following additional amendments to Concept Plan 7.1:
 - 3.1 **Reduce** the green space frontage to the Ocean Reef Sea Sports Club building by approximately 2,000m²;
 - 3.2 **That** the parking to the eastern side of the Ocean Reef Sea Sports Club facilities be redesigned and reduced by approximately 4,500m² and designated shared use between general public and Ocean Reef Sea Sports Club members;
 - 3.3 **That** the original Ocean Reef Sea Sports Club designated parking site be modified to enable an additional commercial site(s) to be created in this vicinity;
 - 3.4 **That** the chandlery site alignment be modified at the water's edge to increase the commercial space available;
 - 3.5 **That** the northern inlet area be redesigned to remove the internal beach and be replaced with a hard water interface providing public access;

Noting that:

- The net effect of these suggested changes would be reduce the private Ocean Reef Sea Sports Club car parking by approximately 4,500m² and the green space frontage to the site designated for the Ocean Reef Sea Sports Club building by approximately 2,000m².
- There has been no reduction in the designated space of 204 pens for Ocean Reef Sea Sports Club use.

- 4 REQUESTS the Chief Executive Officer to present a composite report and associated recommendations to Council for consideration, derived from the outcomes of Ocean Reef Marina Committee Meetings held on 29 November 2010 and 13 December 2010 and the Ocean Reef Marina Community Reference Group Meeting held on 8 December 2010.**

The Motion was Put and**CARRIED (5/0)**

In favour of the Motion: Mayor Pickard, Crs Amphlett, Corr, Hamilton-Prime and McLean

Appendix 1 refers

*To access this attachment on electronic document, click here:
[Attach1ORM131210.pdf](#)*

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 7.25 pm; the following committee members being present at that time:

Mayor Troy Pickard
Cr Tom McLean
Cr Geoff Amphlett – Deputy Mayor
Cr Christine Hamilton-Prime
Cr Brian Corr

Category	Name	Signature
A	Ms Emma Bamforth	
C	Mr Ken Blackie – Whitfords Volunteer Sea Rescue Group	
C	Mr Paul Brooker – Ocean Reef Progress Association	ATTENDED
D	Mr Brian Buzzard	ATTENDED
B	Mrs Nazlah Caldwell	
A	Mr Roger Cameron	APOLOGIES
A	Mrs Natalie Campion	
C	Mr Mark Carruthers – Whitfords Volunteer Sea Rescue Group	
B	Mr Andrew Cass	ATTENDED
A	Dr Lynne Dailey	ATTENDED
A	Mr Ken Eastwood	ATTENDED
A	Mr Gavin Foord	ATTENDED
C	Ms Sandra Foster – Ocean Reef Sea Sports Club	ATTENDED
A	Mr Rob Green	
B	Mr Mark Hay	ATTENDED
B	Mr Joh Holenstein	APOLOGIES
D	Ms Donna Ironmonger	ATTENDED
Observer	Mr Albert Jacob MLA	APOLOGIES
B	Mr Damian Jolly	APOLOGIES
B	Mr Oliver Kay	
C	Mr Ron Lindsay – Ocean Reef Sea Sports Club	ATTENDED
B	Ms Carmel Lyttleton	ATTENDED
A	Ms Kerry Nichols	APOLOGIES
D	Ms Michelle Noble	ATTENDED
C	Mr Mike Norman – Joondalup Community Coast Care Forum	ATTENDED
D	Mr Rainer Repke	APOLOGIES
C	Mr Andrew Slomp – Sunset Coast Tourism Association	APOLOGIES
A	Mr Terry Stuart	ATTENDED
D	Mr Rohan Tilbrook	
C	Mr Ken Treen – Boating WA	
B	Mr Chris Wanless	ATTENDED
C	Mr Jonathon Weston – Recfishwest	
B	Mr Craig Wright	ATTENDED
A	Mr Paul Young	

Mayor Troy Pickard
 Councillor Tom McLean
 Garry Hunt, Chief Executive Officer
 Blignault Olivier, Manager City Projects
 Glenda Blake, Manager Strategic and Organisational Development
 Genevieve Hunter, Executive Projects Officer
 Bill Burrell, Taylor Burrell Barnett
 Greg Milne, Wood & Grieve
 John Del Dosso, Colliers International

Ocean Reef Marina Concept Plan 7.1 Comparison



1	Ocean Pool	18	Boat Lifter	35	CAT Bus System to Joondalup
2	Public Open Space	19	Boat Ramps	36	Water Park & Playground
3	General Parking	20	Sea Sports Club Parking	37	Active Play Area
4	Food & Beverage	21	Boardwalk	38	Grassed Terraces
5	Beach	22	Amphitheatre	39	Temporary Boat Docks
6	Dual Use Path	23	Memorial Park	40	Extension of existing groyne
7	Bush Forever	24	Dunal Vegetation	41	Landmark
8	"Wayfinder" Markers	25	DoT Boat Pens	42	Island Groyne
9	Fauna Underpass	26	Waterfront Mixed Use	43	Floating Jetty
10	Helipad	27	Undercroft parking	44	Markets & Stalls Space
11	Sea Sports Club Open Space	28	Government Building	45	Existing Toilets
12	Sea Sports Clubhouse	29	Central Pier	46	Boat Ramp Waiting Bay
13	Sea Rescue & DoT Site	30	Small Supermarket	47	Boat Ramp De-Rigging Bay
14	Boat Stackers	31	Car drop off/pick up	48	Boat Trailer Parking
15	Chandlery Site	32	Marine Museum/Crafts	49	Water Corporation Land
16	Leasable Commercial Site	33	Bus drop off/pick up	50	Super Yacht Berths
17	Club Boat Pens	34	Lookout	51	Artificial Reef

Ocean Reef Marina Concept Plan 7.1

