

## **Attachment 1 – Details of engagement with Abacus Property Group**

At the Ordinary Meeting of **23 July 2015** the Sunshine Coast Regional Council resolved to proceed with the calling for expressions of interest for proposals to develop the site known as Brisbane Road Car Park. Proposals were to include a minimum of 500 public car parking spaces. The expression of interest (EOI) was advertised on 22 August 2015 and closed on 16 October 2015.

On **28 January 2016**, Council resolved to initiate tenders from the higher ranked respondents to the EOI. The tender was released on 14 July 2016 and closed on 28 September 2016.

At the Ordinary Meeting of **8 December 2016**, Council endorsed Abacus Investments Pty Ltd (Abacus) as the preferred respondent and authorised the CEO to negotiate and execute contracts for the development of the Brisbane Road Car Park. The development was to include 500 public car parks being required as part of Stage 1.

A direction was also provided to increase public car parking numbers from 500 to 700.

Following the Ordinary Meeting of 8 December 2016, negotiations commenced between Council and Abacus.

At the Ordinary Meeting of **18 May 2017**, Council Officers confirmed that broad agreement had been reached with Abacus to deliver 700 Council owned car parks on the site.

At the Ordinary Meeting of **15 June 2017**, Council further authorised the CEO to negotiate and finalise a legal agreement with Abacus which included the provision of 700 car parks to Council with appropriate easements in favour of Council.

In **July 2017**, Abacus raised concerns with Council relating to the costs being absorbed by them to achieve a Development Approval in the absence of a signed agreement with Council. Abacus proposed a cost sharing arrangement be incorporated into the Heads of Agreement. This proposal was accepted by Council.

At the Ordinary Meeting of **7 December 2017**, Council acknowledged that withdrawal from the Agreement would result in Council being required to repay Abacus third party costs, which would be an amount up to \$1 million.

At the Ordinary Meeting of **25 January 2018**, Council was briefed on the liability for third party costs being included in the draft Heads of Agreement document.

Details relating to Council's liability for costs, as provided for in the Heads of Agreement, are contained in **Confidential Attachment 2**.

Between **11 December 2017** and **7 February 2018** Abacus sought, and on **22 February 2018** obtained a Development Approval with Conditions for the site. The application for a Material Change of Use for the site was approved at the Ordinary Meeting of **22 February 2018**. The application incorporated the following uses:

- Retail – 3,400m<sup>2</sup>
- Residential – 120-150 apartments
- Hotel – 100 rooms
- Retirement 100 rooms (+ approximately 350 car parks for aforementioned uses)
- 704 Council-owned publically accessible car parks.

By this time, negotiations had resulted in the Heads of Agreement containing the terms detailed in **Confidential Attachment 2**.

On **19 March 2018** Abacus advised Council that they intended to make representations to Council regarding matters contained within the decision notice and sought a suspension of their appeal period until **18 April 2018**.

On **20 April 2018** Abacus submitted their representations to Council, which resulted in a Negotiated Decision Notice incorporating changes to a number of the conditions.

On **24 May 2018**, Abacus advised Council that they were considering their position in relation to the development.

On **8 June 2018**, Abacus advised that they required further time to consider their position.

On **27 June 2018**, Abacus verbally advised they would not be proceeding, and indicated an intention to withdraw from any further part in this matter. A written withdrawal followed.

At the Special Meeting held on Friday, **29 June 2018**, in confidential session, Council considered the third party cost sharing agreement between Council and Abacus. Details of the directions provided by Council to the Chief Executive Officer are contained in **Confidential Attachment 2**.

Council subsequently commenced discussions with Abacus in relation to reimbursement of agreed third party costs.

On **5 July 2018** Council issued a media release confirming that the BRCP redevelopment tender process had concluded, following the withdrawal of Abacus, and advising that Council would continue to pursue redevelopment of the site.

At the Ordinary Meeting of **11 October 2018**, Council considered options for progressing the development of the Brisbane Road Car Park and resolved:

That Council proceed with the calling of Expressions of Interest for the site known as Brisbane Road Car Park, Mooloolaba in accordance with section 228 of the Local Government Regulation 2012, noting that the calling for expressions of interest would be in the public interest for the following reason:

- the process will allow Council to call for and consider a variety of development proposals, including those that generally align to the existing Development Approval; with a view to identifying the solution that best aligns with the interests of the public and Council.

At the Ordinary Meeting of **8 November 2018** Council approved the public release of the valuation data relating to the site.

At the same meeting Council resolved to direct the CEO to:

- divide the existing lots of the site known as Brisbane Road Car Park, Mooloolaba, into two (2) parcels along the southern boundaries of Lot 66 on Registered Plan 52440 and Lots 92 and 93 on Registered Plan 73433
- proceed with the calling of tenders for the design and construction of a 700 bay/spaces Council owned multi deck car park on the northern parcel of the site known as Brisbane Road Car Park (Lots 64 – 66 on Registered Plan 52440, and Lots 92 and 93 on Registered Plan 73433) and
- proceed with the calling of Expressions of Interest for the southern parcel of the lot known as the Brisbane Road Car Park (Lots 67 – 69 on Registered Plan 52440 and Lot 73 on Registered Plan 73433) in accordance with section 228 of the Local Government Regulation 2012, noting that the calling of expressions of interest would be in the public interest for the following reason:
  - the process will allow Council to call for a variety of development proposals with a view to identifying the solution that best aligns with the interest of the public and Council.

On **26 November 2018**, a Deed of Settlement was executed with Abacus, with Council agreeing to pay the sum of \$900,000 (excluding GST) in agreed third party costs. Execution of the deed finalised matters between Council and Abacus.

At the Ordinary Meeting of **6 December 2018** Council resolved to authorise the CEO to release all documentation and costings related to the Abacus Pty Ltd proposal for the development of the BRCP site once:

- (a) The procurement process for the design and construction of the multi-deck car park on a portion of the BRCP site has been concluded and the tender has been awarded and
- (b) Development approval has been granted for the remaining portion of the BRCP site

On **16 January 2019**, in response to a media request, Council provided a statement to the media confirming that Council had paid Abacus \$900,000, for an estimated \$2.5 million of third party work associated with obtaining the Development Approval. This information was published in the Sunshine Coast Daily on **19 January 2019**.