

# Agenda

## **Special Meeting (SunCentral & Sunshine Coast Airport Quarterly Update)**

**Thursday, 23 February 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 ECONOMIC DEVELOPMENT AND MAJOR PROJECTS****4.1.1 SUNSHINE COAST AIRPORT EXPANSION PROJECT - CONSTRUCTION: UPDATE**

<b>File No:</b>	<b>Special Meeting</b>	
<b>Author:</b>	<b>Project Director (Sunshine Coast Airport Expansion) Economic Development and Major Projects Department</b>	
<b>Attachments:</b>	<b>Att 1 - Sunshine Coast Airport Expansion Project - Works Program .....</b>	<b>13</b>

**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 (the Project).

**EXECUTIVE SUMMARY**

Work has progressed on a range of pre-construction and early works activities associated with the delivery of the Sunshine Coast Airport Expansion Project, with the Project Director (Sunshine Coast Airport Expansion) commencing duties on 1 August 2016.

Activities include the procurement of a number of contractors to undertake studies and investigations associated with environmental approval applications, which are a necessary precursor to the commencement of construction.

In addition, a brief has been prepared for the detailed design of the drainage, runway and taxiway embankment (dredging operations), pavement and surfacing, apron extension, perimeter road, access road to Air Traffic Control Tower site (Air Traffic Control Tower by AirServices Australia), lighting, line-marking and signage.

Unitywater relocation activities are well underway with approximately 50% of the new pipeline having been installed.

Discussions have been held with Energex to progress the design and documentation activities associated with the relocation of their assets from within the Project's construction footprint.

**OFFICER RECOMMENDATION**

**That Council receive and note the report titled "Sunshine Coast Airport Expansion Project - Construction: Update".**

**FINANCE AND RESOURCING**

The Council adopted budget for 2016/17 included a total allocation of \$347 million for the Sunshine Coast Airport Expansion Project between 2016/17 and 2020/21.

During the procurement process to select a Commercial Partner for the Project, negotiations resulted in the terminal upgrade works becoming the responsibility of Palisade Investment Partners. This resulted in the forecast cost of the Project being reduced by \$28 million to \$319 million.

The actual pricing of the various packages of work will be subject to future procurement processes.

## CORPORATE PLAN

**Corporate Plan Goal:** *A new economy*

**Outcome:** 1.2 - New capital investment in the region

**Operational Activity:** 1.2.1.3 - Commence construction of the new east-west runway

## CONSULTATION

### Portfolio Councillor Consultation

During the procurement process to select a Commercial Partner for the Project, reporting has been to formal Ordinary or Special Meetings of Council.

With that process having resulted in contracts being signed, reporting to the Project Control Group will resume.

### Internal Consultation

- Director Economic Development and Major Projects
- Manager Procurement and Contracts
- Procurement Specialist, Procurement and Contracts Branch
- Solicitor, Legal Services Branch
- Coordinator Planning and Major Projects, Sunshine Coast Airport
- Consultant Advisor

### External Consultation

- Corview Group Pty Ltd
- Energex Ltd
- Jacobs Engineering Group Inc
- King & Wood Mallesons
- Unitywater

### Community Engagement

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

## PROPOSAL

### Works Packages

As previously advised, the work to be performed to deliver the Project has been divided into four main work categories. These are as follows:

#### 1. Enabling Activities

There are certain activities that must be completed prior to proceeding to design and then construction works. These include:

- detailed ground survey to produce an accurate terrain model for the design development and detailed flood modelling
- additional geotechnical investigations to accurately define Potential Acid Sulphate Soil



- preparation and submission of applications for critical environmental approvals and various permits
- preparation, negotiation and acceptance of the Cultural Heritage Management Plan and
- design and documentation activities associated with the relocation of Energex and Unitywater assets from within the Project's construction footprint.

Work has now commenced and is nearing completion on all of these activities.

## **2. Preliminary Works**

Preliminary works include actual works that are either offsite or must be completed onsite before the main contract works proceed. These works include:

- the upgrade of Finland Road to ensure adequate access to the site for contractors
- relocation of Energex and Unitywater assets to remove conflicts
- new fencing to secure airside operations
- installation of monitoring stations to meet the requirements for environmental approvals
- translocation of the Mount Emu She-oak to clear the site of environmental constraints that could impact the contractor's ability to freely schedule works
- relocation of the helicopter training pads
- relocation of the Bureau of Meteorology's weather station to facilitate ongoing and uninterrupted operations at the Airport during the construction stage and
- preparation of the detailed design for the Project.

The Finland Road upgrade is now approximately 30% complete.

Relocation of Unitywater's pipeline is almost 50% complete.

Ground and surface water monitoring stations were installed six months ago and data has been compiled each month since that time.

The preparation of submissions for approvals for the relocation of the Mount Emu She-oak are nearing completion.

## **3. Main Construction Works**

These works constitute the bulk of the works necessary to deliver the new runway, taxiways and expanded apron. They consist of the construction of the significant drainage system; the sand dredging and placement process; and the paving, surfacing, lighting, line marking and signage as well as the works associated with the perimeter road, the access road to the Air Traffic Control tower site preparations (the tower is to be constructed by AirServices Australia).

It is currently planned that a contract for this work will be let by September 2017.

## **4. Terminal Upgrade Works**

It has been agreed that these works, which include the design and construction of the terminal upgrade to accommodate increased passenger throughput, particularly in the international category, and modification of car parking areas will now be undertaken by Palisade Investment Partners.

### **Works Program**

The most critical activities in the Works Program are those associated with the dredging and sand placement for the embankment and preload and, in particular, the associated environmental approvals and monitoring requirements that are a condition of the

Environmental Impact Statement approval. 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 completion by June 2020, provided that the consolidation of the compressible marine clays underlying the northwestern end of the runway can be achieved over a period of six months.

A copy of the Works Program is included as Attachment 1.

## **APPROVALS**

### **Commonwealth Approval of the Environmental Impact Statement**

The clearing of the access tracks triggered the requirement to notify the Department of the Environment and Energy that the project has commenced.

Formal notification to this effect was sent on 17 January 2017 and confirmed acknowledgement from the Department was received on 20 January 2017.

### **State Government Approvals**

A further 29 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.

## **GOVERNANCE**

### **Governance**

The Council Project Control Group within Council will re-establish following the appointment of Palisade Investment Partners as Council's Commercial Partner for the Project.

A second Project Control Group is included within the financial transaction documentation and is to comprise two representatives each from Council and from the airport operator, Palisade Investment Partners.

### **Project Team**

The nucleus of the project team has been established with a priority focus on the roles required to manage the preconstruction activities that have been initiated.

A previously vacant building at the airport has been leased and a site office has been established.

As the Project matures, that team will expand to ensure that the appropriate control mechanisms can be applied to protect the owner's interests and to satisfy mandatory governance requirements throughout the delivery process.

It is proposed that the project team will comprise both internal and external members depending on the skillset required. Some project team members in specialist roles will operate on a part-time basis. The inclusion of project team members sourced from within Council's existing workforce will provide the opportunity for knowledge, experience and skills growth within the broader organisation through exposure to this large and complex project and the skills base that external project team members will bring to the table.

The costs of the project team will be charged to the Project and allowance has been made within the current budget allocation for these costs.

### **Legal**

The construction of the Project will be subject to the procurement sections 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 and the Sunshine Coast Airport Master Plan 2007.

**Risk**

A risk and opportunities register has been developed which includes mitigation strategies for each of the risks. At this points the main risks include:

- variations to the flood and drainage modelling undertaken to date
- variations to the survey results obtained to date
- differences in forecast geotechnical conditions
- delays in arrangements for the control tower
- tasks on the critical timeline not being completed on schedule and/or
- actual costs being exceeded.

Opportunities identified over and above the Project's benefits include actual costs being lower than estimated.

**Previous Council Resolution**

Council Resolution (SM16/1) Special Budget Meeting 16 June 2016

*That Council:*

- (a) *receive and note the report titled "Adoption of the 2016/2017 Budget and Forward Estimates for the 2017/2018 to 2025/2026 Financial Years"*
- (b) *adopt the 2016/2017 Budget Schedules (Appendix A) including Forward Estimates and*
- (c) *adopt the 2016/2017 Capital Works Program, endorse the indicative four-year program for the period 2017/2018 to 2020/2021, and note the five-year program for the period 2021/2022 to 2025/2026 (Appendix B).*

Council Resolution (OM16/13) 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

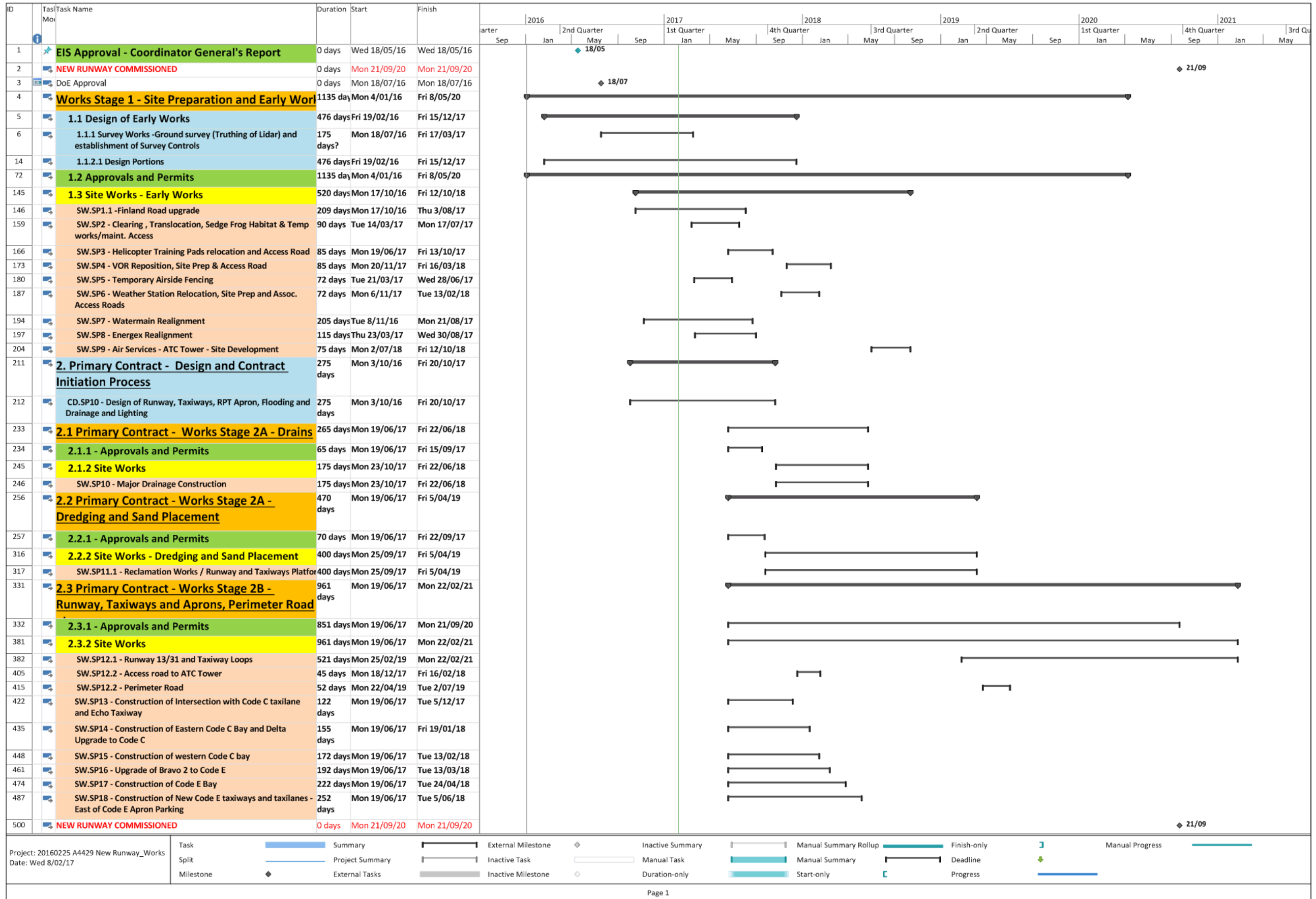
**Critical Dates**

The most critical activities in the Works Program are those associated with the dredging and sand placement for the embankment and preload and, in particular, the associated environmental approvals and monitoring requirements that are a condition of the Environmental Impact Statement approval.

It is imperative that these works be undertaken during the period May to October 2018 to ensure delivery in 2020 in accordance with the desired time-frame.

**Implementation**

Work will continue as detailed in this report.





**4.1.2 SUNSHINE COAST AIRPORT EXPANSION PROJECT**

**File No:** Special Meeting  
**Author:** Director  
Economic Development and Major Projects Department

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**PURPOSE**

The purpose of this report is to inform Council of the procurement process being undertaken for the delivery of the Sunshine Coast Airport Expansion Project (the Project), with a particular focus on the Design and Construction (D&C) stages for the runway.

**EXECUTIVE SUMMARY**

The Sunshine Coast Airport Expansion Project includes the construction of a 2450 metre east-west runway which will better cater for the long-term development and needs of the Sunshine Coast region, its community, and visitors. Council intends delivering the new runway by 2020.

As these construction works will form a significant high value contractual arrangement, a procurement strategy has been developed for the engagement of a Design and Construction Contractor to undertake these works. This report summaries the proposed procurement process.

On that basis, this report recommends that Council receive and note this report titled "Sunshine Coast Airport Expansion Project".

**OFFICER RECOMMENDATION**

**That Council:**

- (a) receive and note the report titled "Sunshine Coast Airport Expansion Project" and**
- (b) note that a further report will be provided to Council for consideration for tenders received.**

**FINANCE AND RESOURCING**

The Council adopted budget for 2016/17 included a total allocation of \$347 million for the Sunshine Coast Airport Expansion Project between 2016/17 and 2020/21.

During the procurement process to select a Commercial Partner for the Project, negotiations resulted in the terminal upgrade works becoming the responsibility of Palisade Investment Partners. This resulted in the forecast cost of the Project being reduced by \$28 million to \$319 million.

The actual pricing of the various packages of work will be subject to future procurement processes.

**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

During the procurement process to select a Commercial Partner for the Project, reporting has been to formal Ordinary or Special Meetings of Council.

With that process having resulted in contracts being signed, reporting to the Project Control Group will resume.

### Internal Consultation

- Chief Executive Officer
- Director Corporate Services
- Director Economic Development and Major Projects
- Project Director (Sunshine Coast Airport Expansion)
- Manager Procurement and Contracts
- Solicitor, Legal Services Branch

### External Consultation

King & Wood Mallesons

### Community Engagement

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

## PROPOSAL

Council owns and operates the Sunshine Coast Airport (SCA). Council has committed to undertaking the Airport Expansion Project.

The Sunshine Coast Airport Expansion Project is a key component of Council's *Regional Economic Development Strategy 2013-2033* and is aligned with its long-term vision for the region.

The Sunshine Coast Airport Expansion Project includes the construction of a 2450 metre east-west runway which will better cater for the long-term development and needs of the Sunshine Coast region, its community, and visitors. Council intends delivering the new runway by 2020.

On 19 May 2016, the Queensland Coordinator-General recommended that the Project proceed, subject to certain conditions.

At its Special Meeting of 28 September 2015, Council noted that a project procurement and delivery strategy workshop (the Workshop) would be undertaken for the purpose of ensuring that the Project is delivered at the best value for money for Council.

The Workshop was held on 6 November 2015, and a preliminary assessment of the various delivery options was undertaken. The workshop considered the delivery of the project in three phases as follows:

- Phase 1 – planning phase (including completion of the current planning activities and the approvals process)



- Phase 2 – design phase (including the design of preliminary works and Stage 1 of a design and construct process)
- Phase 3 – construction phase (including the Stage 2 construction under a design and construct process and the construction of the terminal upgrade).

The delivery of Phase 2 and Phase 3 will require Council to enter into a number of significant contractual arrangements surrounding the design and construction works.

### **Phase 1 – Planning Phase**

As received and noted by Council in the report of 18 August 2016 titled “Sunshine Coast Expansion Project – Construction’, preliminary activities including the procurement of a number of contractors to undertake studies and investigations associated with the environmental approval applications have commenced and are ongoing.

### **Phase 2 – Design Phase**

Design works for the Project include the detailed design of the drainage, runway and taxiway embankment (dredging operations), pavement and surfacing, apron extension, perimeter road, access road to Air Traffic Control site (Air Traffic Control tower access by others), lighting, line-marking and signage.

Tenders were called for ITT1621 – Runway Design – Sunshine Coast Airport Expansion Project on 5 November 2016 with a closing date of 29 November 2016. The Tenders received have been evaluated and the higher ranked Respondents have been interviewed and subsequently short-listed for further consideration.

The successful Respondent (“the Design Consultant”) will be required to complete the design works as outlined under the Design Consultancy Deed. The Design Consultant will also be required to assist SCRC in the Early Contractor Involvement process (“ECI Process”) proposed for the procurement of the Construction Contractor (“D&C Contractor”) as outlined under “Phase 3 – Construction” in this report.

### **Phase 3 – Construction**

The Construction phase of the project will require bulk earth works for the runway and associated infrastructure including the construction of drains, runway and taxiway embankment (dredging operations), pavement and surfacing, apron extension, perimeter road, access road to Air Traffic Control site (Air Traffic Control tower access by others), lighting, line-marking and signage.

Following the Workshop and consultation with legal advisors a procurement strategy has been developed consisting of a two phase tender process for the procurement of a Design and Construction Contractor as follows:

#### ***Construction Tender – Phase 1***

This will be a public tender whereby Respondents will be required to satisfy a number of mandatory criteria in addition to demonstrating the following weighted criteria:

- Capability, experience and capacity
- Methodology (high-level)
- Environment
- Occupational Health and Safety
- Local economy.

The structure of the tender will encourage submissions from mid-tier respondents in the form of alliance or joint venture type arrangements.

The Evaluation Panel will shortlist up to four (4) Respondents to proceed to Phase 2 of the tender process.

**Construction Tender – Phase 2**

This will be a closed tender whereby Shortlisted Respondents will be invited to participate in an Early Contractor Involvement Process (ECI Process).

This ECI Process will involve the Shortlisted Respondents being involved in the development of the Principal's reference Design.

On completion of the reference design, the Shortlisted Respondents will be invited to submit a tender to complete the detailed design and construct the works following completion of the Principal's Reference Design.

It is anticipated that Shortlisted Respondents will primarily be evaluated on the following weighted criteria in Phase 2:

- Methodology (detailed)
- Price.

The Evaluation Panel will then recommendation one Respondent as the D&C Contractor to proceed to complete the detailed design in accordance with the Scope of Works and Technical Criteria (SWTC) and construct the works in accordance with the detailed design and the terms of the design and construction contract.

On that basis, this report recommends that Council receive and note this report titled "Sunshine Coast Airport Expansion Project".

**Probity**

A Probity Advisor will be appointed prior to the release of Phase 1 of the Construction Tender.

Each member of the Evaluation Panel will be required to sign and adhere to a Probity Confidentiality and Conflicts Declaration prior to receipt of Tenders.

**Legal**

As the Project involves a tender process, *Local Government Regulation 2012* is relevant:

*Section 228 – Tender process*

*(1) This section is about how a local government must invite written tenders for—*

*(a) a large-sized contractual arrangement; or*

*(b) a valuable non-current asset contract.*

King & Wood Mallesons have been engaged as Legal Advisor through Council's Legal Services Branch.

Key regulatory and legislative issues that will continue to be addressed through the development phases of the Project include compliance with Council's Procurement Policy (in accordance with relevant provisions of the Local Government Act).

**Policy**

Delivery of the Sunshine Coast Airport Expansion Project is consistent with the Sunshine Coast Planning Scheme 2014 and the Sunshine Coast Airport Master Plan 2007.

**Risk**

A risk and opportunities register has been developed which includes mitigation strategies for each of the risks. At this point the main risks include:

- Funding for the project not being obtained
- Variations to the flood and drainages modelling undertaken to date
- Variations to the survey results obtained to date
- Differences in forecast geotechnical conditions
- Delays in arrangements for the control tower
- Tasks on the critical timeline not being completed on schedule
- Actual costs being exceeded.

Opportunities identified over and above the Project's benefits include actual costs being lower than estimated.

**Previous Council Resolution**

Council Resolution (SM16/1) Special Budget Meeting 16 June 2016

*That Council:*

- (a) *receive and note the report titled "Adoption of the 2016/2017 Budget and Forward Estimates for the 2017/2018 to 2025/2026 Financial Years"*
- (b) *adopt the 2016/2017 Budget Schedules (Appendix A) including Forward Estimates and*
- (c) *adopt the 2016/2017 Capital Works Program, endorse the indicative four-year program for the period 2017/2018 to 2020/2021, and note the five-year program for the period 2021/2022 to 2025/2026 (Appendix B).*

Council Resolution (OM16/13) 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 Environmental Impact Statement
- Sunshine Coast Airport Additional Information to the Environmental Impact Statement
- Sunshine Coast Planning Scheme 2014
- Sunshine Coast Airport Master Plan 2007
- Queensland Coordinator-General's Report 2016

**Critical Dates**

Date	Stage	Action
18 February 2017	Construction Tender - Phase 1	Advertised
13 March 2017	Construction Tender - Phase 1	Close
27 March 2017	Construction Tender – Phase 1	Shortlisted respondents notified
27 March 2017	Construction Tender – Phase 2	EI process commences with shortlisted respondents
27 June 2017	Construction Tender – Phase 2	Close
15 August 2017	Construction Tender – Phase 2	Contract Award

**Implementation**

The tenders for the Design and Construction Works associated with the Sunshine Coast Airport Expansion Project will progress as detailed in this report.

**4.1.3 MAROOCHYDORE CITY CENTRE PROJECT - QUARTERLY REPORT TO PERIOD ENDING 31 DECEMBER 2016**

**File No:** Special Meeting  
**Author:** Director  
Economic Development and Major Projects Department  
**Attachments:** Att 1 - Maroochydore City Centre Project Quarterly Report to the SCRC Shareholder Representative Group (SRG) .....Conf 5/13

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**PURPOSE**

The purpose of this report is to provide Council with an update on the progress of the Maroochydore City Centre project (the Project) for the quarter ending 31 December 2016.

**EXECUTIVE SUMMARY**

Council has established SunCentral Maroochydore Pty Ltd (the Company) as the development management company to oversee one of this country's most exciting projects – Australia's only greenfield CBD.

The Company has responsibility to oversee detailed design, construction, marketing and sales for the Project. In doing so, the Company has been tasked with achieving an appropriate balance between commercial and community building functions, while ensuring the development delivers a 21<sup>st</sup> century CBD and an identifiable city heart for the wider Sunshine Coast.

The Company will also be charged with attracting capital and business investment to the site.

This quarterly report deals with the period October to December 2016 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 highlights for the quarter focused on the delivery of key infrastructure associated with the project. In particular:

- all bulk earthworks and site preparation works for Stage 1A were completed
- work commenced on the two intersections on Maud Street, with a focus on the off-street portions to avoid traffic impacts during the holiday period and
- the stage 1A main civil and subdivision works were put to tender.

**OFFICER RECOMMENDATION**

**That Council receive and note the report titled “Maroochydore City Centre Project – Quarterly Report to period ending 31 December 2016”.**

**FINANCE AND RESOURCING**

The current year to date expenditure is \$8.24 million. Following the finalisation of procurement processes currently underway, any budget adjustments will be presented to Council as part of budget review 3.

## CORPORATE PLAN

**Corporate Plan Goal:** *A new economy*

**Outcome:** 1.2 - New capital investment in the region

**Operational Activity:** 1.2.2.1 - Provide support to SunCentral Maroochydore Pty Ltd and manage Council's shareholder interests in the company

## CONSULTATION

### Portfolio Councillor Consultation

Consultation has been undertaken with the Shareholder Representative Group, which includes Portfolio Councillors Jamieson, Dwyer, Connolly and Robinson.

### Internal Consultation

Consultation has been undertaken with the Shareholder Representative Group, which includes the Chief Executive Officer and the Director Infrastructure Services.

### External Consultation

SunCentral Maroochydore Pty Ltd (**Attachment 1**)

### Community Engagement

There has been no community consultation undertaken as part of this report.

## PROPOSAL

This report provides a summary of the key activities undertaken by SunCentral Maroochydore Pty Ltd for the quarter October to December 2016.

### Bulk earthworks and site preparation works

During the reporting period all bulk earthworks and site preparation works for Stage 1A were completed. These works have included:

- site clearing
- all bulk earthworks associated with the Stage 1A Corso
- streets and lot layouts
- major sewer reticulation works in the north-east quadrant
- re-location of the 11kv electricity cable with associated electrical pits and conduits and
- allotment drainage.



**Image 1: Completion of Stage 1A bulk earthworks, November 2016**

### **Maud Street intersections works**

The contractor (Shadforths) have commenced work on the two intersections on Maud Street at Dalby and Bungama Streets. The early work focused initially on the off-street portions of the works area, so as to not impact traffic flows during lead up to Christmas/New Year. Intersection works will continue through to April depending on weather conditions.



**Image 2: Commencement of Maud Street intersection works**

**Stage 1A main civil and subdivisions works**

These works went out to tender to the previously shortlisted firms, during the last part of the reporting period. Tenders will close, be assessed and it is expected that contract award will occur by the end of the first quarter of 2017.

**East Corso works package**

The engineering design is being concluded for this part of the Corso waterway structure, with procurement and construction expected to be finalised by the end of the second quarter 2017.

**Marketing and Commercialisation**

The next phase of project marketing in 2017 will target business and commerce outside the region and interstate, in a bid to build awareness of the Maroochydore City Centre as a location to establish business headquarters or satellite regional enterprises. The market response has been solid to date, and a number of contracts will be established in 2017. Contract finalisation can only be facilitated after the execution of the Infrastructure Agreement for the Project and the issuing of land titles late in 2017.



Figure 3: Lot location plan



**Automated waste collection system (AWCS)**

Council Waste Management personnel and others, continue to work on the design, future operating arrangements and charging mechanisms associated with the AWCS being installed and operated within the new CBD precincts. From a construction view point the system's pipe and infrastructure network has been incorporated into the main civil design, work is advancing on the transfer station building and the specialised pipes for the AWCS are being delivered to site from the manufacturing plant in South Korea.



**Figure 4: Shipment of AWCS pipes delivered to site**

**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 Resolution****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:*

- receive and note the report titled “Maroochydore City Centre Project - Roles, Responsibilities, Authorities” and*
- 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:*

- receive and note the report titled “Company Establishment for Maroochydore City Centre Development ”*
- 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)*
- 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*
- 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*
- 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*
- 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 associated with this report.

**Implementation**

The key areas of focus for the next quarter will be as follows:

- **Stage 1A main civil works contract award and works commencement**  
This work signals the start of the more refined street and infrastructure construction / delivery of the northern-most part of the site during 2017.
- **Ongoing Maud Street intersection works**  
These critical access works will progress to on-street construction activity requiring careful site management and coordination, with completion due in April 2017.
- **Marketing and Commercialisation**  
Work will continue on attracting investors and tenants and will be implemented in accordance with Council Resolution SM 16/20.



## 4.2 CORPORATE SERVICES

### 4.2.1 NEW COUNCIL CHAMBERS / BUDGET MONITORING AND FINANCIAL RISK STATUS REPORT

**File No:** Council meetings  
**Author:** Director  
Corporate Services Department

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#### PURPOSE

The purpose of this report is to:

- (a) Provide an update on the proposed Council presence within the new Maroochydore CBD – *The Smart Move for Sunshine Coast*;
- (b) Provide an update on the financial aspects of the Maroochydore City Centre Project, both current 2016-2017 year to date and whole of project life.

#### EXECUTIVE SUMMARY

The Smart Move for Sunshine Coast Council is currently in “project mobilisation” phase. This phase of the project is focused on establishment of a number of core priorities required for the early stages, including:

- establishment of early stages internal team
- resource planning and appointments, including resource cost plans
- benchmarking
- Development Options Analysis including establishment of conceptual programme of works
- impacts and benefits studies – Caloundra/Nambour/Maroochydore
- project brief establishment
- documentation structures and filing
- Corporate Administration Buildings portfolio review and planning

The budgeted land sales operating revenue from Stage 1A for 2016-2017 totals \$7.342 million. No land is now expected to be sold by 30 June 2017. An adjustment to remove the \$7.342 operating revenue will be included in BR3.

Associated with the removal of land sales revenue, the cost of land sold expense budget of \$2.693 million and depreciation of \$361,000 will also be removed at BR3.

Note the removal of these land sale items at BR3 will result in a net reduction of Sunshine Coast Council’s operating surplus by \$4.288 million.

The full year capital expenditure budget of \$52.808 million is expected to be significantly underspent in the current year due to an extended period to review Smart City requirements and electrical design under DSC 7 – Civil Construction.

It is envisaged that contract award for subdivisional works under DSC 7 will be made in February/March 2017.

Bulk earthworks (DSC 5) were completed during the December 2016 quarter.

Whole of Project MCCP costs to the end of December 2016 total \$84.287 million.

## OFFICER RECOMMENDATION

**That Council receive and note the report titled "New Council Chambers / Budget Monitoring and Financial Risk status report"**

## FINANCE AND RESOURCING

### The Smart Move Project

The Smart Move project costs have been limited at present to the time of internal resources. This time has been within the realms of current duties of officers involved in the project; however, as the project mobilises, resources will be transitioned to dedicated involvement and their substantive positions will require backfilling.

Two core pieces of work which will guide financial positioning on The Smart Move include:

1. A Project Budget – summary is currently underway, detailing costs attributable to provision of professional resources and associated costs
2. A Development Options Analysis – Following a RFQ process, Ernst & Young was appointed on 2 February, and a start-up meeting held on 9 February. The draft of the final report is to be presented by Ernst & Young on 6 March 2017.

Whilst the Project Budget is an important document to be prepared for Council consideration of budget requirements, the Development Options Analysis – i.e. the procurement approach for Council's presence in Maroochydore CBD – is critical and to be resolved as soon as possible to direct resources and expenditure. With the above timeline being met, it is expected Council will receive the Development Options Analysis report for consideration at the March Ordinary Meeting.

In relation to budget requests for project costs, the Project Budget will assist in informing expenditure to be incurred in 2016/17, and the expenditure for professional costs anticipated to be incurred in 2017/18 and 2018/19. These costs can vary greatly depending on the procurement approach so will require refinement once Council resolves its position upon receipt of the Development Options Analysis.

### Maroochydore City Centre Project

Part B of this report contains information of current year costs of the Maroochydore City Centre Project against budget and project life to date costs.

The report's recommendation is to receive and note the report with no future financial commitments or requirements.

## CORPORATE PLAN

**Corporate Plan Goal:** *A new economy*  
**Outcome:** 1.2 - New capital investment in the region  
**Operational Activity:** 1.2.2.4 - Investigate options for a Council presence in the Maroochydore PDA

## CONSULTATION

### Portfolio Councillor Consultation

The Finance Portfolio Councillor, Cr Dwyer is a member of the SRG and will receive this report.

An update on The Smart Move project is due to Council at the Strategic Discussion Forum to be held on 9 March 2017.

**Internal Consultation**

As this is a status report only, no internal consultation has been undertaken for the compilation of the financial component of this report.

Working Groups have commenced meetings in relation to The Smart Move project. Early involvement of key stakeholders is critical and resource planning will be the base for development of the Project Budget. Internal resources are becoming known and the shortage of the required skillsets is becoming evident. The supply of skills required for the project will occur through a mix of internal and external labour, particularly in provision of specialised skillsets.

**External Consultation**

Employees of SunCentral Maroochydore Pty Ltd have been involved in numerous discussions regarding a new Council chambers in Maroochydore.

**Community Engagement**

There is no community engagement in relation to this report.

**PROPOSAL****PART A – New Council Chambers**

The Smart Move for Sunshine Coast Council is currently in “project mobilisation” phase. This phase of the project is focused on establishment of a number of core priorities required for the early stages, including:

1. establishment of early stages internal team
2. resource planning and appointments, including resource cost plans
3. benchmarking
4. Development Options Analysis including establishment of conceptual programme of works
5. impacts and benefits studies – Caloundra/Nambour/Maroochydore
6. project brief establishment
7. documentation structures and filing
8. Corporate Administration Buildings portfolio review and planning

**1. Establishment of Early Stages Internal Team**

Staff within Property Management Branch are currently mobilising the project. Within the next few months, it is expected that two of these staff will become dedicated project resources and their positions will require backfilling. Work space is currently being investigated and will be facilitated within Council’s existing work space footprint, for at least the early project stages.

Staff who have current responsibilities attributable to The Smart Move include:

- Frances Martin – Manager Property Management
- Brian Dale – Coordinator Buildings and Facilities Assets Management
- Michael White – Senior Facility Officer
- Ryan Haigh – Senior Facility Officer

An administration resource is not yet required, but will be reconsidered during the resource planning.

Tony Holzberger – Principal Architect has been released for project engagement for 1-2 days per week.

Representatives from ICTS, Corporate Governance, Communications, Human Resources, Transport Infrastructure Management, Community Relations, Strategic Planning and

Economic Development have also been engaged with as part of Internal Working Groups. What is increasingly evident is that whilst Council has a vast array of very skilled officers, the project is of a specialist nature to the skills Council has required out of internal positions and high level advice and strategic direction is likely to be externally sourced in many key areas.

## 2. Resource Planning and Appointments, Including Resource Cost Plans

As outlined above, resources have been engaged to form Project Team/s and detailed resource planning is currently underway. This will assist in forming a costs plan (Project Budget) which is targeted for presentation at Budget Review 3. Whilst the Development Options Analysis is not expected to be received until March 2017, there are many professional costs that will be incurred irrespective of the procurement approach.

The Executive Leadership Team (ELT) meeting on 9 February 2017 agreed the development of a four year ICTS project to allow for the planning and implementation of the ICTS transition to accommodate mobility functionality strategies across the administration portfolio.

In addition the ELT also agreed the requirement for the implementation of a change management process in conjunction with the development of a full communications strategy to ensure staff engagement. Each of these will require external consultant involvement.

## 3. Benchmarking

A desktop review has been undertaken to determine projects recently constructed that will present opportunities for site inspections and project reviews with Architects and key stakeholders. This exercise will be ongoing and will require the small project team to visit a number of sites that have comparable attributes to The Smart Move project.

## 4. Development Options Analysis Including Establishment of Conceptual Program of Works

Key to the way forward for The Smart Move project is the presentation of a Development Options Analysis. The objective of the Development Options Analysis is to identify, assess and recommend suitable procurement options for Council's long term presence within the new CBD. Ernst & Young has been appointed to respond to the following brief:

Subject	Requirement
Funding Options	Identification and assessment of the suitability of all available funding options. To include review of: <ul style="list-style-type: none"> <li>• Long-term tenancy</li> <li>• SCC ownership – various construction options</li> <li>• Development Lease</li> <li>• PPP</li> <li>• other</li> </ul>
In relation to each of the funding options identified, provide detail on each of the aspects below:	
Cost estimates	Provide cost estimates for each option, including: <ul style="list-style-type: none"> <li>• Net Present Value (NPV) calculations</li> <li>• Annualised Costs</li> <li>• Initial expenditure requirements</li> </ul>
Ownership implications	SCC has indicated a desire to retain ownership of the building either during or at the completion of any agreement. Provide a financial comparison of the long-term building ownership by SCC against other options
Tenure implications	Provide advice on the most desirable tenure durations with respect to: <ul style="list-style-type: none"> <li>• providing an assured income for financiers / developers</li> </ul>



	<ul style="list-style-type: none"> <li>• providing flexibility and certainty for SCC</li> </ul>
Occupancy level implications	SCC is anticipating occupying 60% of the proposed building GFA of 11,768m <sup>2</sup>
Program / Schedule	Provide a simple Gantt chart for each option detailing key milestones
Resourcing implications	Provide advice on internal and external resourcing implications for each funding option
Cost implications	Provide annualised cost advice for each option on: <ul style="list-style-type: none"> <li>• Maintenance</li> <li>• Operations</li> <li>• Depreciation / capitalisation</li> <li>• Base repayments</li> </ul>

With an appointment now made, it is expected that a report be presented to Council at the Ordinary Meeting in March 2017 to detail the Development Options Analysis findings and recommend a way forward with procurement of the civic headquarters of Sunshine Coast Council in the new CBD.

##### 5. Impacts and Benefits Study – Caloundra/Nambour/Maroochydore

Property Management Branch and Economic Development Branch have commenced development of the brief to be requested of economic consulting firms. The brief is expected to include a request for the following studies/results, notwithstanding that details are still being defined:

Economic – result of staff relocations

- Transport/movement analysis of workforce
- Spending and spending patterns of staff
- Indirect job numbers impacts within a specified area/expected impacts on (exit) businesses
- Supply of essential services
- Spending estimates of visitors who meet with current building occupants and future building occupants
- Impact on unemployment
- Impact on employment and job creation
- Types and values of contract creations in Maroochydore
- Avenues for engagement of local companies in establishment of Maroochydore
- Potential impacts on housing – across all

Property – commercial

- Rent and sale prices in Nambour (current and post relocations)
- Turnover – length of time

Industry – replacement

- Attractors/potential occupants with similar professional workforce and salary
- Incentives to be provided for attraction
- Outcomes of investment in community facilities

New Census data is not available until March 2017, and the request for quote will state the use of this data as a mandatory requirement. As such, this study is likely to be commissioned in March and will afford a timeline of approximately 8-12 weeks for development of draft information.

## **6. Project Brief Establishment**

By far the most complex of tasks, the establishment of the Project Brief brings together the needs of Sunshine Coast Council into a single position paper for delivery to the construction market. The level of detail required in the Brief will vary depending on the procurement option pursued. However, whether Council sees value in designing and constructing the building itself, partnering with another provider, or taking an alternative delivery approach, the Project Brief is the key document to ensuring the finished product is the most appropriate for its needs.

The development of a Project Brief will require all facets of the building, its fitout, and future uses be captured. To do this requires all disciplines to be aware of what Council needs for its current and future workforces. Whilst there are many skilled officers within Council, provision of contemporary and cutting edge solutions and support will be required through a mixed approach of internal and external resources so as not to limit any potential future thinking.

The “bones” of the Brief will begin to develop over the coming months, with the expectation that this process will take approximately 6-9 months for comprehensive development and consultation with stakeholders, to be completed in full. Staging will take place in a logical order so there are no development hold ups; built infrastructure to be established initially, and fitout and other components will follow.

## **7. Documentation Structures and Filing**

Whilst this is an administrative component of the project, it is vitally important to be established early in projects seeking to obtain Green Star accreditation.

Documentation templates are currently being developed to ensure The Smart Move branding appears on all documents and correspondence making project material easily identifiable.

## **8. Corporate Administration Buildings Portfolio Review and Planning**

The Smart Move for Sunshine Coast Council will result in a very modern work place for a significant volume of Council staff housed in the new CBD facility, there will also be a substantial workforce being accommodated in Council’s existing buildings in Nambour and Caloundra.

To establish a strategic direction in relation to the provision of administration facilities, the ELT has directed a full review of the existing Corporate Building administration portfolio. This review is to address the constraints and opportunities of each facility recognising the age, condition, adaptability, flexibility and continued suitability of each.

A further validation of proposed staff locations based on internal support relationships and external customer accessibility is to be completed by mid-March, which, in conjunction with the Corporate building review will inform finalisation of staff accommodation needs.

Early discussions with Ernst & Young have indicated an increased Council commitment to the new CBD building, above the 60% proposed, may be required to attract competitive commercial interest. The Development Options Analysis and Corporate Building review will provide further guidance with respect to the optimum take up within the new CBD building.

A Quantity Surveyor has been engaged to provide initial high level cost estimates of refurbishment of the existing administration portfolio. The purpose of this exercise is to ascertain the expenditure required on the assets from a basic asset management approach with respect to their current age; Eddie De Vere being 40 years, and Caloundra Administration being 20 years, and those costs that would be attributable to retrofitting these existing buildings in a manner that is somewhat comparable to the standard of work space accommodation that will be provided out of the Maroochydore CBD.

## 9. Centre of Excellence for Community Engagement

An aspirational target of returning 50% of the Caloundra administration building and the Eddie De Vere building for Community accessible uses aligned with Council adopted Master Plans once the Maroochydore CBD building is occupied has been identified by the CEO and ELT. Community Services will use this opportunity to pilot a community engagement project on the best use for community spaces in the Nambour and Caloundra areas.

### **PART B – Financial Status of the Maroochydore City Centre Project**

A snapshot of 2016/2017 SCC revenue and expenditure on the M CCP to the end of December 2016 is presented in Table 1.

**TABLE 1 – OPERATING AND CAPITAL REVENUE AND EXPENDITURE – 2016-2017**

	ACTUALS TO 31 DEC 16	FULL YEAR BUDGET
	\$'000	\$'000
<b><u>Operating Position</u></b>		
Land Sales	0	7,342
<b>Less</b>		
Cost of land sold	0	2,693
Depreciation	0	361
Marketing	(391)	0
Finance Costs	(219)	0
<b>Operating Result</b>	<b>(610)</b>	<b>4,288</b>
<b><u>Capital Expenditure</u></b>		
SCC Project Mgmt	28	90
Development Mgmt Fee	2,040	2,040
Finance Costs	1,826	2,575
Aerodrome Rd Intersection	871	4,379
Property Acquisitions	1,543	2,435
DSC1 – Project, Site Mgmt	13	85
DSC 2 – Marketing	287	1,921
DSC 3 – Master Planning & Design	344	1,784
DSC 4 – Building Demolition	0	0
DSC 5 – Bulk Earthworks	609	1,189
DSC 6 – Detail Design	70	669
DSC 7 – Civil Construction	669	35,641
<b>Total Capital Expenditure</b>	<b>8,300</b>	<b>52,808</b>

### **Operating Revenue**

The budgeted land sales operating revenue from Stage 1A for 2016-2017 totals \$7.342 million. No land is now expected to be sold by 30 June 2017. An adjustment to remove the \$7.342 operating revenue will be included in BR3.

### **Operating Expenses**

Associated with the removal of land sales revenue, the cost of land sold expense budget of \$2.693 million and depreciation of \$361,000 will also be removed at BR3.

Marketing costs that are incurred under DSC 2 – Marketing are classified as operating and total \$391,000 at the end of December 2016.

Note the removal of these land sale items at BR3 will result in a net reduction of Sunshine Coast Council's operating surplus by \$4.288 million.

**Capital Expenditure**

The full year capital expenditure budget of \$52.808 million is expected to be significantly underspent in the current year due to an extended period to review Smart City requirements and electrical design under DSC 7 – Civil Construction.

It is envisaged that contract award for subdivisional works under DSC 7 will be made in February/March 2017.

The bulk earthworks (DSC 5) were completed during the December 2016 quarter.

Estimated under expenditure for 2016-2017 will be removed from the budget at BR3.

**Whole of Life Project Costs to Date**

Table 2 displays the total projects costs to the end of December 2016, summarised by Council and SunCentral delivered components.

Whole of MCCP costs to the end of December 2016 total \$84.287 million.

**TABLE 2 – WHOLE OF LIFE PROJECT COSTS**

	Actual to June 2016 \$'000	Current Year Actual YTD \$'000	Total Project WOL \$'000
<b><u>Council Delivered Projects</u></b>			
Land Acquisitions	57,268	1,543	58,811
Early Design and Master Planning	3,172	0	3,172
Aerodrome Road Intersection	326	871	1,197
SCM Development management Fee	2,318	2,040	4,358
SCC Project Management Costs	77	28	105
Finance Costs	6,470	2,045	8,515
	<b>69,631</b>	<b>6,527</b>	<b>76,158</b>
<b><u>SunCentral Delivered Projects</u></b>			
DSC1 Project and Site Management	50	13	63
DSC 2 Marketing	998	678	1,676
DSC3 Master Planning and Design	1,093	344	1,437
DSC4 Building Demolition	312	0	312
DSC 5 Bulk Earthworks	2,042	609	2,651
DSC 6 Detail Design and Construction O/heads	414	70	484
DSC 7 Civil Construction	1,506	0	1,506
	<b>6,415</b>	<b>1,714</b>	<b>8,129</b>
<b>TOTAL PROJECT COSTS</b>	<b>76,046</b>	<b>8,241</b>	<b>84,287</b>

**Debt Balances**

Table 3 displays the expected loans for the MCCP to the end of June 2017.

SCC has used loans from QTC to fund the MCCP. The budgeted outstanding loan balance as at 30 June 2017 is \$101.848 million.

Loans drawn down at 30 June 2017 will be reviewed to take into consideration reduced capital expenditure identified in BR3. The final drawdown of loans at 30 June 2017 will depend on expected timing of expenditure in 2017-2018.

**TABLE 3 – MCCP LOAN BALANCES TO 30 JUNE 2017**

<b><u>Debt Balances</u></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
New Borrowings	16,517	14,483	18,074	6,000	7,360	31,660	13,906
Redemptions	0	(6)	(9)	(18)	(22)	(1,721)	(4,376)
<b>Closing Loan Balance</b>	<b>16,517</b>	<b>30,994</b>	<b>49,059</b>	<b>55,041</b>	<b>62,379</b>	<b>92,318</b>	<b>101,848</b>

Estimated future loan balances are displayed in Table 4. The peak debt of \$137.39 million is expected in June 2025.

**TABLE 4 – MCCP FUTURE LOAN BALANCES**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
New Borrowings	10,574	12,787	18,920	3,590	3,662	6,794	16,153	20,432
Redemptions	(4,790)	(5,398)	(6,109)	(7,070)	(7,520)	(8,003)	(8,658)	(9,820)
<b>Closing Loan Balance</b>	<b>107,632</b>	<b>115,021</b>	<b>127,832</b>	<b>124,352</b>	<b>120,494</b>	<b>119,285</b>	<b>126,780</b>	<b>137,392</b>

**Legal**

There are no legal issues associated with this report.

**Policy**

There are no policy issues associated with this report.

**Risk**

Sunshine Coast Council's budgeted operating result for 2016-2017 will be reduced by \$4.288 million due to the delay in land sales. While this is only a timing difference, there is a risk that such a reduction will be misinterpreted by external parties.

**Previous Council Resolution****Council Resolution****Ordinary Meeting, 15 September 2016 (OM16/176)**

*That Council note the discussions held in confidential session in relation to the Sunshine Coast Council Presence in Maroochydore Central Business District.*

**Related Documentation**

There is no related documentation in relation to this report.

**Critical Dates**

The most critical task for The Smart Move project is the establishment of a procurement position. This will be established at presentation of the Development Options Analysis to Council at the March Ordinary Meeting.

Requests for project funding will be presented during Budget Review 3.

**Implementation**

There is no implementation required in relation to this report.

## 4.3 COMMUNITY SERVICES

### 4.3.1 COMMUNITY FACILITIES STRATEGY DELIVERY

**File No:** Council meetings  
**Author:** Director  
Community Services Department

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#### EXECUTIVE SUMMARY

This report provides an update on Community Facilities in the Maroochydore City Centre and the work of the recently established Councillor/Officer Working Party.

Following the Maroochydore City Centre Councillor Workshop held on the 28 November, 2016 Director Community Services was tasked with the responsibility of bringing together a nominated Councillor/Officer Working Party to discuss the following issues in relation to community facilities in the Maroochydore PDA:-

- The development of principles relating to Council's investment in a Library in the Maroochydore PDA for Council's consideration and
- The development of minimum and optimum standards pertaining to both the proposed Library and Sunshine Coast Entertainment, Convention and Exhibition Centre (SCECEC) in the Maroochydore PDA for SunCentral to then utilise in a market testing exercise.

#### OFFICER RECOMMENDATION

**That Council receive and note the report titled "Community Facilities Strategy Delivery".**

#### BACKGROUND

The Councillor/Officer Working Party has now met on two occasions and membership of the group is as follows:-

- Councillor Dwyer
- Councillor McKay
- Councillor Baberowski
- Director Environment and Planning
- Director Community Services
- Branch Manager Property Management and
- Branch Manager Community Relations

The Councillor/Officer Working Party calls in technical officers/external parties as required and at a meeting held on the 24 January, 2017 Council's Chief Strategy Officer, Craig Matheson attended via a phone link up. All members of the Working Party were present at this meeting.

At the Councillor/Officer Working Party meeting on the 24 January, 2017 the development of minimum and optimum standards pertaining to both the proposed Library and SCECEC in the Maroochydore PDA were discussed in detail.

At this meeting the Councillor/Officer Working Party provided support for Council's Chief Strategy Officer to contract PG International Consulting Ltd, a Brisbane based global

consulting service specialising in the strategic application of knowledge and experience in the development and management of convention and exhibition centres, hotels and tourism related projects.

It is proposed that the PG International consultancy will commence in February, 2017 and will consult with and provide a report to the Councillor/Officer Working Party by the end of March, 2017. The Consultancy will also seek feedback from Council's Economic Futures Board and newly established Arts Board and other internal stakeholders as required.

PG International Consulting will be provided with a brief by the Councillor/Officer Working Party with the assistance of Council's Chief Strategy Officer that seeks them to review the findings/outcomes of the Ranbury Report presented to Council in 2011 and provide contemporary strategic and technical advice regarding the size, scale and functionality of the SCECEC. Once the Councillor/Officer Working Party has reviewed the draft report prepared by PG International a report is proposed to be forthcoming to the Special Meeting of Council scheduled for the 26 April 2017.

For clarity, the Ranbury Report currently prescribes the following in relation to SCECEC:-

- Main Auditorium with a maximum capacity of 4,500 seats with mixed tiered and flat seating
- Flexible walls and seating systems which allow main auditorium to offer alternative capacity ranges between 1,000 – 4,500 seats
- Flat floor Exhibition Hall with flexible walls of 2,900m<sup>2</sup> (allowing expansions and reductions in room size)
- Full commercial catering kitchen (plus satellite kitchens)
- Meeting room (12-15 in number) with capacities ranging from 20-360 people in variable modes
- Provision for 750 car parks.

Further, Council has agreed to also include into SCECEC attractive commercial development entitlements to support the SCECEC and a premium hotel as an integrated development outcome. The hotel would potentially include:

- 250 hotel suites
- 100 permanent dwellings
- Associated administration, lobby, reception, restaurants etc.
- A building with a floor plate of approx. 1,400m<sup>2</sup>
- No height limit is specified for the SCECEC site though this will be controlled by limitations established for the Sunshine Coast Airport.

With regard to the development of principles relating to Council's investment in a Library in the Maroochydore PDA, the Councillor/Officer Working Party have spent approximately three hours refining their thinking on this matter. At this point in time, the following has been agreed to by the Councillor/Officer Working Party:-

- The Maroochydore PDA has a population catchment aspiration for community facilities of a regional nature of 100,000+ people. It was agreed that this figure triggers the minimum recommended by the State Library of Queensland's *Queensland Public Library Standards and Guidelines: Library Buildings Standard* gross floor areas (GFA) of a library space in the PDA of 3,850 m<sup>2</sup>. This floor area includes collections space (estimated to be 350,000+ books based on population), staff/back of house areas, public areas, utilities, foyer and toilets.
- Additional space must be planned for functional areas not included in the base minima, noting that there would be a community expectation for these inclusions in a contemporary city centre library space. It was agreed that this would include:-
  - Local/family history service
  - Storage



- Meeting/training rooms
- Auditorium/theatre
- Roof top civic/community space
- Youth space
- Digital technology “laboratory” and working spaces
- Administration (Library back of house services and storage requirements) facilities and spaces
- Café (with the ability to possibly transition to a Wine Bar after hours)
- Retail space (e.g. bookshop)
- Outdoor areas that seamlessly integrate into the Library
- Loading dock/bay

With consideration given to the above functions, the GFA for the library space in the PDA would need to increase by a further 1,150m<sup>2</sup>, taking the total GFA to approximately 5,000m<sup>2</sup>.

The Councillor/Officer Working Party confirmed their support for the location of the library in the Maroochydore PDA to be at Precinct 1, Stage 1B, Lot 14 which comprises 1.49 hectares of land; therefore 5,000m<sup>2</sup> over potentially 3 to 4 levels (potentially also including a basement) which would see less than 0.2 hectares of the site used for the built form. Additional land would be required for the “in-side-out” outdoor space required as described in the endorsed Community Development Plan. The Councillor/Officer Working Party are cognisant of the financial implication of this site preference and are seeking an opportunity to discuss this further with their Councillor colleagues. There was also discussion regarding opportunities for revenue streams should additional spaces/levels be built for the purpose of leasing to third parties. The Councillor/Officer Working Party are aware that there is currently no budgetary provision for the design and construction of a new library in the Maroochydore PDA and are awaiting an update from Council’s Director Corporate Services pertaining to proposed capital expenditure and Council’s future debt and cash position. Notwithstanding this, the Councillor/Officer Working Party are currently working on preliminary costings provided in 2014 by Council’s Principal Architect that for a library of 5,000m<sup>2</sup> at \$3,900.00/m<sup>2</sup> - in total, the facility would require a capital budget in the vicinity of \$19-\$20million.

The Councillor/Officer Working Party are in agreement that further work is required regarding the impact of the library in the Maroochydore PDA on the library network/hierarchy pertaining to current and future library provision across the Region and are now commencing work on the design/floor plan layout associated with the above functional areas (this will be detailed design plans, 3D modelling etc). This information will also be provided to PG International for inclusion/consideration in their consultancy work. The Councillor/Officer Working Party will provide a final report regarding the Maroochydore Library inclusions in concert with the findings of the PG International Report in a report back to Council for their consideration at the April 2017 Special Meeting.

The Councillor/Officer Working Party were also advised that the Department of Infrastructure, Local Government and Planning (DILGP) has contracted Kehoe Myers Professional Engineering Consultancy to perform a “rapid assessment” of 4 proposals in the State Infrastructure Plan (SIP) as part of the Maturing the Infrastructure Pipeline Project (MIPP). Keyhoe Myers are also assessing proposals for the Ipswich Performing Arts Centre, the Rockhampton Convention Centre and the North Queensland Stadium. Keyhoe Meyers were provided with the Ranbury Report by the Director Community Services and advised of the forthcoming review to be conducted by PG International Consulting. This engagement was positive with Keyhoe Meyers.



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#### 4.4 INFRASTRUCTURE SERVICES

##### 4.4.1 AERODROME ROAD INTERSECTION UPGRADE - PROJECT UPDATE REPORT

<b>File No:</b>	<b>Council Meetings</b>
<b>Author:</b>	<b>Coordinator Civil Projects Infrastructure Services Department</b>
<b>Attachments:</b>	<b>Att 1 - Aerodrome Road Intersection ..... 51</b>

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#### 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

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 the Department of Transport and Main Roads (TMR) network and as such the project is subject to TMR approval.

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 Maroochydore CBD's, presenting a modern gateway to the new Maroochydore 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 transportation corridor.

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 on track for completion in February 2017 for final Transport and Main Roads approval.

Council and its consultants have been working closely with Transport and Main Roads approval staff to mitigate approval issues where-ever possible. TMR have already reviewed concept and preliminary stage designs and have resource plans in place ready to review the final detailed design. The final detailed design will be submitted to TMR for approval in mid-February with full approved expected during March 2017 allowing designs to be issued for construction.

Current design estimates place construction costs in the \$13 -14 million range (including major service relocations), with work currently underway on refining all cost items. 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.

There are also opportunities to defray some of the costs via grants (e.g. for the cycleway component) or 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 overall 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.

Based on the current program, construction will commence in late March 2017 using the same council construction team from the recent Evans St project. Night works are required on some construction elements with completion of the major civil works expected by mid-2018. Opportunities for staging of the project across multiple financial years are also being considered, to reduce the financial burden within any one year.

### OFFICER RECOMMENDATION

**That Council receive and note the report titled “Aerodrome Road Intersection Upgrade - Project Update Report”.**

### 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 and 2017/18 financial years as outlined in the Table below to align with the current construction program.

<b>Adopted Budget 2016 / 2017 Financial Year</b>	<b>Proposed Budget 2017 / 2018 Financial Year</b>	<b>Total Project Budget</b>
\$4,378,650.00	\$8,221,350	\$12,600,000

Council has recently been successful in securing a \$12.6 million zero interest loan for 15yrs 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.

#### Estimated Project Costs

The current estimate of cost for the project totals \$13,800,000 and is comprised of the following rolled up cost items, see table below

<b>Item</b>	<b>Estimate Cost</b>
Civil Infrastructure	\$6.5 million
Service Relocations	\$4.7 million
Landscaping	\$600,000
Design	\$1.2 million
Overheads	\$800,000
<b>Total Cost</b>	<b>\$13.8 million</b>

Work is underway to fine tune these costs as well as separating those works ancillary to the project such as drainage renewal works along First Avenue required before the new Aerodrome Road intersection and Town Centre Boulevard can be connected.

A significant portion of the construction costs will not be able to be capitalised and will need to be written off as operational costs due to the amount of new infrastructure being constructed which will not ultimately be owned by council (i.e. Public Utility Plant and Transport and Main Roads Signals, Lighting and Road Pavement Assets). Operational costs will be in the range of 60-70% of overall construction costs (approx. \$7.5-\$8.5 million) but are not able to be confirmed until all cost items are resolved and fine-tuned.

Opportunities for staging of the project across multiple financial years are also being considered, to reduce the financial burden within any one year.

Staff are also investigating possible cycle grant opportunities along with separating the Transport and Main Roads requested project inclusions such as the coast connect bus stops and Aerodrome Road resurfacing with the intention of seeking a TMR contribution toward these TMR asset inclusions and improvements. We are confident at this stage that these contributions together with a value engineering review of the final design have the potential to bring the project net cost within the \$12.6 million loan allocation.

The proposed design will also yield a surplus lot which can be sold at a later stage to provide revenue to Council to offset some of the project costs.

## CORPORATE PLAN

**Corporate Plan Goal:** *A new economy*

**Outcome:** 1.2 - New capital investment in the region

**Operational Activity:** 1.2.2.1 - Provide support to SunCentral Maroochydore Pty Ltd and manage Council's shareholder interests in the company

**Corporate Plan Goal:** *A healthy environment*

**Outcome:** We serve our community by providing this great service

**Operational Service:** S18 - Sustainable growth and network planning - providing land use planning, social policy, infrastructure planning and charges, flood mapping, transportation planning and environmental initiatives

**Corporate Plan Goal:** *A strong community*

**Outcome:** We serve our community by providing this great service

**Operational Service:** 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

- 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
- Unity Water
- 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 team fresh from the successful Evans Street project.

**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 the Department of Transport and Main Roads (TMR) 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 Maroochydore CBD's, presenting a modern gateway to the new Maroochydore 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.

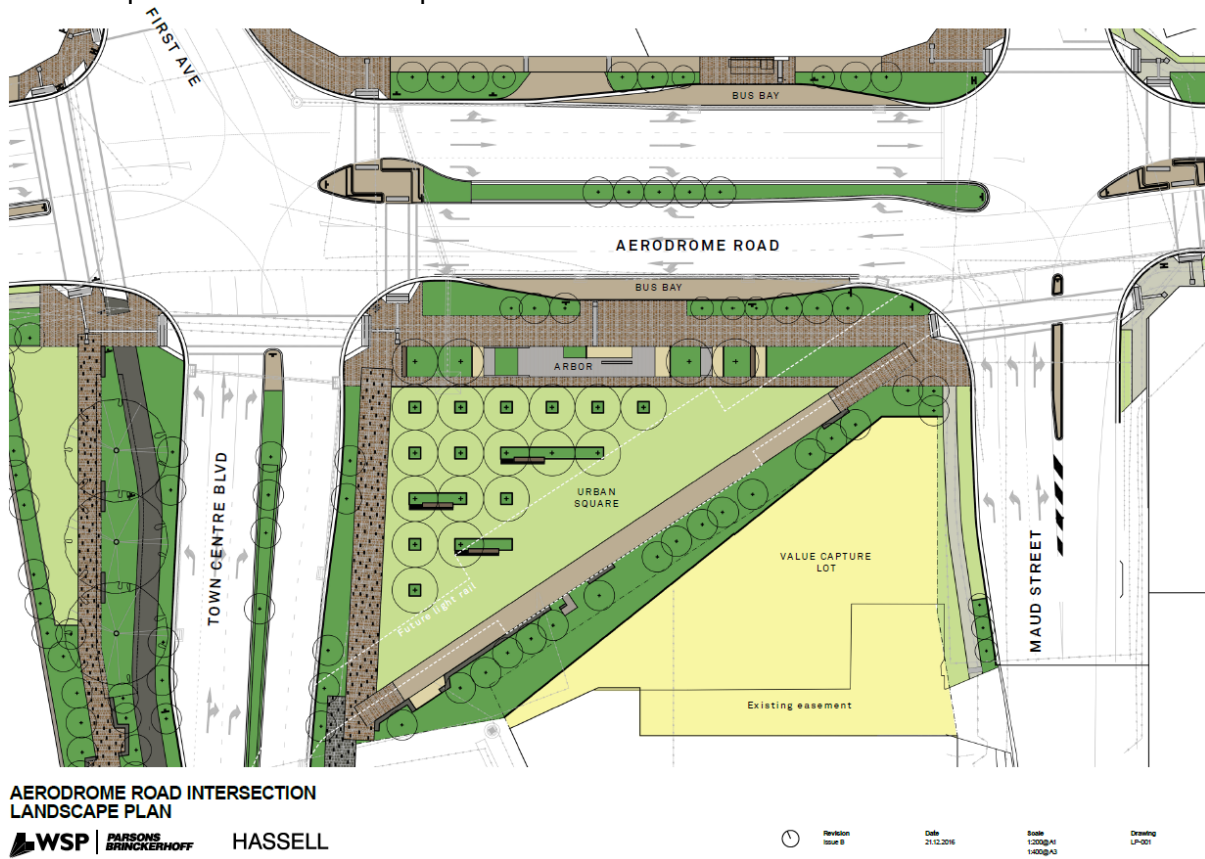
In early 2016, the design was awarded to a joint venture team consisting of WSP/ Parsons Brinckerhoff and Hassell consultants based a range of criteria including their urban design concept for the intersection upgrade. The urban design philosophy is based around prioritising active transport modes and 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 Maroochydore 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 on track for completion in February 2017 for final Transport and Main Roads approval.

Council and its consultants have been working closely with Transport and Main Roads approval staff to mitigate approval issues where-ever possible. TMR have already reviewed concept and preliminary stage designs and have resource plans in place ready to review the final detailed design. The final detailed design will be submitted to TMR for approval in mid-February with full approval expected during March 2017 allowing designs to be issued for construction.

Current design estimates place construction costs in the \$13 -14 million range (including major service relocations), with work currently underway on refining all cost items. Council has recently been successful in securing a \$12.6 million zero interest loan for 15yrs 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.

There are also opportunities to defray some of the costs via grants (e.g. for the cycleway component) or 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 overall 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 Rd project has been bundled with the Maud St intersection upgrades of Bungama and Dalby Streets to ensure consistency of messaging around these key Maroochydore Intersection upgrades.

Based on the current program, construction will commence in late March 2017 using the same council construction team from the recent Evans St project. Night works are required on some construction elements with completion of the major civil works expected by mid-2018. Opportunities for staging of the project across multiple financial years are also being considered, to reduce the financial burden within any one year.

### **Legal**

There are no current legal issues relevant to this report.

### **Policy**

There are no current council policies relevant to this report.

### **Risk**

While every effort has been made to incorporate and embed Transport and Main Roads staff in the design process (as early as the design procurement phase), there is still risk of delay during the final TMR approval phase due for completion in late March 2017. This is continuing to be managed through open communication, regular meetings and higher level management meetings as required.

Most public utility plant risks have now been mitigated through extensive services conflicts workshops, although relocation tenders are yet to be finalised for some telecommunications agencies. However, project staff are advised pricing is reducing, not escalating.

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

**Previous Council Resolution****Special Meeting 10 November 2010 (SM16/28)**

*That Council receive and note the report titled 'Maroochydore City Centre Project – Quarterly Report to period ending 30 September 2016'.*

**Related Documentation**

Based on the need to incorporate high quality urban design outcomes to achieve the green moment design philosophy, with future light rail while prioritising pedestrian and cycle linkages, artist renders have been provided to depict how this intersection will look in the future city landscape.

These artist renders are included as related documentation.

**Critical Dates**

While the Transport and Main Roads approval is critical to commence works on Aerodrome Rd there is much work that can be done outside the TMR corridor should there be approval delays, therefore it is expected that the project will commence construction in late March 2017. Such works would include ancillary drainage renewal works in Cornmeal Parade and First Avenue in readiness for the new Aerodrome Rd connection as well as full Town Centre Boulevard construction.

The construction of the Maud Street Intersections of Bungama and Dalby Streets are underway and expected to be complete by March 2017 providing two alternate access points for the SunCentral Maroochydore City Centre site.

The construction of the Aerodrome Road Intersection is scheduled for completion mid 2018, of which the SunCentral project team have been advised, and acknowledged as acceptable.

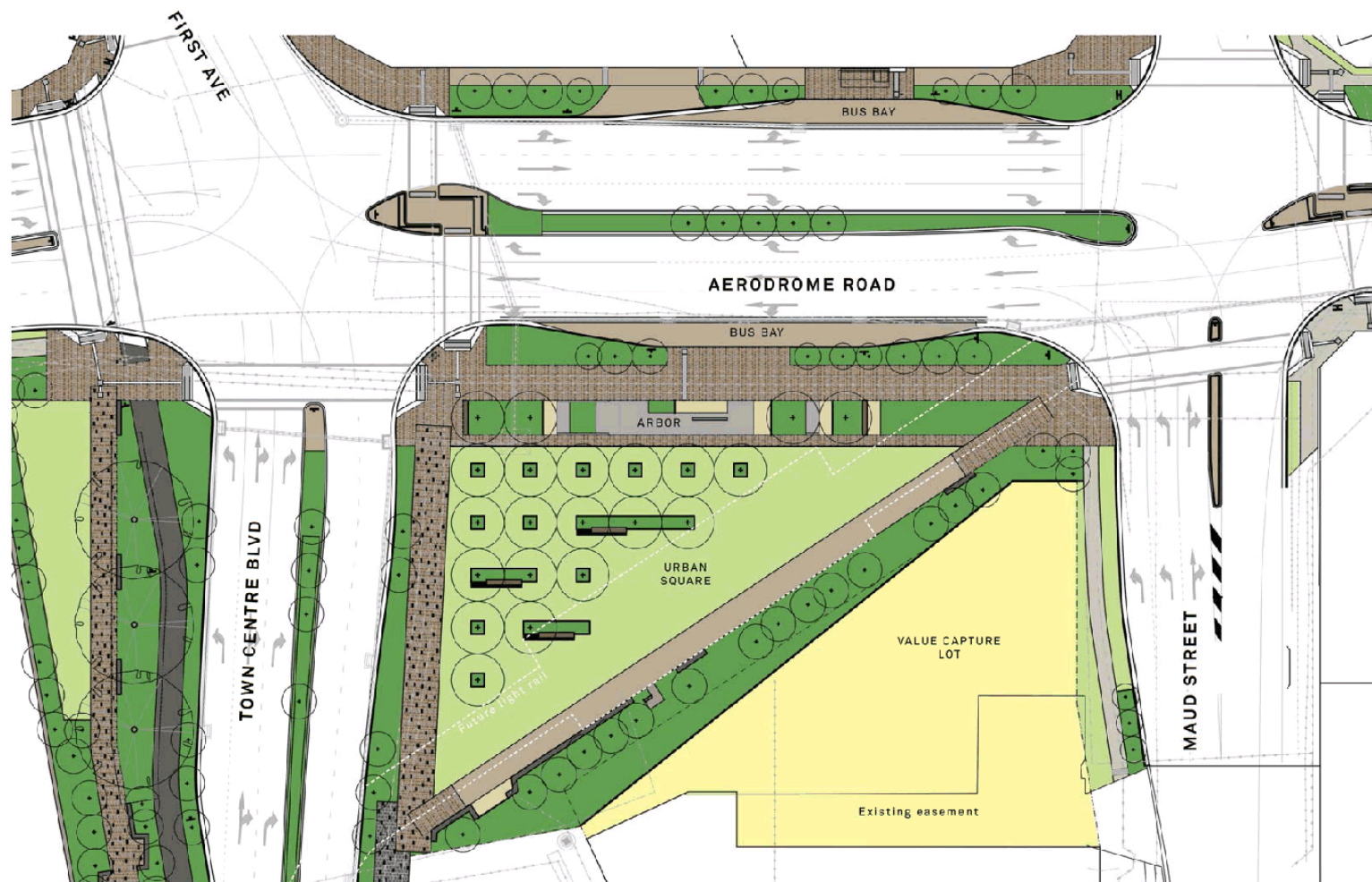
**Implementation**

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

Construction is planned to be undertaken by the same Infrastructure Services, 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.





AERODROME ROAD INTERSECTION  
LANDSCAPE PLAN

**WSP** | **PARSONS BRINCKERHOFF** | **HASSELL**

Revision Issue B      Date 21.12.2016      Scale 1:200@A1  
1:400@A3      Drawing LP-001

**4.4.2 MAROOCHYDORE TECHNICAL REFERENCE GROUP AND PUBLIC DOMAIN WORKS STATUS REPORT**

<b>File No:</b>	<b>Council meetings</b>
<b>Author:</b>	<b>Director Infrastructure Services Department</b>
<b>Appendices:</b>	<b>App A - Maroochydore City Centre Priority Development Area Technical Reference Group Terms of Reference version 3 .....57</b>

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**PURPOSE**

To inform council of the activities of the Maroochydore Technical Reference Group 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.

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.

A revised Terms of Reference has been developed by the members of the TRG to better reflect the role of the group and also move to a reduced membership level given the high level of design development that has now occurred for the project. This is attached for council endorsement.

**OFFICER RECOMMENDATION****That Council:**

- (a) receive and note the report titled "Maroochydore Technical Reference Group and Public Domain Works Status Report" and**
- (b) endorse the revised Maroochydore City Centre Priority Development Area Technical Reference Group Terms of Reference revision 3 (Appendix A).**

## 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.

## CORPORATE PLAN

**Corporate Plan Goal:** *A new economy*

**Outcome:** 1.2 - New capital investment in the region

**Operational Activity:** 1.2.2.1 - Provide support to SunCentral Maroochydore Pty Ltd and manage Council's shareholder interests in the company

## CONSULTATION

### Portfolio Councillor Consultation

To be arranged.

### Internal Consultation

Minutes of meeting held 25 October 2016, Minutes of meeting held 22 November 2016 and Maroochydore City Centre Priority Development Area Technical Reference Group Terms of Reference revision 3 (Attachment A).

### External Consultation

Minutes of meeting held 25 October 2016 and Minutes of meeting held 22 November 2016.

### Community Engagement

There is no community engagement required in relation to this report.

## PROPOSAL

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.

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**

Comments on the best type of lighting pole have been provided to SunCentral Maroochydore (SCM) with advice that the adaptable pole is best suited as opposed to the more expensive dedicated smart poles. Smart poles may still be used in selected locations for both demonstration purposes and to provide a multi-functional pole system.

**Urban design update**

In October 2016, a workshop occurred between council's Coordinator Place Making and MCC PDA Project Coordinator with SunCentral's Development Manager and contractor Dot Dash to discuss future proofing wayfinding signage opportunities within the MCC through identifying the scope for the wayfinding signage and incorporating the broader Maroochydore City area including Cotton Tree, Sunshine Plaza, Ocean Street, Duporth Avenue and Dalton Drive precincts. Outcomes to be completed: undertake a wayfinding analysis to understand precincts and connections and develop a strategy for sign types utilising the existing Regional Wayfinding Signage manual, however it will be necessary to refresh and tailor a specific suite for the city centre.

In November 2016, a place making workshop occurred between council's Coordinator Place Making and SunCentral and the following matters were discussed: Dot Dash are producing designs which are expected to be received early 2017. Ongoing Urban Design works developments include:

- Street tree planting
- Urban design fabrics – pavers, colours, furniture
- Major park designs
- The Corso traffic and layout
- Road bridges and footbridges
- End of trip facilities
- CAMCOS station & interchange
- Detail design treatments.

**Road and traffic design update**

Preliminary design phase has been reached for the Aerodrome Road intersection and Department of Transport and Main Roads (TMR) review is underway. Detailed design phase anticipated for completion by February 2017 with early works construction to start around March 2017 with up to 12 months duration.

**Waterways and drainage systems design update**

The design is continuing to be developed for the canal system and lake connectivity to be further refined and presented at a future TRG meeting.

**AWCS (Automatic Waste Collection System) update**

The Manager Waste and Resources Management and Coordinator Waste Diversion/Disposal produced guidelines for AWCS systems application in multi-story buildings in conjunction with ENVAC. These guidelines will be issued to new users/residents along with biodegradable waste bags to assist in the correct use of the system for residents and businesses. Standards for new buildings will also be captured in the Public Works Infrastructure Scheme and the Infrastructure Agreement.

**Approvals issued**

Maud Street Intersection designs have been formally accepted by the TRG.

**Terms of reference**

A revised Terms of Reference has been developed by the members of the TRG to better reflect the role of the group and also move to a reduced membership level given the high level of design development that has now occurred for the project. This is attached for council endorsement.

**Legal**

No legal matters are applicable in relation to this report.

**Policy**

There is no policy required in relation 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 (CBD).

**Previous Council Resolution**

There are no previous council resolutions in relation to this report.

**Related Documentation**

Maroochydore City Centre Priority Development Area Technical Reference Group Terms of Reference revision 3.

**Critical Dates**

There are no critical dates in relation to this report.

**Implementation**

TRG meetings will continue through 2017 with the SCM management team.



## MAROOCHYDORE CITY CENTRE PRIORITY DEVELOPMENT AREA

### TECHNICAL REFERENCE GROUP - TERMS OF REFERENCE – REVISION 3

*24 January 2017*

#### BACKGROUND

The Maroochydore City Centre PDA (“the PDA”) is recognised as a game changer project for the Sunshine Coast. The PDA area consists of land owned by Sunshine Coast Council (the Horton Park Golf Course), additional land in Dalton Drive plus a section of the Dalton Drive roadway. The Dalton Drive land is already developed and serviced and the golf course land is undeveloped for urban use and is only partly serviced by infrastructure.

Council has acquired the Horton Park Golf Course land and additional land sites external to the PDA in order to deliver much needed infrastructure to the Sunshine Coast community. The Horton Park Golf Course will be developed as the new city heart, aimed at rejuvenating Maroochydore and generating significant economic development and employment opportunities.

In order to assist the efficient delivery of this development, Council has established an independent corporate entity (SunCentral Pty Ltd) operating at arm’s length to Council’s normal operations although remaining subject to strict governance protocols. The specific roles, relationships and governance structure of this entity have been resolved by Council.



## PURPOSE

The **Technical Reference Group (TRG)** will work with the SunCentral management team and staff to provide technical support and assistance and facilitate provision of key technical advice and specialist contact referrals to aid the seamless design and delivery of the Maroochydore City Centre PDA. The TRG will work 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.

Building a new CBD on the Council owned land is a complex and highly technical project necessitating advisory contributions from a range of people possessing beneficial skillsets. It is recognised that a wide array of necessary technical skills and broad experience currently exists within Council and the TRG will ensure that those skills and knowledge base are accretive to the project and aid the project management team and project consultancy team to deliver high quality and meaningful outcomes for Council and the community.

The TRG will provide specialist advice to the elected Council via the set Special Meetings to help meet the goal of Council to design and build a 21<sup>st</sup> century contemporary city, within Council's commercial and financial boundaries.

## APPROVAL AUTHORITY

Ultimately the TRG will take on the role of the Council approval authority to approve and sign off on 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.

## SITUATIONAL APPRECIATION

Members of the TRG will appraise themselves of the content of the Maroochydore City Centre PDA Master Plan Urban Design Report as current from time to time together with the PDA Development Scheme and any other relevant supporting technical reports and materials.

## TRG FOCUS AREAS

Areas of TRG focus and approval will be:

- Road and traffic engineering configuration and design details;
- Urban design treatments;
- Park development and design;
- Lighting, and electrical systems;
- Public realm architectural and landscape features including public art proposals;
- Community facilities to be situated in the public realm;

- Input into design specifications for expert consultancies to report on identified project elements, and assistance in reviewing reports and concepts arising out of the consultancies;
- Procurement planning for lodgement to EDQ
- Input into construction specifications for delivery of the project assets
- Value engineering workshops to assist design optimisation with SunCentral;
- Development of Smart City design treatments;
- General advice and support to assist SunCentral to progress the design and construction in a timely manner;
- Opportunities for enhanced asset treatments to provide better whole of life outcomes;
- Development of asset hand over and inspection regimes for assets as they come off the on maintenance programs

#### MEMBERSHIP

From January 2017, the TRG will operate on two levels with a Core Group consisting of key Council officers, and a wider Working Group that will be part of the minute distributions and invited to present on an as requested basis, sourced from each of:

- Economic Development & Major Projects
- Community Services
- Corporate Services
- Infrastructure Services
- Planning & Environment

Plus at least two representatives from the SunCentral team will attend.

Additional Council or external resources may be invited to participate in TRG meetings from time to time where specialist skillsets are desirable.

#### RESPONSIBILITIES OF TRG MEMBERS

All TRG Core Group members acting in an advisory role will:

- Regularly attend TRG meetings or nominate an alternate representative to attend on their behalf.
- Endeavour to ensure that specialist technical input from their department or team is provided to the project management team as required.
- Make effort to appraise, align and influence direction of the project with the work of their department and ensure their department is appraised of the key objectives and progress of the project.

- Appraise the TRG of any relevant processes or strategies under review where any review may impact on the project.
- Appraise the TRG of any misalignment with departmental objectives in project direction.
- Offer constructive input to the TRG with focus on achieving outcomes consistent with the project vision, project programme and project budget.

All TRG Working Group members acting in an advisory role will:

- Attend TRG meetings or nominate an alternate representative to attend on their behalf upon invitation or request
- Provide their specialist technical input on behalf of their department as required.
- Make effort to appraise, align and influence direction of the TRG Core Group with the work of their department and ensure their department is appraised of the key objectives and progress of the project.
- Appraise the TRG of any relevant processes or strategies under review where any review may impact work of the project team.
- Appraise the TRG of any misalignment with departmental objectives in project direction.
- Offer constructive input to the TRG with focus on achieving outcomes consistent with the project vision, project programme and project budget.

#### **PARTICIPATION PROTOCOL**

Given the broad nature of technical issues to be addressed it is expected that contributions to the TRG will be sourced from a number of Council employees. In order to derive maximum efficiency, a participation protocol must be observed by each contributor to the TRG.

1. Participate only when an individual's technical expertise is required.
2. Contributions must be accretive to project value.
3. Contributions must advance the project programme and/or budget set by Council
4. The project team will seek Council direction guidance where item 3 is not met.

#### **CONFIDENTIALITY**

Given the market and commercial sensitivity of TRG considerations, each participant will be required to sign a Confidentiality Agreement.

#### **TRG MEETINGS**

TRG meetings will be held on the third Tuesday of every month unless determined otherwise.

Agendas will be established by the project management team with input invited from the TRG Core and Working Groups 7 days in advance of meetings.

### TRG REPORTING

The TRG will report strategic recommendations to Council via the Special Meeting reporting procedures.

### COMMUNICATIONS

Communications to the TRG Working Group will be via group email. Meeting notes will be recorded and distributed to all team members. Key action items will be identified. Formal meeting minutes will be recorded.

### TRG MEMBERSHIP & AREAS OF EXPERTISE COVERED

The meeting Chairperson is the Director Infrastructure Services (Andrew Ryan).

Members shall be made up of two sets of participants:

- “Core Group” participants - members who will be the primary contacts and will attend all meetings or send identified proxies in their place;
- “Working Group” participants – members who will attend the TRG meetings upon invitation to discuss a topic of specialist expertise or will attend as proxies

Further, certain core members will be identified as being responsible for coordinating and collating responses in their areas of core expertise, as nominated.

The areas of principal expertise to be covered are:

- Community development & social services planning & design
- Parks & open space planning & design
- Environment & water - planning & design
- Stormwater management: quality and capacity
- Transport (motor vehicles, cyclists and pedestrians), & parking
- Smart City design, place making & urban design
- Precinct planning & DA advice
- Civil design, survey & project delivery, asset standards & construction
- Contributed Assets and Life Cycle Costing
- “Core Group” participants are :
  - **Andrew Ryan**, Director Infrastructure Services
  - **Tom Jamieson**, Manager Project Delivery
  - **Jamie Franklin**, Coordinator Place Making
  - **Tamara Clarkson**, Project Coordinator

- Invitees :
  - **John Knaggs**, Chief Executive Officer (SunCentral)
  - **Mark Salmon**, Project Director (SunCentral)
  
- Working group participants are:
  - **Andrew Ryan**, Director Infrastructure Services
  - **Tom Jamieson**, Manager Project Delivery
  - **Brian Beswick**, Chief Information Officer
  - **Paul Skillen**, Manager Procurement & Contracts
  - **Chris Allen**, Manager Environmental Operations
  - **Nick Cooney**, Director Transport & Infrastructure Policy
  - **Mark Presswell**, Manager Parks & Gardens
  - **Ron Piper**, Manager Major Urban Developments
  - **John Clarke**, Manager Transport Infrastructure Management
  - **Grantley Switzer** Manager Community Facilities & Planning
  - **Tamara Clarkson**, Project Coordinator
  - **Kerrie White**, Coordinator Landscape Design Planning
  - **Jamie Franklin**, Coordinator Place Making
  - **Michael Whereat**, Coordinator Smart City Framework
  - **Robyn Douglas**, Coordinator Open Space & Social Policy
  - **Ben McGovern**, Project Officer
  - **Craig Connelly**, Place Project Officer
  
- Invitees
  - **John Knaggs**, Chief Executive Officer (SunCentral)
  - **Mark Salmon**, Project Director (SunCentral)
  - **Neale Kaalund**, Project Manager (SunCentral)
  - **Simon Kay**, Development Manager (SunCentral)

**5 CONFIDENTIAL SESSION**

**5.1 PLANNING AND ENVIRONMENT**

**5.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - STRATEGY PLANNING / DEVELOPMENT APPLICATIONS / MAROOCHYDORE CITY CENTRE ISSUES**

**File No:** Council meetings  
**Author:** Director  
Planning and Environment Department

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This report is confidential in accordance with section 275 (g) of the *Local Government Regulation 2012* as it contains information relating to any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act.

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**5.2 INFRASTRUCTURE SERVICES**

**5.2.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - PROJECT  
MANAGEMENT / CONTRACT MANAGEMENT STATUS REPORT**

**File No:** Council meetings

**Author:** Project Officer  
Infrastructure Services Department

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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.

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**6 NEXT MEETING**

Nil

**7 MEETING CLOSURE**