

Agenda

Special Meeting (SunCentral & Sunshine Coast Airport Quarterly Update)

Thursday, 10 November 2016

commencing at 2.00pm

Council Chambers, 1 Omrah Avenue, Caloundra

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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 MAROOCHYDORE CITY CENTRE PROJECT - QUARTERLY REPORT TO PERIOD ENDING 30 SEPTEMBER 2016****File No:** Council meetings**Author:** Director
Economic Development and Major Projects Department**Attachments:** Att 1 - MCC project Quarterly Report to the SCRC Shareholder Reference Group (SRG) – *Confidential* Pg 5/24
Att 2 - SunCentral Maroochydore Investment Attraction: computer generated images – *Confidential*..... Pg 15/24
Att 3 - Maroochydore Priority Development Area Parking Arrangements - *Confidential* Pg 23/24

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 30 September 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 21st 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 July to September 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 Technical Reference Group (TRG) continues to meet on a monthly basis, and provides advice, direction and ultimately design and asset approval for the various infrastructure elements that comprise the SunCentral Maroochydore development (SCM). The TRG maintains a correspondence register which is reviewed monthly to ensure that all requests for comments or approval are progressed in a timely manner.

OFFICER RECOMMENDATION

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

FINANCE AND RESOURCING

The interim results for 2015/16 show that \$13.05 million of the \$15.8 million capital budget was expended.

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

Region Making Projects Portfolio – Mayor Mark Jamieson

Internal Consultation

Technical Reference Group

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 ended 30 September 2016.

Bulk earthworks / site preparation works

The focus in recent months has been the completion of the main Corso waterway alignment, formation of the 'city grid' work around Stage 1A and the relocation by Energex of the 11kv electricity cable that traverses the site and which supplies the wider Maroochydore. Overall, to the end of the reporting period, 95% of scheduled works was completed. A breakdown of particular work components is as follows:

- Sewer reticulation, north-east quadrant 100% complete
- Electrical pits and conduit 100% complete
- Bulk earthworks 90% complete
- 3m diameter sewer manhole 100% complete
- Allotment drainage 100% complete
- Re-location of 11kv electricity cable 75% complete.

Very recent activity with Energex teams has involved the re-location of the electricity cable, with works due for completion in October. Once complete, the remaining bulk earthworks along the old 11kv easement part of the site will be finished over October and November.

Stage 1A Civil Works

Preparations are continuing for the three works packages comprising the Stage 1A civil works. The nature and intended timing for these are as follows:

Works package	Contract award	Construction start
Maud Street intersections (2)	Late October 2016	November 2016
Civil / Subdivisions works 1A	December 2016	Jan/Feb 2017
East Corso 1A2	February 2017	March 2017

Table 1. Civil Works Packages – nature and intended timing

Project marketing

Additional project marketing collateral has been developed as part of the ongoing marketing campaign. A number of updated computer generated images (CGIs) are attached for information (**Attachment 2**). This material is to be incorporated into project marketing and targeted investment attraction exercises. Since the 27 June 2016 Expression of Interest (EOI) launch, it is estimated that the project's market-reach has been to over four million people nationally (exclusive of any international exposure).

The next phase of marketing will target business and commerce outside of 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.

As has always been the case, increased certainty around the delivery and timing of the new runway at the Sunshine Coast Airport will significantly aid the mission to secure commercial investment in the city centre.



Image 1. Maroochydore City Centre project



Image 2. Maroochydore City Centre project, Town Centre Boulevard

Commercialisation

Since the commencement of full project marketing of Precincts 3 and 6, on 27 June 2016, there have been a number of commercial enquiries and leads attracted to the project. These are all subject to commercial-in-confidence negotiations at this point.

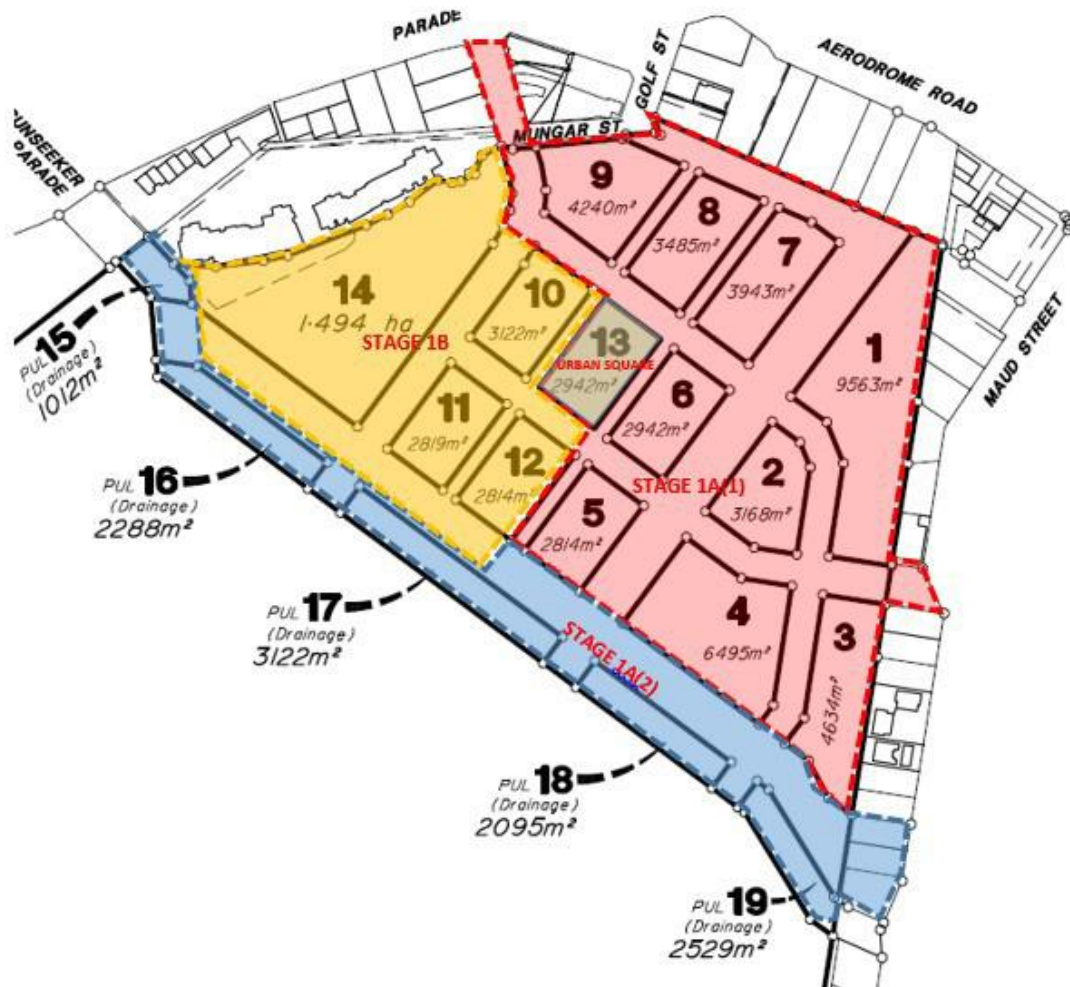


Image 3. Lot location plan

Precinct 2 / Premium hotel / Sunshine Coast Exhibition, Convention and Entertainment Centre

A site visit of the Royal International Convention Centre in Brisbane took place on 9 September 2016 to assist in this process.

Automated Waste Collection System (AWCS)

The contract for the AWCS was signed onsite by Council's Mayor and President Chun-Yong Ha of ENVAC ASPAC on 21 September 2016. This was a key milestone for Council and the project, generating a considerable amount of national media interest. Council has received the first shipment of AWCS components from South Korea in advance of installation as part of the civil works.



Image 4. AWCS contract signing (Sunshine Coast Council/ENVAC)



Image 5. First shipment of AWCS components arrive on the Sunshine Coast

The Maroochy Music and Visual Arts Festival (MMVAF)

The second MMVAF was held on site on 10 September 2016, with approximately 6,000 people in attendance. The event passed without incident and provided a good opportunity for organisers to further profile the arts and entertainment credentials of the region.



Image 6. Maroochy Music and Visual Arts Festival

Technical Reference Group (TRG)

The Technical Reference Group continues to meet on a monthly basis and review issues as raised by both group members and SunCentral officers, comment on technical designs and specifications produced by SunCentral, and assist in the progression of the project to meet the development scheme and Council's expectations.

The following outlines the specific items discussed and progressed through the last quarter:

Aerodrome Road intersection

The 2D concept layout plans have received DTMR endorsement in principle. Current traffic modelling suggests that Second Avenue does not need to be altered as part of this project, while there will need to be some lane configuration changes to Maud Street.

Public Utility plant relocation is a major cost component for the new intersection, and concept designs are underway with all providers, with conflict resolution workshops planned to seek to generate the best outcomes, taking a similar approach to Evans Street.

Energex and Telstra have lengthy design lead times, which pushes early works construction out to commence most likely in February 2017 and may affect overall construction works.

Preliminary designs are 50% complete and will be produced by the end of October.

The following treatments are proposed for the new intersection:

- New signalised intersection with pedestrian crossing and cycle lanes to improve flow of traffic
- Left in, Left out only (at Allambie Street)
- Double white line marking (no crossing)
- New signalised intersection with pedestrian crossing and cycle lanes to improve traffic flow and safety
- New road access to Maroochydore City Centre
- Dedicated cycle lanes to be installed.

Detailed design is due at the end of January 2017 and early works will commence in January 2017. Construction will begin in February 2017, and is anticipated to be underway for a duration of 12 months.

Public consultation on the new intersection has been commenced, with designs being mailed to affected residents and business owners.

Timing for operational traffic lights in Stage 1A

The TRG have decided it would be best practice to prepare and install traffic lighting within the development area and activate at a later date, once traffic volumes reach a level that warrants activation of the lights. This would negate the need to break ground at a later date and cause further disruption. It was proposed that *Not in Use* signs be installed until such time as the lights are activated.

Smart City Infrastructure

Design work is continuing on the components that are required to enable a digitally enabled Smart City, with Cardno undertaking a preliminary design of the overall conduit

and underground constructive requirements. This is now to be reviewed and agreement reached on requirements and identification of any conflicts and additional costs.

Maud Canal water levels / weir option

The proposal is being progressed to install a weir at the lower end of the canal, subject to satisfactory modelling. This will introduce a standing water level that will be far more aesthetically pleasing and reduce the size and costs of retaining walls to the canal. Cardno has advised that the weir option is feasible. Further modelling will now be conducted to include the modified weir design, with portage also being included in the design. TRG gave in principle support for the canal weir proposal.

Street Furniture

The design of a suite of unique street furniture for the new city centre is being finalised for inclusion in the design and procurement processes of Stage 1A.

Wayfinding Plan

A Wayfinding Plan is being developed for the wider Maroochydore centre that will include the project site also, with the intention to create a new signage suite for the greater Maroochydore City Centre.

Automatic Waste Collection System

Contracts have been signed with Envac with the public launch of the proposed system attracting strong media interest as well as queries and support from other councils. Pipes are already arriving and work is progressing through SunCentral to finalise the construction via the civil construction contracts.

Temporary servicing of the AWCS Collection Station lot

The Collection Station is proposed to be accessed from Carnaby Street via a temporary road access in the initial stages of development, until the surrounding precinct is ultimately developed – with the general view was that it will only require a service road at this stage.

Transit Centre design

A meeting has occurred between Council and DTMR on the future Transit Centre design and DTMR are proposing a deadline for the end of November, to provide the ultimate footprint to deliver a fitting Transit Centre to service Maroochydore city.

Legal

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

During the last quarter there was a minor change made to the company constitution to address an inconsistency in the clause dealing with access to company records.

Policy

Details of Council's consideration of parking arrangements in the Maroochydore Priority Development Area is included at **Attachment 3**.

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

Ordinary Meeting 23 July 2015 – Council Resolution OM15/123

That Council:

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

Ordinary Meeting 11 December 2014 – Council Resolution 14/181

That Council:

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

Related Documentation

- SunCentral Maroochydore Pty Ltd Constitution
- SunCentral Maroochydore Pty Ltd Heads of Agreement

Critical Dates

There are no critical dates associated with this report.

Implementation

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

- Onsite completion of Stage 1A bulk excavation works – the completion of this work is an important project milestone and signals the next phase of civil work.
- Concluding Stage 1A civil designs / works packages – this enables the full documentation to be completed and the procurement phases to commence.
- Commencement of Maud Street intersection works – it is intended to commence this work before the end of the year.
- Infrastructure Agreements – finalisation and signing of the main IA for the project, by Council, EDQ and DTMR.

5 CONFIDENTIAL SESSION

5.1 ECONOMIC DEVELOPMENT AND MAJOR PROJECTS

5.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - SUNSHINE COAST AIRPORT EXPANSION PROJECT - FUNDING STRATEGY: UPDATE

File No: Council Special meeting 10 November 2016

Author: Director
Economic Development and Major Projects Department

This report is confidential in accordance with section 275 (e) of the *Local Government Regulation 2012* as it contains information relating to contracts proposed to be made by Council.

6 NEXT MEETING

The next Special Meeting will be held on 16 February 2017 in the Council Chambers, Corner Bury and Currie Streets, Nambour.

7 MEETING CLOSURE