

Agenda

Special Meeting (SunCentral & Sunshine Coast Airport Quarterly Update)

Thursday, 17 August 2017

commencing at 2.00pm

Nambour Chambers, Corner Currie and Bury Streets, Nambour

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1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**3 OBLIGATIONS OF COUNCILLORS****3.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

3.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

4 REPORTS DIRECT TO COUNCIL**4.1 OFFICE OF THE MAYOR AND THE CEO****4.1.1 SUNSHINE COAST ENTERTAINMENT, CONVENTION AND EXHIBITION FACILITY - FUNCTIONAL BRIEF AND SPECIFICATION PROGRESS REPORT****File No:** F2017/53025**Author:** Coordinator Corporate Strategy & Policy
Office of the Mayor and Chief Executive Officer**Attachments:** Att 1 - Draft Functional Brief and Specification.....*Conf 5/164*
Att 2 - Function Brief Summary Document*Conf 109/164*

PURPOSE

This report provides an update (as at August 2017) on progress with the development of a revised Functional Brief and Specifications for an entertainment, convention and exhibition facility that could be developed within Precinct 2 of the Maroochydore Priority Development Area (PDA).

EXECUTIVE SUMMARY

At the Special Meeting on 8 June 2017, Council received and noted a progress report on the development of a new functional brief and specifications for an entertainment, convention and exhibition facility in the Maroochydore PDA.

PG International Consulting Pty Ltd was engaged on 24 March 2017 to develop a new functional brief and specification that clearly defines the scope, scale and functionality of an entertainment, convention and exhibition facility that could be delivered within Precinct 2 of the Maroochydore PDA.

PG International Consulting Pty Ltd has undertaken analysis of the conventions and business events market and the major entertainment events market and has engaged with each of the parties nominated in the original project brief (including the Sunshine Coast Events Board, the Sunshine Coast Arts Advisory Board and Visit Sunshine Coast). This has culminated in the development of the draft Functional Brief and Specification at **Attachment 1**.

The draft Functional Brief and Specification was discussed at a Strategic Discussion Forum (SDF) on 3 August 2017 and further refinement is occurring with a view to establishing indicative costings and continuing consultation with a number of key stakeholders. The proposed refinements will be included as options in the eventual cost estimates and architectural designs. It was recognised that a key element in considering any further refinements to the specifications is to ensure best value for money.

The summary of the draft Functional Brief and Specification at **Attachment 2** will be tested with key stakeholders including Visit Sunshine Coast, the Sunshine Coast Events Board, Sunshine Coast Arts Advisory Board and the General Manager of The Events Centre, Caloundra, prior to any formal recommendations being brought back to Council for consideration.

Rider Levett Bucknall, a construction consultancy specialising in management, cost consultancy and advisory services has also been engaged to provide a high-level cost estimate of the specification presented in the draft Functional Brief and Specification. PG International are working with Rider Levett Bucknall to provide a realistic cost estimate for the

facility based on benchmark facilities. The refinements to the draft Functional Brief and Specification will be included in these cost estimates.

Recently, the Sunshine Coast Entertainment, Convention and Exhibition facility has been nominated by the Department of Infrastructure, Local Government and Planning (DILGP) as a candidate project eligible to proceed to the next phase of the Maturing the Infrastructure Pipeline Program (MIPP). In partnership with Council, DILGP will progress this proposal by engaging professional service providers to undertake early stage assessments in line with the Queensland Treasury Project Assessment Framework, which will assist in informing the development of the final business case for this facility.

The timing of the Queensland Government's MIPP has not yet been specified but Council will continue to work with DILGP to confirm project scope, process and timeframe to engage professional service providers to conduct the early stage assessment.

The intention is to finalise the Business Case for the entertainment, convention and exhibition facility in order to make representations to the Queensland Government for a funding commitment for inclusion in the 2018-2019 State budget.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Sunshine Coast Entertainment, Convention and Exhibition Facility - Functional Brief and Specification Progress Report".

FINANCE AND RESOURCING

The cost associated with the development of the new functional brief and specifications for the entertainment, convention and exhibition facility is being met from within the budget for major projects research and investigations within the Office of the Mayor and Chief Executive Officer

CORPORATE PLAN

Corporate Plan Goal: *A smart economy*

Outcome: 1.2 - New capital investment in the region

Operational Activity: 1.2.2 - Work with SunCentral Maroochydore Pty Ltd advance the opportunities to secure investment in a premium hotel and entertainment, convention and exhibition facilities.

CONSULTATION

Portfolio Councillor Consultation

The Mayor (as Portfolio Councillor for Region Making Projects, which includes the Sunshine Coast Entertainment, Convention and Exhibition Facility) has been consulted throughout the development of the high-level conceptual brief and recommendations.

Internal Consultation

Consultation has occurred with:

- All Councillors at the Strategic Discussion Forum
- Executive Leadership Team at the Strategic Discussion Forum

External Consultation

Consultation has taken place with each of the following parties as part of gathering market demand intelligence to inform the development of the function brief and specifications:

- General Manage, the Events Centre, Caloundra
- Chief Executive Officer and Business Events Manager, Visit Sunshine Coast
- Chief Executive Officer, SunCentral Maroochydore Pty Ltd
- Sunshine Coast Events Board
- Sunshine Coast Arts Advisory Board
- Tourism and Events Queensland
- Department of State Development
- Department of Tourism, Small Business, Major Events and the Commonwealth Games
- Professional Conference Organisers Bureau
- Entertainment industry representatives

Community Engagement

No broad scale community engagement has taken place on this project at this time.

PROPOSAL

One of the core gaps in the economic and social infrastructure mix within the region is the availability of quality entertainment, convention and exhibition facilities. This places the region at a significant disadvantage compared to other key regional centres in Queensland (and interstate) in terms of the ability to attract business conventions, exhibitions, corporate and government events, conferences and indoor entertainment events.

For over 20 years, Council has examined the need for entertainment, convention and exhibition facilities within the region, their potential scope and functionality and potential delivery strategies. The most recent detailed examination took place in 2010-2011 by the Ranbury Group and associated consultants to examine the feasibility of delivering a facility that could deliver this functionality.

The specification developed by Ranbury was costed in 2011 at \$327 million and is considered unlikely to achieve a viable facility for the region that could be delivered by the private sector – without significant funding from Council and other tiers of government. The current fiscal constraints on the federal and State governments and the withdrawal and contraction of relevant funding programs means the prospects of obtaining any significant financial contribution for the entertainment, convention and exhibition facility from other levels of government are likely to be limited.

There are some specific opportunities where Council may be able to attract a level of government funding contribution or utilise the value of a government process to secure investment in an entertainment, convention and exhibition facility. However, none of these pathways will be successful unless Council has a clear and viable specification and a robust business case to support the achievement of its expectations around such a facility. Until now, the only material that Council has to support its desire to see an entertainment, convention and exhibition facility delivered are the reports compiled by Ranbury. This material has proven to be both inadequate and not commensurate with the investment intention of either tiers of government or the private sector.

Given the length of time that has elapsed since the development of the Ranbury report, the existence of alternative and more affordable design options, Council's existing infrastructure funding commitments and the lack of funding commitment by either of the other tiers of government, a more affordable and functionally appropriate scope for an entertainment, convention and exhibition facility needs to be defined.

On 18 August 2016 as part of its consideration of a Confidential Report on a strategic land opportunity for the Maroochydore PDA, Council authorised (SM16/22) the Chief Executive

Officer to work with SunCentral Maroochydore Pty Ltd to develop revised minimum specifications for entertainment, convention and exhibition facilities that Council would seek to have delivered on Precinct 2.

In making this decision, Council has effectively set aside the model and specifications for an entertainment, convention and exhibition centre that had been developed in 2011 by Ranbury and associated consultants and considered by Council on 31 January 2012 (OM12/13).

Project Scope

PG International Consulting Pty Ltd was engaged on 24 March 2017 to develop a new functional brief and specifications that clearly defines the scope, scale and functionality of an entertainment, convention and exhibition facility that could be delivered within Precinct 2 of the Maroochydore City Centre PDA. It is intended the entertainment, convention and exhibition facility would be co-located with a premium hotel, dining, retail, residential apartments and entertainment facilities.

PG International Consulting Pty Ltd has undertaken analysis of the conventions and business events market and the major entertainment events market and has engaged with each of the parties nominated in the original project brief (including the Sunshine Coast Events Board, the Sunshine Coast Arts Advisory Board and Visit Sunshine Coast).

Consultation on an early draft Functional Brief and Specification took place with the Councillor and Council Officer Working Group on Community Facilities in the Maroochydore City Centre. The draft was refined to reflect feedback from these consultations and in particular to provide additional information on the demand / needs analysis of the business events, conventions, exhibition and entertainment market in regional areas, locations proximate to capital cities and Australia, to provide a stronger evidence base to address the divergence of views in relation to the "entertainment" functionality of the proposed venue. An indicative overview of the programming that could be delivered from a facility developed in line with the draft specification was also developed and included in the Draft Functional Brief and Specification discussed at the SDF on 3 August 2017.

Following the SDF discussion, the draft Functional Brief and Specification is being revised to include the additional refinements requested.

Rider Levett Bucknall, a construction consultancy specialising in management, cost consultancy and advisory services has been engaged to provide a high-level cost estimate of the specification presented in the draft Functional Brief and Specification. PG International is working with Rider Levett Bucknall to provide a realistic cost estimate for the facility based on benchmark facilities. The refinements to the draft Functional Brief and Specification following the SDF discussion will be reflected in the cost estimate.

Further consultations with key stakeholders on the summary of the draft Functional Brief and Specification will also be undertaken prior to finalising their recommended Functional Brief and Specifications.

Legal

There are no legal issues in relation to the matters contained in this report.

Policy

The progression of this project is being undertaken in line with Council directions and Council's policy environment. Investigation of the development of an entertainment, convention and exhibition facility is a commitment in Council's Corporate Plan.

Risk

The key risk is that if a revised Functional Brief and Specification is not developed, Council will not be in a position to successfully attract investment by either the private sector or other tiers of government in a facility of this nature. Governments will not invest in a project of this type and scale without a clear functional proposition and supporting business case. The Functional Brief and Specifications are required to inform the development of any robust business case and to engage meaningfully with potential private investors.

In respect of servicing and supporting the performing arts, Council has previously identified and endorsed The Events Centre at Caloundra as the region's primary performing arts venue to 2029. It is not intended that the scope, scale and functionality of the proposed entertainment, convention and exhibition facility would duplicate or cannibalise the market share currently enjoyed by, and serviced through, The Events Centre. However, the capacity to accommodate elements of the performing arts in the proposed entertainment, convention and exhibition facility within the Maroochydhore PDA into the future is not being overlooked.

Previous Council Resolution

Council resolved on 8 June 2017 (SM 17/26) as follows:

That Council receive and note the report titled "Sunshine Coast Entertainment, Convention and Exhibition facility - Functional Brief Progress Report".

Council resolved on 18 August 2016 (SM 16/22) as follows:

That Council authorise the Chief Executive Officer to proceed as discussed in confidential session in relation to the Strategic Land Opportunity in the Maroochydhore Priority Development Area.

Council resolved on 21 August 2014 (OM14/120) as follows:

That Council:

- (a) receive and note the report titled "Sunshine Coast Performance and Community Venues Service Plan 2014-2029"*
- (b) adopt the "Sunshine Coast Performance and Community Venues Service Plan 2014-2029" (Appendix A) as amended and*
- (c) note the "Sunshine Coast Performance and Community Venues Service Plan 2014-2029 – Supporting Resources" (Appendix B) as amended.*

The *Sunshine Coast Performance and Community Venues Services Plan 2014-2029* confirms Council's intention to position The Events Centre, Caloundra as Council's primary performance venue.

Council resolved on 31 January 2012 (OM 12/13) as follows:

That Council:

- (a) agree, subject to Governor in Council's gazettal of the acquisition of the Horton Park Golf Club, to make publicly available the Feasibility Study into a Sunshine Coast Entertainment, Convention and Exhibition Centre Report and the following appendices:*

- (i) *Sunshine Coast Entertainment, Convention and Exhibition Centre Feasibility Report October 2011 (Ranbury) Appendix A;*
 - (ii) *Sunshine Coast Entertainment, Convention and Exhibition Centre Implementation Strategy October 2011 (Ranbury) Appendix B;*
 - (iii) *Sunshine Coast Entertainment, Convention and Exhibition Centre and surrounding Precinct Design Report (Ranbury) Appendix C;*
- (b) *request the Chief Executive Officer to prepare for consideration by council prior to 31 March 2013 a funding and delivery strategy for major region building projects across the region which includes the Sunshine Coast Entertainment, Convention and Exhibition Centre, taking account of:*
- (i) *council's long term financial plan;*
 - (ii) *the need for organisational changes to deliver the strategy;*
 - (iii) *the likelihood, opportunity and timing of securing funds from other levels of government and/or the private sector and methods for building stronger intergovernmental relationships;*
 - (iv) *the level of business and community support for such projects and methods for building unified support for such projects;*
 - (v) *the optimal timing for the delivery of the projects taking into consideration the relative contribution to the economic, social and environmental future of the Sunshine Coast; and*
 - (vi) *refer consideration of funds for (b) above to the 2012/2013 budget process.*

Related Documentation

- Sunshine Coast Entertainment, Convention and Exhibition Centre Feasibility Report – October 2011 (prepared by Ranbury) and related reports
- Precinct Plan for Precinct 2 within the Maroochydore Priority Development Area
- *The Value of Business Events to Australia* - Business Events Council of Australia (2015)
- Sunshine Coast Council Corporate Plan 2017-2022

Critical Dates

Councillors have requested that indicative cost estimates are reported back to a future meeting of Councillors prior to formal consideration of the final functional brief and specifications. That report is to include any further feedback on the draft functional brief and specifications from Councillors and key stakeholders. This will be followed by finalisation of Functional Brief and Specification for consideration by Council.

The timing of the Queensland Government's MIPP has not yet been specified but Council will continue to work with DILGP to confirm project scope, process and timeframe to engage professional service providers to conduct the early stage assessment.

The intention is to finalise the Business Case for the entertainment, convention and exhibition facility in order to make representations to the Queensland Government for a funding commitment for inclusion in the 2018-2019 State budget.

Implementation

Subject to Council noting the progress with this project, further work will be progressed on refining the draft functional brief and specification, sourcing indicating cost estimates and undertaking further consultation with stakeholders.

4.2 ECONOMIC DEVELOPMENT AND MAJOR PROJECTS**4.2.1 SUNSHINE COAST AIRPORT EXPANSION PROJECT - DESIGN AND CONSTRUCTION UPDATE**

File No: SCAEP
Author: Project Director (Sunshine Coast Airport Expansion)
Economic Development and Major Projects Department

PURPOSE

The purpose of this report is to update Councillors on the status of preparations for the delivery of the Sunshine Coast Airport Expansion Project (SCAEP or the Project).

EXECUTIVE SUMMARY

Both the preliminary and early works activities associated with the delivery of the Sunshine Coast Airport Expansion Project continue to progress in accordance with the program.

The Design Consultancy Services Contract was awarded to Beca Consulting Pty Ltd on 18 May 2017.

The Scope of Works and Technical Criteria (SWTC) Contract was awarded to Jacobs Group on 7 June 2017. Jacobs Group facilitated a Design Objective Workshop on Monday 10 July 2017 with stakeholders including Palisade Investment Partners and their advisors confirming the updated project scope statement.

The Runway Construction Contract has progressed to Stage 2, with the shortlisted tenderers providing comment on the draft contract documentation. The comments received from the tenders have been reviewed by Council's legal advisors and a number of changes are proposed. The second draft is to be redistributed to the shortlisted for final review. Four Early Tender Information Workshops have been scheduled, with the first workshop held on Monday 17 July 2017 addressing the environmental approvals process (environmental approvals and authorised permits and regulatory approvals).

After ongoing discussions with AirServices Australia in relation to the new Air Traffic Control (ATC) Tower, advice has been received that a business case is being prepared to augment the current tower operations with camera vision. This will have to be approved by Civil Aviation Safety Authority (CASA). A new tower is not in the current AirServices Australia five-year capital program. A revised draft Heads of Agreement for the transfer of Commonwealth Land (Lot 898) has been prepared for consideration by Council's Legal Services Branch.

The required environmental approvals necessary to enable the project have progressed further with:

- seven applications now having been lodged formally and still under review
- five applications having been approved to date
- a further eight applications to be lodged by the end of September 2017
- four to be submitted in late 2017 and in 2018 by the successful contractor and
- seven identified as being no longer required.

The Cultural Heritage Management Plan (the Plan) continues to progress with the quotes called for additional works requested by the Traditional Owners claimant group for the engagement of an Historian and an Anthropologist. Correspondence has been sent to the claimant representatives to request consideration of the draft Plan, taking into consideration the supplementary activities that are scheduled.

Unitywater's relocation activities have been completed one month ahead of schedule. Energex continues to progress its activities and remain on schedule.

The upgrade of Finland Road by Council's workforce is forecasted to be completed by late July 2017 and remains ahead of schedule despite the wet weather disruptions.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Sunshine Coast Airport Expansion Project – Design and Construction Update".

FINANCE AND RESOURCING

End of Financial Year processing for 2016/17 has been completed; the actuals for the whole project amounted to an expenditure of \$8.81 million. The forecasted expenditure for 2016/17 was \$14.33 million, a variance of \$5.52 million. The majority of this variance was due to the following:

- Design did not commence until 12 May 2017
- Site clearing was postponed after discussions with the Department of Environment and Heritage Protection
- Payment relating to the impact on Ground Parrot habitat deferred by the Department of Environment and Heritage Protection
- Cost savings.

Period 13 adjustments continue to be applied to the 2016/17 budget, with the final 2016/17 expenditure to be published in early August 2017.

Project Team

The Project Team continues to oversee the control mechanisms required to be applied to meet the mandatory governance requirements that underpin the project delivery process.

The recently advertised position, Project Scheduler, has been appointed and the successful applicant commenced on 12 July 2017. Interviews for the Project Manager (Construction) were undertaken in the first week of July, with an offer made to the successful candidate.

External consultants continue to be engaged to acquire the mandatory environmental approvals required prior to the commencement of the construction works.

CORPORATE PLAN

Corporate Plan Goal: *A smart economy*

Outcome: 1.2 - New capital investment in the region

Operational Activity: 1.2.6 - Continue works on the construction of the new runway, including appointment of design and construction contractors.

CONSULTATION

Portfolio Councillor Consultation

Progress was reported to Portfolio Councillors at the Project Control Group meeting held on 4 May 2017.

Internal Consultation

- Director Economic Development and Major Projects
- Project Director (Major Projects)
- Procurement Specialist, Procurement and Contracts Branch
- Solicitor, Legal Services Branch

- Coordinator Planning and Major Projects, Sunshine Coast Airport
- Consultant Advisor

The Sunshine Coast Airport Project Steering Group (PSG) met on 21 July 2017 and will continue to meet on a monthly basis.

External Consultation

- Arthur J Gallagher
- Beca Consulting Pty Ltd
- Converge Heritage and Community
- Energex Ltd
- Jacobs Group
- Kabi Kabi First Nation People Claimant Representatives
- King & Wood Mallesons
- Unitywater

The Transition Project Control Group (Sunshine Coast Airport) attended by two representatives each from Council and from the airport operator – Palisade Investment Partners – met on 30 May 2017 and 22 June 2017.

The Airport Expansion Technical Reference Group (TRG) consists of a representative from the Sunshine Coast Airport, an appointed Consultant on behalf of Palisade Investment Partners (Airworks Consulting Pty Ltd), and a representative from the Expansion Project Team. The group has continued to meet on a regular basis discussing the technical issues associated with the delivery of the runway and aprons. All future meetings will be incorporated into the weekly Design Review Group meetings, effective 25 July 2017.

The Department of State Development auspiced Sunshine Coast Airport Strategic Oversight Committee met on 24 July 2017 for a general overview of the Project.

Community Engagement

The Project Environmental Impact Statement (EIS) and the Additional Environmental Impact Statement (AEIS) were made available for public consultation in 2014 and 2015 respectively.

PROPOSAL

The early works activities progressed well this quarter with contracts being awarded and completed and several of the necessary environmental approvals being received, with the remainder being progressed in accordance with the program.

The following contracts were awarded or progressed:

- The Design Consultancy Services Contract was awarded to Beca Consulting Pty Ltd on 12 May 2017.
- The Scope of Works and Technical Criteria (SWTC) Consultancy Contract was awarded to Jacobs Group on 7 June 2017.
- The Runway Construction Contract Tender – Stage 2. The shortlisted tenderers provide comment on the draft contract documentation. External lawyers reviewed the comments received and only minor changes were made to the contract. A second draft contract document has been distributed for a final review.

In addition, the Contract Information Session (Probity Plan) was delivered to shortlisted construction contractors on 8 June 2017.

Early Tender Information Sessions for construction contractors have commenced and will occur regularly until the middle of August 2017. A site tour has also been scheduled for early August 2017 for each.

The Project Management Plan was approved by the Project Control Group and a further update will be undertaken when the Design Consultant submits their Project Plan.

A runway design variation request was received from Palisade Investment Partners to include a Parallel Taxiway, remove the runway end loops, and change the apron layout. The design variation request was considered and consultation with legal advisors undertaken due to the potential impact on the delivery date. The apron layout was agreed at a meeting with Sunshine Coast Airport Pty Ltd on 11 July 2017. Approval was given by the Project Control Group to proceed to have Beca Consulting cost the variation.

Palisade Investment Partners was provided with a draft of the Design and Construction Contract documentation in late May 2017 and has provided comment for consideration.

Works Packages

The early stage of the delivery of the Project has seen the enabling activities and the preliminary works progress in a timely manner.

1. Enabling Activities

1.1. Survey

Last quarter saw 95% of the survey contract completed however, due to the wet weather experienced at the end of May 2017, the remaining 5% of the contracted survey works were undertaken in mid-June with the drain areas accessed after the water levels receded. Additional survey works have been undertaken for design of apron-terminal developments. The last remaining survey works will be undertaken once translocation of Mount Emu She-oak occurs.

The aerial LiDAR and mobile laser scan survey works were completed and the data has been used to produce terrain and feature modelling, achieving engineering level accuracy for the design development works. Visualisation of runway design in conjunction with all aerial, mobile, ground and feature modelling has been loaded into the corporate 3D platform Urban Engine.

1.2. Environmental Approval Submissions

The environmental approvals process including the compilation of supporting information for the submissions for approvals from the relevant departmental agencies continues to progress. Port of Brisbane Pty Ltd (POB) has met with the Department of Environment and Heritage Protection and is satisfied that there are no issues that might prelude its ability to alter its existing operational Works (Tidal Works) permit for the Spitfire Channel to include the project requirements.

The issue with the spread of the White Spot disease in prawns in Moreton Bay continues to be monitored and the restricted movement zone remains in place. Regular updates continued to be received by the relevant Government agency. This issue is not expected to impact the project.

The Terrestrial Vegetation Clearing permit for protected plants and the Species Management Plans were received on 25 May 2017. Phase 2 Centerline clearing works were then undertaken and completed in mid-June 2017. Geotechnical works were undertaken by Beca Consulting's sub-contractors in late June and early July 2017.

1.3. Dredged Sand Volume

A recalculation of the sand volume requirement has been undertaken, indicating that a small additional amount of sand may be required to facilitate the consolidation of the underlying marine clays at the north-western end of the new runway. Further discussions on this matter were held with the Office of the Coordinator-General on 27 April 2017. A Value Engineering workshop will be held to identify measures to minimise

any additional requirement. The use of innovative techniques associated with consolidation of compressible clays may eliminate the additional requirement.

1.4. Acid Sulphate Soils

The Acid Sulphate Management Plan has been drafted based on the geotechnical investigated works to date. Further testing will be undertaken when the Mount Emu She-oak has been translocated.

1.5. Cultural Heritage Management Plan

The RFQ for the supplementary activities requested by the Traditional Owners Claimant Group to engage an Historian and an Anthropologist to capture the story-line known by surviving elders has been prepared and will be awarded in late July 2017.

The draft Cultural Heritage Management Plan has been redistributed to the Traditional Owners Claimant Group for review and consideration for finalisation.

Legal advice was obtained from Council's Legal Services Branch and external legal advisors regarding the requirement for an Indigenous Land Use Agreement (ILUA). Advice received indicates that Native Title has been extinguished on all lots impacted by project construction activities.

1.6. Public Utility Plant Relocations

Unitywater's relocation activities have been completed one month ahead of schedule. Energex has provided the design for the relocation of 11KV Energex lines to be removed from the Project's construction footprint. The invited tender for the civil works associated with the relocation of the lines has been advertised and closed on 12 July 2017. The contract is scheduled to be awarded and the work scheduled to be undertaken in mid-August through to end of September 2017, with the installation of the poles and conductors to follow.

2. Preliminary Works

2.1. New Control Tower

After ongoing discussions with AirServices Australia in relation to the new Air Traffic Control (ATC) Tower, advice has been received that a business case is being prepared to augment the current tower operations with camera vision. This will have to be approved by Civil Aviation Safety Authority (CASA). A new tower is not in the current AirServices Australia five-year capital program. A revised draft Heads of Agreement for the transfer of Commonwealth Land (Lot 898) has been prepared for consideration by Council's Legal Services Branch.

2.2. Water Monitoring

Baseline surface water and ground water quality monitoring scheduled to be undertaken between July 2016 and August 2017 has been completed. Data from this monitoring will form the basis for quality compliance trigger values to be used during the construction and post-construction phases. Interim reports for both Surface Water and Ground Water based on the data collated to date will also be presented to the Office of the Coordinator-General and the Department of Environment and Heritage Protection early in August 2017.

2.3. Offset Delivery Plan

The final Offset Delivery Plan was submitted to the Department of Environment and Heritage Protection on 27 June 2017. The plan is currently being assessed.

2.4. Finland Road Upgrade

The upgrade of Finland Road by Council's workforce is forecasted to be completed by late July 2017 and remains ahead of schedule despite the wet weather disruptions. The first primer seal coat has been applied and the second seal is scheduled for October 2017.

2.5. Finland Road Closure (portion of)

Council has received confirmation that the application for the road closure of a portion of Finland Road was approved by the Governor and is now with the Titles Office for registration.

2.6. Flood Modelling

With improvements in the collection of data, further LiDAR survey investigations have been undertaken to improve the accuracy of the digital terrain model used for flood modelling. A new modelling platform is also being utilised.

Project Program

The most critical activities in the Project Program remain those associated with the preparation of the Principal's Reference Design and Contract documentation dredging and sand placement for the embankment and preload. This directly impacts the contractor's ability to commence. This is more significant than would usually be the case for a project of this nature because of the limited window of opportunity during which these environmentally constrained activities can be undertaken and the long lead time specified for monitoring to establish background data before works can commence.

The preliminary Works Program currently shows full commissioning by the end of 2020.

The Works Program has been updated following receipt of the Design Consultant's Project Plan. It will be updated again when the Principal's Reference Design has been completed so that it accurately reflects the Work Breakdown Structure adopted in the development of the design.

State Government Approvals

A total of 20 State Government Agency approvals, permits or authorities will be required in accordance with the Coordinator-General's and the Minister for the Environment's overarching approvals. A further seven approval components originally identified are no longer required.

Legal

The construction of the Project will be subject to the procurement requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Policy

The delivery of the Project is consistent with the Sunshine Coast Planning Scheme 2014, the Sunshine Coast Airport Master Plan 2007, and the Regional Economic Development Strategy 2013-2033.

Risk

A risk and opportunities register has been developed which includes mitigation strategies for each of the risks. At this point, the main risks can be summarised as follows:

- Provision of Air Traffic Control services by AirServices Australia
- Variations to the flood and drainage modelling undertaken to date
- Variations to the runway design
- Tasks on the critical timeline not being completed on schedule
- Estimated costs being exceeded.

Opportunities identified over and above the obvious benefits that were identified during the EIS process include the potential for competitive tendering to deliver actual costs lower than those previously estimated.

Insurance risk assessment report has been received from insurance brokers, Arthur J Gallagher.

Previous Council Resolutions

Council Resolution (SM17/20) Special Meeting 18 May 2017

That Council receive and note the report titled “Sunshine Coast Airport Expansion Project – Design and Construction: Update.

Council Resolution (SM17/1) Special Meeting 23 February 2017

That Council receive and note the report titled “Sunshine Coast Airport Expansion Project – Construction: Update.

Council Resolution (SM16/13) Special Meeting 13 June 2016

That Council

- (a) *authorise the Chief Executive Officer to progress matters relating to this report, as discussed in confidential session, in relation to the Sunshine Coast Airport Expansion Project and*
- (b) *proceed with the calling of Expressions of Interest for parties wishing to partner with Council in the delivery of the Sunshine Coast Airport Expansion, in accordance with section 228 of the Local Government Regulation 2012, noting that the calling of Expressions of Interest is in the public interest for the following reason:*
 1. *that the process will allow Council to evaluate submissions with a view to identifying the solution which best aligns with the interests of the public and Council*

Council Resolution (OM16/12) Ordinary Meeting 28 January 2016

That Council

- (a) *receive and note the report titled “Sunshine Coast Airport Expansion Project Delivery Team” and*
- (b) *authorise the Chief Executive Officer to establish a Sunshine Coast Airport Expansion Project Delivery Team and implement a Project Governance Structure to oversee the delivery of the project.*

Related Documentation

- *Sunshine Coast Airport Expansion Project Environmental Impact Statement*
- *Sunshine Coast Airport Expansion Project Additional Information to the Environmental Impact Statement.*
- *Project Plan.* A detailed Project Plan has been prepared for the Project. The Project Plan will be reviewed and amended, as required, as the Project progresses through different stages.

Critical Dates

The critical activities associated with the delivery of the Project include acquiring the State Government Agency approvals, permits or authorities required in accordance with the Coordinator-General’s and the Minister for the Environment’s overarching approvals per the Environmental Impact Statement approval.

As per the environmental approvals, dredging must occur during the specified periods stated to ensure minimal impact on the marine and coastal environments.

The Runway Construction Contract Tender must be awarded as per the program in order to meet all future deliverables.

Implementation

Work as detailed in this report will continue.

4.2.2 MAROOCHYDORE CITY CENTRE PROGRESS REPORT FOR THE QUARTER ENDING 30 JUNE 2017

File No: Council meetings
Author: Director
 Economic Development and Major Projects Department
Attachments: Att 1 - Maroochydore City Centre Project Quarterly Report (April to June 2017) 18 July 2017.....Conf 121/164

PURPOSE

The purpose of this report is to update Council on the progress of the Maroochydore City Centre (MCC) project.

EXECUTIVE SUMMARY

This Maroochydore City Centre project report to the Shareholder Representative Group deals with the period April to June 2017 inclusive and provides a high-level summary of the more significant project delivery activities undertaken in the reporting period and any associated project risks and opportunities.

The proposal section of the report provides an update on the following:

- Works update
- Project planning and design
- Investment attraction.

OFFICER RECOMMENDATION

That Council note the progress report from SunCentral Maroochydore for the quarter ending 30 June 2017.

FINANCE AND RESOURCING

Table 1 details the 2017/18 Council budget which includes the following budget items:

	2017/18 Budget
DM Management Fee	2,070,600
Project Management	57,904
Marketing	1,596,856
Master Planning and Design	553,350
Bulk Earthworks	267,094
Construction Overheads	404,728
Road Network	13,772,850
Stormwater Network	2,100,000
Other Assets	8,030,978
Water	200,000
Sewerage	100,000
Telecommunications	460,000
Energy Supply Services	2,500,000
Total	32,114,360

Table 1. 2017/2018 Council Budget

CORPORATE PLAN

Corporate Plan Goal: *A smart economy*
Outcome: 1.2 - New capital investment in the region
Operational Activity: 1.2.2 - Work with SunCentral Maroochydore Pty Ltd advance the opportunities to secure investment in a premium hotel and entertainment, convention and exhibition facilities.

CONSULTATION**Portfolio Councillor Consultation**

The Shareholder Representative Group is a mechanism to seek Portfolio Councillor input prior to reports being presented to Council for consideration.

Internal Consultation

Strategic Property team, Commercial Branch

External Consultation

SunCentral Maroochydore engaged independent valuers Landmark White to undertake a Market Value Assessment.

Community Engagement

No community engagement was undertaken in relation to this report.

PROPOSAL

The following is a summary of the key activities.

Works Update**Maud Street Intersection works**

The works on both Maud Street intersections have essentially reached practical completion and, on opening during 2018, will provide early access into the main site.

Stage 1A main civil / subdivisions works

The main civil works are progressing well on the eastern portion of Stage 1A with significant water/sewerage, storm water and other underground infrastructure being put in place. This includes the first components of the Automated Waste Collection System (AWCS) (see Figure 1 below).



Figure 1. AWCS pipework being installed as part of Stage 1A

East Corso works package

The work program for this component includes the Stage 1A2 East Corso revetment wall and drainage channel works (see Figure 2). Following technical and TRG review, these works will be scheduled for the second half of 2017.

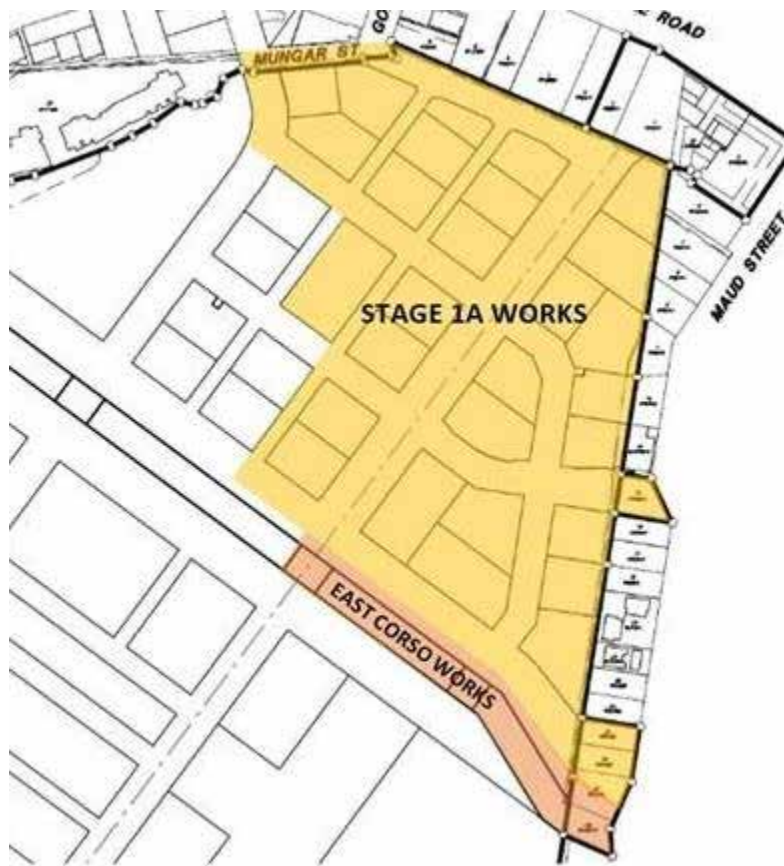


Figure 2. Stage 1A Civil Works package (underway) & the East Corso Works package

Aerodrome Road intersection works by Sunshine Coast council

These important connecting works for the project are likewise progressing well with significant civil works being undertaken across the area to upgrade and tie-in underground infrastructure and required civil services (see separate Council report).

Project planning and design**Infrastructure Agreements (IAs)**

The key IAs for the project have now been signed by all parties. The commencement date of the agreements is 26 May 2017. The agreements provide for the Council through SunCentral Maroochydore to now enter into dealing documents which will attach to contracts for the sale of land. The dealing documents will record development entitlements and assign specified obligations under the Infrastructure Agreements including responsibility for payment of applicable infrastructure and services charges.

Precinct planning

Plans for Precinct 4 have been lodged with Economic Development Queensland (EDQ) for review to meet the timing and requirements for locating the AWCS transfer station building. Additional plans for Precincts 5 to 6 are under preparation and are expected to be lodged with EDQ in the second half of 2017.

Legal

SunCentral Maroochydore Pty Ltd was established with the necessary approval from the Treasury under the *Statutory Bodies Financial Arrangements Act 1982*.

Policy

Maroochydore City Centre Priority Development Area Development Scheme 2014

Risk

The establishment of a separate company addresses the following risks and opportunities:

- Governance best practice. The company's oversight adds to the independence already obtained by the declaration of a Priority Development Area and the resulting statutory planning approval role of Economic Development Queensland.
- A board of directors with relevant expertise and skills focused on this project helps to ensure the financial and community outcomes envisaged by Council are achieved.
- The approval of construction stages of development will provide hold points to mitigate risks that exist for Council.
- Council maintains appropriate controls with its powers as the sole shareholder of the company.

Previous Council Resolutions**Special Meeting 8 June 2017 (SM17/25)**

That Council receive and note the report titled "Maroochydore City Centre Progress Report for the Quarter Ending 31 March 2017".

Special Meeting 18 August 2016 (SM16/20)

That Council authorise the Chief Executive Officer to proceed as discussed in confidential session in relation to Maroochydore City Centre Project – Land Disposal Plan 1.

Ordinary Meeting 23 July 2015 (OM15/123)

That Council:

- (a) *receive and note the report titled "Maroochydore City Centre Project - Roles, Responsibilities, Authorities" and*
- (b) *endorse the Roles, Responsibilities and Authorities for the key stakeholders in the delivery of the Maroochydore City Centre Project as defined in Appendix A.*

Ordinary Meeting 11 December 2014 (OM14/181)

That Council:

- (a) *receive and note the report titled "Company Establishment for Maroochydore City Centre Development "*
- (b) *authorise the Chief Executive Officer to establish a Corporations Law company generally in accordance with the draft Constitution (Appendix A) and draft Statement of Corporate Intent (Appendix B)*
- (c) *authorise the Chief Executive Officer to set the remuneration for the Chairman and board of directors based on independent advice and after consultation with the Mayor, Regional Projects Portfolio Councillor and Divisional Councillor along with officers as determined by the Chief Executive Officer*
- (d) *authorise the Chief Executive Officer to commence the recruitment of a Chairman and board of directors, including interim arrangements, and prepare a report to a future Council meeting in relation to the final appointments*
- (e) *establish a Shareholder Representative Group consisting of Mayor, Regional Projects Portfolio Councillor and Divisional Councillor along with officers as determined by the Chief Executive Officer and*
- (f) *note the existing delegation to the Chief Executive Officer to act as Council's shareholder representative and that in relation to this company that he will consult with the Shareholder Representative Group prior to exercising that delegation.*

Related Documentation

SunCentral Maroochydore Pty Ltd Constitution

SunCentral Maroochydore Pty Ltd Heads of Agreement

Critical Dates

There are no critical dates in relation to this report.

Implementation

The next quarterly progress report is scheduled to be presented at the Special Meeting of 23 November 2017.

4.2.3 SUNSHINE COAST AIRPORT EXPANSION PROJECT - FUNDING STRATEGY

File No: Council meetings
Author: Director
Economic Development and Major Projects Department
Attachments: Att 1 - Sunshine Coast Airport Expansion Project - Funding Strategy: Additional Information (9 August 2017)Conf 127/164

PURPOSE

The purpose of this report is to provide Council with an update on the implementation of the funding strategy for the Sunshine Coast Airport (SCA or the Airport) Expansion Project (the Project).

EXECUTIVE SUMMARY

At its meeting of 13 June 2016, Council resolved to call for EOIs from parties wishing to partner with Council in the delivery of the Sunshine Coast Airport Expansion Project.

At its Ordinary Meeting of 25 January 2017, Council resolved to authorise the Chief Executive Officer to finalise and execute all documents, including Transaction Documents, with Palisade Investment Partners Limited (Palisade) as the Commercial Partner for the Sunshine Coast Airport Expansion Project.

This occurred and, on 9 February 2017, Palisade was announced as the Commercial Partner for the Airport.

Since that time, Council officers have been progressing the implementation of the Funding Strategy for the Project and updating Council by regularly reporting on the status of actions required to be satisfied for the transaction with Palisade to be finalised.

This report provides the latest update on the Transaction, for the information of Councillors and to request approval to continue with implementation of the Funding Strategy.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Sunshine Coast Airport Expansion Project – Funding Strategy” and**
- (b) authorise the Chief Executive Officer to continue with the implementation of the Funding Strategy to ensure that progress on the Sunshine Coast Airport Expansion Project is maintained.**

FINANCE AND RESOURCING

Council has engaged a range of advisory and other services as expected in relation to a major project such as the Sunshine Coast Airport Expansion Project. These services include commercial, legal, probity, tax and accounting, and technical advice; provision of an external virtual data room; and transition activities associated with the transfer of the Sunshine Coast Airport. Costs associated with these services are to be recovered from the transaction proceeds.

CORPORATE PLAN

Corporate Plan Goal: *A new economy*

Outcome: 1.2 - New capital investment in the region

Operational Activity: 1.2.1.2 - Source the required investment to facilitate expansion of the Sunshine Coast Airport

CONSULTATION**Portfolio Councillor Consultation**

Progress was reported to Portfolio Councillors at the 4 May 2017 Project Control Group meeting.

Internal Consultation

- Chief Executive Officer
- Director Corporate Services
- Chief Strategy Officer
- Manager Finance
- Manager Procurement and Contracts
- Council Solicitor
- Procurement Specialist
- Consultant Advisor

Sunshine Coast Airport officers have received updates on progress since the 13 June 2016 Council resolution.

External Consultation

- Deloitte Tax Services Pty Ltd
- Department of Infrastructure and Regional Development (Commonwealth)
- Department of Infrastructure, Local Government and Planning (Queensland)
- King & Wood Mallesons
- Peter Bruton (Probity Advisor)
- Queensland Treasury
- Queensland Treasury Corporation
- Royal Bank of Canada Capital Markets
- Tim Rothwell (Independent Member of Evaluation Panel)

Community Engagement

There has been considerable community consultation on the Environmental Impact Statement for the Project however no formal community engagement has been undertaken on the funding strategy because of the commercial sensitivity of the process.

PROPOSAL

At its meeting of 13 June 2016, Council resolved to call for EOIs from parties wishing to partner with Council in the delivery of the Sunshine Coast Airport Expansion Project.

At its Ordinary Meeting of 25 January 2017, Council resolved to authorise the Chief Executive Officer to finalise and execute all documents, including Transaction Documents, with Palisade Investment Partners Limited as the Commercial Partner for the Sunshine Coast Airport Expansion Project.

This occurred and, on 9 February 2017, Palisade was announced as the Commercial Partner.

Palisade submitted a bid on behalf of itself and the funds it manages. Palisade's equity is backed by Palisade's Diversified Infrastructure Funds, LGIA Super (\$9.5 billion superannuation fund for Queensland Local Government employees) and VicSuper (\$16 billion Victorian based superannuation fund).

Palisade will make lease payments totalling \$82 million, of which \$67 million will be paid when they take control of the Airport's management, staff and non-land assets. Palisade has agreed to a further amount of \$290 million to be paid for the construction of the new runway in 2022. Council will retain a financial interest in the operation of Sunshine Coast Airport by way of an annual rental payment of 5% of gross revenue, conservatively equating to about \$205 million over the 99-year life of the lease starting in 2017/18. Palisade will also take responsibility for future terminal development, thereby reducing the projected cost to Council of the Project by \$28 million. These four amounts see the total value of the deal worth an estimated \$605 million to Council.

Palisade has substantial experience in the airport sector through its investment in Airport Development Group which owns the Darwin, the Alice Springs and the Tennant Creek Airports. Palisade also has recently invested in Gold Coast Light Rail Stage 2 and has indicated it will actively seek opportunities to deploy further capital into the Sunshine Coast Airport and the broader Sunshine Coast region.

Legal

Key regulatory and legislative issues that will need to be addressed through the Transaction Process include the following:

- § Compliance with Council's Procurement Policy (in accordance with relevant provisions of the Local Government Act)
- § Compliance with relevant provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

Policy

The Project is consistent with the Sunshine Coast Airport Master Plan 2007.

Risk

The Transaction Documents have been prepared to mitigate the risks to Council.

Previous Council Resolutions

Council Resolution (SM17/22)

That Council authorise the Chief Executive Officer to progress the implementation of the funding strategy for the Sunshine Coast Airport Expansion Project as discussed in confidential session.

Council Resolution (OM17/3)

That Council authorise the Chief Executive Officer to progress the implementation of the funding strategy for the Sunshine Coast Airport Expansion Project as discussed in confidential session.

Council Resolution (OM16/216)

That Council authorise the Chief Executive Officer to progress the implementation of the funding strategy for the Sunshine Coast Airport Expansion Project as discussed in confidential session.

Council Resolution (SM16/30)

That Council note the update on the implementation of the funding strategy for the Sunshine Coast Airport Expansion Project as discussed in confidential session.

Council Resolution (SM16/1)

That Council:

- (a) *receive and note the report titled "Sunshine Coast Airport Expansion Project - Probity Plan"*
- (b) *adopt the Sunshine Coast Airport Transaction Probity Plan (Appendix A) and*
- (c) *authorise the Chief Executive Officer to amend the Sunshine Coast Airport Transaction Probity Plan to ensure that it remains current.*

Council Resolution (SM16/13)

That Council

- (a) *authorise the Chief Executive Officer to progress matters relating to this report, as discussed in confidential session, in relation to the Sunshine Coast Airport Expansion Project and*
- (b) *proceed with the calling of Expressions of Interest for parties wishing to partner with Council in the delivery of the Sunshine Coast Airport Expansion, in accordance with section 228 of the Local Government Regulation 2012, noting that the calling of Expressions of Interest is in the public interest for the following reason:*
 1. *that the process will allow Council to evaluate submissions with a view to identifying the solution which best aligns with the interests of the public and Council.*

Related Documentation

- Evaluation Plan 1 – Sunshine Coast Airport Commercial Partner
- Evaluation Plan 2 – Sunshine Coast Airport Commercial Partner
- Evaluation Plan 3 – Sunshine Coast Airport Commercial Partner
- Expression of Interest documentation
- Procurement Plan – Sunshine Coast Airport Commercial Partner
- Sunshine Coast Airport Probity Plan including Probity Code of Practice

Critical Dates

Table 1 identifies project milestones completed prior to 30 June 2017. All work undertaken since then has been in accordance with Council's procurement processes.

Sunshine Coast Airport Expansion Project	
PROJECT MILESTONES	
2016	
Concept Design Completed	Mon 4 January
EIS Approval - Coordinator General's Report	Thu 19 May
DoE Approval	Mon 18 July
2017	
ITT1621 Runway Design - Tender Award - BECA Consultants	Fri 12 May
Q16233 – Jacobs Contract Award	Wed 7 June

Table 1. Project milestones completed to 30 June 2017

Implementation

The Council authorise the Chief Executive Officer to continue with the implementation of the Funding Strategy for the Sunshine Coast Airport Expansion Project.

4.3 INFRASTRUCTURE SERVICES

4.3.1 MAROOCHYDORE TECHNICAL REFERENCE GROUP

File No: Council meetings

Author: Director
Infrastructure Services Department

Attachments: Att 1 - TRG Minutes June 2017.....*Conf 141/164*
Att 2 - TRG Minutes May 2017*Conf 145/164*

PURPOSE

To inform council of the activities of the Maroochydore Technical Reference Group (TRG) for the Maroochydore City Centre Priority Development Area (MCC PDA, “the PDA”) project.

EXECUTIVE SUMMARY

The Maroochydore Technical Reference Group for the Maroochydore City Centre Priority Development Area (MCC PDA, “the PDA”) project continues to meet on a monthly basis with the SunCentral management team and provide direction and oversight of the design development process.

Since the last Shareholders Reference Group, considerable progress continues to be made on a wide range of elements, including:

- A landscape specialist resource was allocated to oversee tree procurement and installation.
- A final claim lodged against the interest free loan from EDQ for the costing for Maud Street intersection infrastructure.
- The Precinct 4 (Commercial) plan was lodged with EDQ for approval.
- Work is in progress for the second sewerage pumping station design next to the waste transfer station.
- Ongoing discussions are progressing on the different types of Tactile Ground Surface Indicators (TGSI's) that suit an urban precinct TGSI's.
- Lucid consultants for the AWCS system have identified that the pipework design life is less than design life of Light Rail and would ideally need a thicker pipe when the light rail goes through.
- The streetscape palettes; street furniture and tree species selections have all now been resolved in principle, with minor modifications likely to occur with the final material selection for the urban furniture.
- Waiting on TMR approval for the use of LED lights in place of sodium on the Aerodrome Road intersection.
- Ongoing discussions and investigating the feasibility of micro-energy grids in the delivery of the buildings.

OFFICER RECOMMENDATION

That Council receive and note the Maroochydore Technical Reference Group and Public Domain Works Status Report.

FINANCE AND RESOURCING

The TRG operates from current council operational budgets. Any projects arising are covered through the annual budget allocation provided to SunCentral by council. Where it is determined that increased funding allocations are required for certain components, these will be reported to council. An interest free loan of \$12.6 million from the State government has been secured to fund the intersection works within the wider Maroochydore city centre area.

CORPORATE PLAN

Corporate Plan Goal: *A strong community*
Outcome: We serve our community by providing this great service
Operational Activity: S11 - Road network management - providing road transport infrastructure planning, design and delivery, road safety and traffic management, public education programs, streetscapes planning and place making

CONSULTATION

Portfolio Councillor Consultation

Engagement with Councillor S Robinson, Councillor T Dwyer and Councillor J Connolly through the SunCentral Maroochydore Shareholder Reference Group meetings.

Internal Consultation

Minutes of meetings held 23 May 2017 and 27 June 2017.

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

Not applicable.

PROPOSAL

The Maroochydore Technical Reference Group (TRG) for the Maroochydore City Centre Priority Development Area (MCC PDA, "the PDA") project continues to meet on a monthly basis with the SunCentral management team and provide direction and oversight of the design development process.

The TRG works in a consultative capacity ensuring that all specialist urban design, traffic engineering, community asset, accessibility, open space and landscaping specification knowledge and expertise within council are made available to ensure that the project receives full advantage of all expertise and value add resources currently available to council.

The TRG continues to take on the role of the council approval authority to approve and sign off design details on behalf of council that covers all aspects of the public realm development, acting as council's asset steward and future owner and operator of all public realm assets that are created through the development, i.e. similar to the operational works process undertaken within the council planning scheme approval process for development. A number of items have been progressed in the last quarter that are outlined in the Proposal section of the report.

Smart City components

Smart City presence in the city centre is being progressed through the smart city infrastructure design and construction activities.

Urban design update

The streetscape palettes; street furniture and tree species selections have all now been resolved in principle, with minor modifications likely to occur with the final material selection for the urban furniture.

Road and traffic design update

A presentation was given to the TRG attendees about the preferred options for traffic management in the Dalton Drive intersection, with a view to minimizing the intersection footprint for this future intersection that will be a major southern gateway to the site.

Waterways and drainage systems design update

Parkland / Lake Edge Interface design treatments were discussed in detail. The general consensus was that it is desirable for users to get close to the water and there is an acceptance of inundation of water in unusual climatic circumstances for lower level parks and foreshore area. Higher usage parks and facilities, such as the amphitheater should be developed to be above the Q100 flood levels.

There has also been in depth discussions about the water table levels and the management of tree plantings in certain areas. It is generally accepted that the water table will not interfere with the plantings across the site.

Infrastructure Agreement

Water and Transport Infrastructure Agreements have been lodged with EDQ. The Transport IA requires an investigation of CAMCOS Corridor land (transit station end), and the configuration of the future transit centre, and TMR have put out to tender and received a proposal from ARUP for concept design development. The proposal includes an Enquiry by Design process that will allow experts to test various configurations.

The TRG also signed off on an Infrastructure Agreement Procedure Document that will be used to identify the areas of Council that have a responsibility of various obligations under the Infrastructure Agreement.

AWCS (Automatic Waste Collection System) update

The TRG considered various architectural treatments for the AWCS building and have recommended that LUCID submit an external finishes palette and a landscape concept plan showing fencing, landscaping, driveway finishes, etc. WRM are also progressing the opportunity to install solar panels on the roof of the AWCS building.

Legal

No legal matters are applicable to this report.

Policy

Not applicable to this report.

Risk

All design items are subject to evaluation and risk assessments by the professional staff assessors relative to the type of works and context within the central business district.

Previous Council Resolution

There are no previous council resolutions.

Related Documentation

Minutes of meetings held 23 May 2017 and 27 June 2017 are attached to this report.

Critical Dates

There are no critical dates.

Implementation

The Council provided the Chief Executive Officer with the following direction that the Maroochydore Technical Reference Group meetings will continue through 2017 with the SunCentral Maroochydore management team.

4.3.2 PROJECT MANAGEMENT / CONTRACT MANAGEMENT

File No:	Council meetings
Authors:	Director Infrastructure Services Department Project Officer Infrastructure Services Department
Attachments:	Att 1 - Table 1 - Expenditure Status as at 30 June 2017.....Conf 161/164 Att 2 - Detailed Financials.....Conf 163/164

PURPOSE

This status report provides an overview of programme and project expenditure for the Maroochydore City Centre Project, via the Development Services Contracts (DSCs) in place with SunCentral Maroochydore to deliver the project, for the financial year ending 30 June 2017 as at 13 July 2017.

EXECUTIVE SUMMARY

In summary, design and construction is progressing well. Actual expenditure versus the forecast expenditure is lower due to an extended design review period and subsequent effect this had on the completion of the Stage 1A civil engineering design and tendering process.

Deliverables to date include:

- Completion of the Stage 1A bulk earthworks
- Completion of the re-location of the 11kv electricity cable
- Completion of sewage and stormwater augmentation
- 95% completion of the Maud Street intersections (Bungama St. & Dalby St.)
- Significant progress with precinct planning for Precincts 4-6 and
- Good progress on the Stage 1A civil, electrical, telecommunications and landscaping works. AWCS is underway, however is awaiting advice from Council as to whether additional scope is required in the form of three bins.

Total expenditure to date, including DM Fee and Unitywater works is \$11.59m. Balance remaining of third party supplier contracts entered is \$22.722m. All DSC's are currently within the approved budget.

No significant variances have occurred to date. Total variances for the financial year are within the set contingency amount.

Unspent budget for FY2016/17 is to be carried into the budget for FY2017/18. The final carry forward figure will be advised upon the completion of the end of financial year processing by SunCentral in late July.

The next construction work package includes the Stage 1A2 East Corso revetment wall and drainage channel works. A detailed flood model review based on recently revised Australian Rainfall and Runoff settings is ongoing and will be finalized in early July 2017. The revised study will be submitted for Council consideration during July after detailed SCM review. It is expected that with final design adjustments a new construction tender will issue in Q2 of FY2017/18 allowing construction to commence in Q3 of FY2017/18.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Project Management / Contract Management".

FINANCE AND RESOURCING

1.0 Development Service Contracts

The following provides a summary of the key deliverables and budget management per the DSCs for the financial year to date:

DSC1 Project & Site Management: Land maintenance and security has been delivered per schedule and is currently under budget.

DSC2 Marketing: The schedule is currently on track and is currently under budget.

DSC3 Master Planning & Design: The schedule is currently on track and being delivered to budget.

DSC4 Building Demolition: Any residual (Maud Street) demolitions are managed in the Civil Construction or Bulk Earthworks DSC's for ease of managing the Principal Contractors site.

DSC5 Stage 1 Bulk Earthworks with service relocations including electrical, sewer and stormwater which were brought forward and included in the bulk earthworks package. This contract has achieved Practical Completion and was delivered under budget and on time after allowing for increased scope relating to the Unitywater manhole construction which was brought forward from the Stage 1A package in order to reduce overall project costs.

DSC6 Detailed Design & Construction Overheads: Finalising the design of Stage 1A has taken four months longer than originally anticipated due to further investigations in resolving technicalities around the electrical and telecommunication elements. The issues have now been resolved with documentation completed. This schedule is being delivered to budget.

DSC7 Civil Construction: The construction and delivery of the two Maud Street intersections is almost complete, with the issuance of Practical Completion imminent. Final costs of the work to be accrued within FY2016/17. The construction of Stage 1A civils, electricals, telecommunications and landscaping is underway with activity concentrated on underground stormwater and sewer construction.

Some delays related to wet weather have been experienced. SCM and Council are working with the Contractor and Envac to resolve protocols of AWCS pipe installation. SCM will require advice on whether an additional three bins for the AWCS network will be required, which will result in a scope change. A cost estimate for this variation is being prepared by the contractor and will be submitted for Council consideration when received. Effects on the programme are yet to be determined. It is expected that these issues will be resolved during July.

The detailed financial evaluations are as attached.

CORPORATE PLAN

Corporate Plan Goal: *Service excellence*

Outcome: We serve our community by providing this great service

Operational Activity: S22 - Development services - planning, engineering, plumbing and landscaping approvals, provision of specialist advice to the community on planning requirements, audit of private development works, investigation of complaints from the public around land use or development, management of appeals

CONSULTATION

Portfolio Councillor Consultation

Internal Consultation

Members of the SunCentral Maroochydore Shareholder Representative Group include:

- Mayor M Jamieson
- Councillor T Dwyer
- Councillor J Connolly
- Councillor S Robinson
- Sunshine Coast Council Chief Executive Officer
- Director Infrastructure Services
- Director Economic Development and Major Projects

External Consultation

Undertaking continual community and external stakeholder consultation in regards to the Maud Street intersection upgrades, and the Aerodrome Road intersection upgrade.

Community Engagement

A Community Engagement Plan has been developed for the Maud Street intersection upgrades, and Aerodrome Rd upgrade. A dedicated 1800 number has been setup for the project, in addition to a webpage which is updated as the project progresses.

Community engagement to-date has involved doorknocking and face-to-face meetings with residents and business owners of the surrounding areas, and issuing regular newsletter updates with information such as proposed changes to road configurations and anticipated construction phasing.

Newsletters are typically issued every few months or when major milestones have been completed.

Short-form construction updates are also issued as per typical procedures to advise of extraordinary works such as nightshift, lane closures/detours, asbestos removal etc.

PROPOSAL

The Superintendents role continues to maintain regular coordination of the detailed design between Aerodrome Rd Intersection (SCC) and First Ave extension (SunCentral).

Attendance to fortnightly SunCentral construction site meetings, and undertaking fortnightly SunCentral site inspections has also proven beneficial to discuss and resolve construction issues.

In addition, coordination of single point communications on the status of Aerodrome Road, and Maud Street intersections to all stakeholders and local residents is progressing and has been well received.

Regular meetings with SunCentral to review the status of DSC's, overall delivery programme and reviewing progress claims is also being undertaken, as is attendance to TRG meetings upon request.

Legal

There are no current legal issue relevant to this report.

Policy

There are no current council policies relevant to this report.

Risk

It should be noted that with the 4 month design delay experienced, there will be similar delay in completing Stage 1A construction and consequently cash expenditures.

Previous Council Resolution

There are no previous council resolutions relevant to this report.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

There are no critical dates relevant to this report.

Implementation

The Superintendent will continue to ensure SunCentral deliverables are administered in accordance with the relevant contracts, whilst maintaining regular communication with SunCentral through meetings and site inspections.

Fortnightly progress claims will also continue to be reviewed, along with relevant stakeholder and community engagement to ensure sufficient monitoring and reporting on overall progress.

4.3.3 AERODROME ROAD INTERSECTION

File No: Council meetings
Author: Project Officer
Infrastructure Services Department

PURPOSE

The purpose of this report is to update council on the status of the Aerodrome Road Intersection upgrade project, the key transportation access point to the new SunCentral, Maroochydore City Centre (MCC) Project.

EXECUTIVE SUMMARY

Construction of this key intersection is now three (3) months into construction after commencing in early April 2017 with Council's Civil Asset Management (CAM) team as the Principal Contractor and Project Delivery – Civil Projects undertaking Project Management of this project.

Aerodrome Road is part of the Department of Transport and Main Roads (TMR) network and as such, the design element of the project has undergone extensive review processes in conjunction with TMR. TMR have now provided formal approval to proceed with construction works on their corridor, with the design consultants WSP / HASSELL liaising with TMR to tidy up any remaining details within the final design report. These final amendments relate to tree species for the median and minor amendments to the electrical components of the design, neither of which are delaying the construction elements at present.

Construction works to-date include major stormwater infrastructure upgrades, major service relocation works and part completion of the new Maroochydore City Centre Town Centre Boulevard (TCB). All major contracts have now been let for the project, inclusive of the electrical pit and pipe infrastructure, new water main installation, signals and lighting and landscaping works.

The current project cost estimate of \$15.45 million (including major service relocations) including approximately \$750,000 in contingency. Council has recently been successful in securing a \$12.6 million zero interest loan for 15 years under the Queensland Government's Catalyst Infrastructure Program (CIP), which will be used to fund this intersection within the overall Maroochydore City Centre funding umbrella. A lump sum transmittal was received into Council's nominated bank account on 28th June, 2017.

Total costs for the financial year 2016/17 equate to \$5.46 million, which is a \$1.08 million above the allocated budget of \$4.37 million. This is not attributed to additional scope or variations, but is attributed to a large portion of service relocation work that was brought forward to take advantage of contractor availability, which was originally budgeted for in the financial year 2017/18.

Opportunities are being actioned to defray some costs through other sub program contributions, where there are capacity upgrades required to other asset networks (e.g. the storm water system) as a precursor to these the works. These are being pursued as part of the ongoing project cost control efforts.

Consultation activities are well advanced with external public relations consultants and project staff meeting and providing regular updates to the general public and business traders. Public information relating to the Aerodrome Road project has been bundled with the Maud Street intersection upgrades of Bungama and Dalby Streets to ensure consistency of messaging around these key Maroochydore Intersection upgrades.

Construction staging is now planned across three financial years to reduce the financial burden within any one year. Based on the current schedule, construction is scheduled to be

completed by third quarter 2018. Due to TMR constraints, construction works will be made up largely of both day and night works.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Aerodrome Road Intersection".

FINANCE AND RESOURCING

Budget

The Aerodrome Road Intersection Upgrade Project draws its funding from the overall Maroochy City Centre (MCC) budget allocation as the project is a requirement of the MCC development.

The budget allocations for the project are split across the 2016/17, 2017/18 and 2019/19 financial years as outlined in the Table below to align with the current construction program.

Adopted Budget 2016 / 2017 Financial Year	Proposed Budget 2017 / 2018 Financial Year	Proposed Budget 2018 / 2019 Financial Year	Total Project Budget
\$4,378,650.00	\$9,979,661	\$1,091,689	\$15,450,000

Council has recently been successful in securing a \$12.6 million zero interest loan for 15 years under the Queensland Government's Catalyst Infrastructure Program (CIP), which will be used to fund this intersection within the overall Maroochy City Centre funding umbrella. A lump sum transmittal was received into Council's nominated bank account on 28th June, 2017.

The Aerodrome Road project is being delivered as part of the Maroochy City Centre Project. It's funding is consistent with the wider MCC program of works undertaken by SunCentral. The MCC Project is intended to be cost neutral to Council as revenue from land sales will offset construction costs.

Estimated Project Costs

The current estimate of cost for the project totals \$15,450,000 and is comprised of the following rolled up cost items, see table 1 below.

Originally planning estimates proposed a total project cost of approximately \$5.5 million for a signalised roundabout, however the design team have since indicated that this cost would more likely have been in the order of \$18-20 million. This is based on additional signal and lighting requirements, more road pavement areas and pathways, more extensive service relocations, more signage, wayfinding and traffic control measures.

The revised design without the roundabout has yielded a surplus lot which can be sold at a later stage to provide revenue to Council to offset some of the project costs.

Item	Estimate Cost
Civil Infrastructure	\$6.65 million
Service Relocations	\$5.9 million
Landscaping	\$500,000
Design	\$1.4 million
Overheads	\$1.0 million
Total Cost	\$15.45 million

TABLE 1

The Director Corporate Services has advised a policy review will allow the costs for the relocation of third party assets to be treated as non-recurrent expenses, which do not impact on council's operating results. These costs will be 65% (approx. \$9.9 million) of overall project costs and are currently being documented for provision to finance staff for non-recurrent and operational cost planning and reporting purposes.

The project has been staged across multiple financial years to reduce the financial burden within any one year. Investigations as to what potential operational costs can be postponed until financial year 2018/19 have been carried out, and presently identify the following:

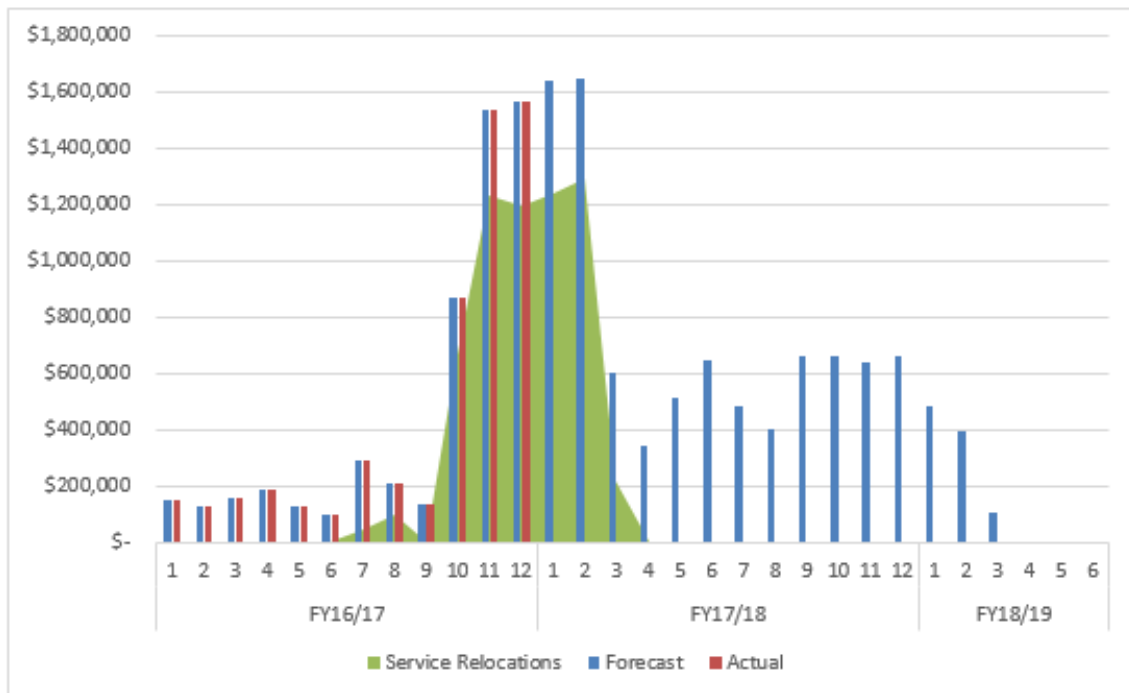
Total operational costs that are proposed to be postponed until Financial year 2018/19 = \$500k.

All other non-recurrent project costs are critical and cannot be postponed due to the following:

- All underground work (service relocations) must occur prior to surface works commencing and cannot be delayed.
- Various road pavement layers, kerbs, drainage etc. are needed progressively to make the project (Aerodrome Road) trafficable during construction.
- Road Lighting and Signals are required to make the road safe and meet TMR approval conditions as construction progresses.
- Surface restoration is required to make the site compliant from an environmental perspective, i.e. turfing exposed areas.

Total costs for the financial year 2016/17 equate to \$5.46 million, which is a \$1.08 million above the allocated budget of \$4.37 million. This is not attributed to additional scope or variations, but is attributed to a large portion of service relocation work that was brought forward to take advantage of contractor availability, which was originally budgeted for in the financial year 2017/18.

Expenditure to-date, and proposed expenditure in subsequent financial years can be seen in Graph 1 below. Service relocation costs are also shown Graph 1 below, which identifies that majority of the overall expenditure in the final three periods of FY 2016/17 is attributed to service relocations. Service relocation costs are also forecasted to form majority of the expenditure during the first three periods of FY 2017/18.



Graph 1 – Overall Expenditure

CORPORATE PLAN

Corporate Plan Goal: *A strong community*

Outcome: We serve our community by providing this great service

Operational Activity: S10 - Roads, cycleways and pathways - maintaining and improving the road network and associated assets (sealed and gravel roads, bridges and pathways), vegetation management, construction and project delivery services, permit fees, private works and levies

CONSULTATION

Portfolio Councillor Consultation

- Place Development and Design Portfolio Councillor P Cox
- Transport, the Arts and Heritage Portfolio Councillor R Baberowski
- Local Divisional Councillors – Councillor J O’Pray and Councillor J Connolly

Internal Consultation

- SunCentral Maroochydore Project Staff and CEO, Mr John Knaggs
- SunCentral Development – Technical Reference Group
- SCC - Executive Leadership Team
- Major Urban Developments Team, Planning and Environment
- Transport and Infrastructure Policy Branch, Planning and Environment
- Strategic Property Team, Economic and Major Projects
- Transport Infrastructure Management Branch, Infrastructure Services
- Parks and Gardens Branch, Infrastructure Services

External Consultation

- Department of Transport and Main Roads - Maroochydore
- TransLink - Brisbane
- Telecommunications Utilities such as Telstra, Optus etc.
- Energex
- UnityWater
- Queensland Police Services
- Maroochydore Revitalisation Association
- General Public and Business Trader Community - The project team is undertaking continual community and external stakeholder consultation in regards to the Aerodrome Road Intersection and Maud Street intersection upgrades. This is being achieved using an expert external public relations consultant.

Community Engagement

A Community Engagement Plan has been developed for the Aerodrome Rd Intersection upgrade project in conjunction with the Maud Street intersection upgrades for consistency of messaging around these three key Maroochydore Intersection upgrade projects. A dedicated 1800 number has been setup for the project, in addition to a webpage which is updated as the project progresses.

Community engagement to-date has involved doorknocking and face-to-face meetings with residents and business owners of the surrounding areas, and issuing regular newsletter updates with information such as proposed changes to road configurations and anticipated construction phasing.

Newsletters are typically issued every few months or when major milestones have been completed. Short-form construction updates are also issued as per typical procedures to advise of extra-ordinary works such as nightshift, lane closures/detours, asbestos removal etc.

PROPOSAL

The project has arisen from the necessity to connect the new Maroochydore City Centre Town Centre Boulevard (TCB) to the existing Aerodrome Rd / First Avenue intersection, creating a focal entry to the new CBD. Aerodrome Road is part of TMRs network and as such, the project is subject to TMR approval.

**FIGURE 1**

Key requirements of the project scope are not only to achieve the specified traffic capacity and functionality to 2031, but to deliver the continuation of the regions cycle network and to consider future light rail while providing urban design outcomes consistent with this intersections role as a nexus point between the old and new Maroochydores CBD's, presenting a modern gateway to the new Maroochydores City Centre development.

The intersection is also being designed to promote pedestrian and cyclist connectivity from the Cotton tree precinct to the new City Centre, rather than creating a further barrier.

In early 2016, the design was awarded to a joint venture team consisting of WSP/ Parsons Brinckerhoff and Hassell consultants based a range of criteria including their urban design concept for the intersection upgrade. The urban design philosophy is based around prioritising active transport modes and providing a green moment on this otherwise unattractive and hard surfaced transport corridor.

A key driver for the project team has been focusing on ensuring high quality single phase traffic signal movements are available for pedestrian and cyclists, particularly in respect to the north / south Aerodrome Road crossing. This is to ensure highly functional active transport options are available for people moving between the new Maroochydores City Centre, First Avenue, Duporth Avenue, the Maroochy River Foreshore and Cotton Tree beach areas.

Figure 2 below depicts the current intersection design configuration which incorporates the following key elements.

- Traffic Lane configurations with capacity to 2031
- Single Phase Pedestrian Crossing movement from Town Centre Boulevard to First Avenue
- High Quality Separated Cycle facility joining Town Centre Boulevard facility to First Avenue
- Additional, balanced road verge width for pedestrians and landscape planting
- Landscaped central median island with street trees
- Coast Connect Bus Stops at equidistant spacing between other existing stops
- Provision for Future Light Rail corridor
- Bespoke Bus Stop / Arbor reflecting Sunshine Coast styling
- Underground Power due to conflicts with overhead service poles

- Major Realignments of Telecommunications and Water Mains due to pit conflicts with Town Centre Boulevard
- Surplus land available for possible future resale



FIGURE 2 – Intersection Upgrade General Arrangement



FIGURE 3 – Bus Stop Arbor

A range of internal and external stakeholders have been immersed in the design development process to limit rework and approval difficulties and the design is currently in the process of final review and approval from TMR.

Construction of this key intersection is now three (3) months into construction after commencing in early April 2017 with Council’s Civil Asset Management (CAM) team as the Principal Contractor and Project Delivery – Civil Projects undertaking Project Management of this project.

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Partly complete Town Centre Boulevard (TCB) – Plan View



Partly complete Town Centre Boulevard (TCB) – Looking South

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Legal

There are no current legal issues relevant to this report.

Policy

There are no current council policies relevant to this report.

Risk

With the design in the final stages of TMR approval, it is not expected that this will pose significant risk in delaying construction activities or the completion date of the project.

We are approximately 50% through the public utility plant relocation works, and whilst we have completed extensive service conflicts workshops and investigations on-site, there is the possibility of some unknown services causing conflicts during construction. If encountered, these are expected to be minor.

Public relations are being well managed and are not posing a current risk to council.

Previous Council Resolution

Council Resolution – Special Meeting 23 February, 2017 **(SM17/6)**

That Council receive and note the report titled 'Aerodrome Road Intersection Upgrade – Project Update'.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

Practical Completion for the construction works is scheduled for third quarter 2018 to align with SunCentral's completion of the first stage works program and allow traffic to enter Stage 1 through this major intersection.

Implementation

The implementation of this project will continue to be Project Managed by the Infrastructure Services, Project Delivery Team.

Construction continue to be undertaken by the Civil Asset Management Construction Services team that recently completed the Evan St project.

The same project team operating model, including external public relations support, will be located on site over the duration of the project construction period.

5 CONFIDENTIAL SESSION

5.1 CORPORATE SERVICES

5.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - THE SMART MOVE PROJECT UPDATE

File No: F2016/272527

**Author: Manager Property Management
Corporate Services Department**

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

6 NEXT MEETING

Nil

7 MEETING CLOSURE