

AGENDA ITEM NO.: 15.1

TO: Council Meeting on 28 February 2017

DIRECTOR: Nathan Cunningham, Director Community & Planning

REPORT AUTHOR: Chris Newby, Manager Development Services

SUBJECT: Project Update – Community Hub, Library and Innovation Centre (CLIC)

1. EXECUTIVE SUMMARY

1.1 This project update for the Community Hub, Library and Innovation Centre (CLIC) Project covers the period since the December 2016 update report. Progress has occurred under the following key tasks:

- 1.1.1 Council reached a significant milestone in the delivery of the CLIC at its meeting in January 2017, selecting the site at 128 Prospect Road as the preferred site for a joint venture (partner) project to deliver the CLIC, and deciding to pursue the sale of the Main North Road site.
- 1.1.2 A further motion was passed which called for a report on the potential excising of the State Heritage listed Tram Barn from the sale of the Main North Road site. That report is being prepared for the March meeting of Council.
- 1.1.3 Prior to the January 2017 Council meeting, the Audit Committee met to review the process undertaken in managing the CLIC project. The Committee commended the process undertaken and a series of recommendations were put to Council which were also adopted.
- 1.1.4 The Project Executive Group (PEG) continues to meet regularly to work through the detail of the documentation and research associated with the CLIC Project.
- 1.1.5 The Community Reference Group (CRG) met for the first time in February to receive a briefing on the CLIC project and to discuss their Terms of Reference.
- 1.1.6 Senior staff met with Minter Ellison Lawyers in February and received advice on the Expression of Interest process required for Council to select a joint venture (or similar) development partner.
- 1.1.7 An all staff meeting was held in February 2017 to provide an update on the project and open the dialogue in relation to alternate office accommodation for the period of construction which is now required as an outcome of the January Council decision.
- 1.1.8 The Community Engagement Hub website was created and launched, providing a one-stop shop for all information on the CLIC project. The website, available from the front page of the City of Prospect Website, also provides an opportunity for the community to provide feedback.

2. RECOMMENDATION

- (1) Council receives and notes the progress update for the Community Hub, Library and Innovation Centre (CLIC) for the period 20 December until 28 February 2016.
- (2) Council receives and notes the Project Executive Group (PEG) Actions List (as presented in Attachments 1-3).

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Council's Community Engagement and Consultation Policy – November 2012
- 3.2 **Strategic Plan to 2020 Theme 1 – People** “Know, empower, celebrate, educate and activate our community”
 - Strategy 1.1 Know our community
 - Strategy 1.4 Celebrate our diverse and creative community
- 3.3 **Strategic Plan to 2020 Theme 2 – Place** “Loved heritage, leafy streets, fabulous places”
 - Strategy 2.1 Respect the past, create our future
- 3.4 **Strategic Plan to 2020 Theme 4 – Services** “Leaders of the sector providing efficient, responsive, accessible services”
 - Strategy 4.1 Excellence in Infrastructure
 - Strategy 4.2 Sound Financial Management
 - Strategy 4.4 Accountable and people-focused services
 - The actions and initiatives detailed within this report are directly connected to the above aspects of Council's current Strategic Plan. The Community Engagement and Communication Plan for the project are based upon the requirement to ‘know’ our communities, be inclusive of a broad cross section of our residents and ensuring that residents are well informed of the steps being taken for the development of the CLIC, with clearly identified opportunities to become involved and influence the project outcome.
 - Delivery of the CLIC will be based upon that aspect of the Strategic Plan referring to ‘fabulous places’, requiring a high quality facility that is loved by our communities.
 - Strategies within Theme 4 of the Strategic Plan (Services) speak to Council's requirement that the CLIC is delivered on time and on budget according to our standards of excellence.

4. COMMUNITY INVOLVEMENT

- 4.1 Community involvement within the period of this project update has involved the assessment of expressions of interest for potential membership within the Community Reference Group (CRG) and a subsequent meeting held with the CRG.
- 4.2 An open Council Workshop was also held on 14 February 2017 which progressed discussion around the key services to be provided as part of the CLIC.

5. DISCUSSION

- 5.1 At its meeting in January 2017, Council selected the site at 128 Prospect Road as the preferred site for a joint venture (or development partner) project to deliver the CLIC. Of the nine options presented within the report from SGS Economics, Council determined to proceed with Option 6a, which comprises the following elements:

- The construction of a community hub and new Civic Centre at Prospect Road
- A mixed use development at Prospect Road
- The sale of the Main North Road site and relocation of Council's depot operations

- 5.2 Subsequent to this decision, a further motion was passed which called for a report on the potential excising of the State Heritage listed Tram Barn from the sale of the Main North Road site.

- 5.3 To progress this matter, Flightpath Architects were engaged to provide some higher level advice on the potential future uses of the Tram Barn, which will be presented to Council in March 2017, along with information on any financial implications of this approach.

- 5.4 Council's Audit Committee also met in January, prior to Council making its milestone decision, to review the process undertaken in managing the CLIC project. In expressing its satisfaction with the process so far, the Audit Committee also made a series of recommendations to Council including:

- the need for specialist expertise to assist in the delivery of the project,
- the need for consideration of risks and financial implications if a development option is not adopted in its entirety.

Work has commenced on engaging a Project Manager/ Project Lead with a Brief now prepared for release to market. Investigations have also commenced on reviewing the implications of a possible retention of the Tram Barn in Council ownership

- 5.5 The Project Executive Group (PEG) continues to meet regularly to work through the detail of the CLIC Project, including the key areas of economic analysis, and funding, community engagement, and project management. The Actions List (refer Attachment 1-2) has been updated with items progressed by Council staff. Key recent discussion points, actions and outcomes include:

- The CRG has been established with 12 full members and 6 proxy appointments.
- A call for Expressions of Interest from potential development partners has been drafted and reviewed by the PEG. Initial meetings have also been held with

industry groups and developers to assist in Council framing the offer to the industry.

- A call for Expressions of Interest from a Project Manager has also been drafted and reviewed by the PEG, with a view to engaging someone to coordinate and drive the delivery of the various components of the project in line with the Audit Committees recommendation. The various components include the CLIC itself (the main community interaction), the office accommodation, the Sale of Council-owned land, relocation of Depot operations and delivery of the framework and contracts to secure a development partner.
- The potential adaptive re-use of the Tram Barn on Main North Road is being explored, with Flightpath Architects engaged to provide advice on future uses. Initial enquiries to commercial real estate agents have also been made, to assist in determining the potential impact of its retention by Council on the future saleability of the Main North Road sites. A further report is being prepared, supported by this work, for March 2017.

5.6 A website (www.cityofprospect.engagementhub.com.au) was established, populated and launched in early 2017, providing a one-stop shop for all information on the project and an opportunity for the community to provide feedback. The website is accessible directly from the Council Website Home Page and includes information dating from the commencement of the project through to the current reports and decisions of Council. Information available on the site includes (but is not limited to):

- Correspondence from the SA Department for Education and Child Development in August 2015 confirming that Council's lease of the Thomas Street Centre would not be renewed
- Independent reports received by Council on the project
- Consultation outcomes to date
- Frequently asked questions
- Council meeting agendas and minutes, and workshop notes, relevant to the project

Feedback to date on the website from staff, Elected Members (through workshop) and from CRG Members suggests that this level of transparency, and the ease with which relevant documents can be accessed, is appreciated and will be invaluable as the project moves through to completion.

5.7 The CLIC CRG met for the first time in February 2017, following appointment of members and proxies by PEG in December 2016. The initial meeting involved a briefing on the CLIC project and discussion of their Terms of Reference (including governance structure, roles and responsibilities, and meeting frequency). Members were also directed to additional information on the CLIC available via the new Engagement Hub website, which will also host the agendas and notes of the CRG meetings.

5.8 As an outcome of a recent PEG Meeting, senior staff met with Minter Ellison Lawyers in February and received advice on the Expression of Interest process required for Council to select a partner for the development of the CLIC site on Prospect Road, and the various development options available (including sale and leaseback, joint venture, sale of non-Council spaces, and lease of non-Council spaces). It was confirmed that any separation of ownership of the site (via Community or Torrens Title) would depend on the development option selected by Council as a result of the EoI process. Advice

was also provided on the legal documents required to deliver the project in partnership with a developer.

- 5.9 An All Staff meeting was held in early February to provide an update on the project and open the dialogue in relation to alternate office accommodation. Investigations have commenced into alternate sites to accommodate staff and depot operations during the construction phase of the project.
- 5.10 The Mayor and CEO also recently met with representatives of the broader development sector in relation to attracting a development partner. A meeting with the Property Council confirmed that they could assist in distributing details of the opportunity to their members, while a meeting with the Eastern Building Group and Connor Consulting Pty Ltd assisted with an understanding of what level of detail should be provided by Council in calling for expressions of interest from the broader market.
- 5.11 Staff will continue to work through the many components of the overall project, reporting on the process monthly through Council reports.
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ATTACHMENTS

Attachment 1-3 PEG Actions List

Meeting Date	Meeting PEG or IPT	Topic	Action Item	Responsibility	O = Ongoing C = Completed H = Historic	Target Date	Status
Administration/Process							
Community Engagement							
6/12/2016	PEG	Community Reference Group	Arrange for introduction and team building (goal setting) session for CRG	Nathan (Brendan)	C	1/01/2017	First meeting on 1/2/2017
20/12/2016	PEG	Appointment of Community Reference Group Members	Enquire with high schools about school prefect or student leader	Brendan	C	1/01/2017	Enquiries have been made and initial response received. To be followed up in first week of school.
31/01/2017	PEG	Appointment of Community Reference Group Members	Enquire with high schools about school prefect or student leader	Brendan	O	7/02/2017	Schools have been contacted (Brendan emailed 3 times) and no further response received.
31/01/2017	PEG	Engagement Hub	Discuss Engagement Hub with Community Reference Group and also at next PEG Meeting	Nathan	C	7/02/2017	Engagement Hub discussed and presented to Elected Members at workshop on 14 February
21/02/2017	PEG	Community Reference Group	Engage with the CRG to explore customer service experience, functionality of outdoor areas, or similar CLIC outcome	Brendan	O	7/03/2017	
21/02/2017	PEG	Engagement Hub	Establish a landing page on the Council site with a friendly URL	Chris N	O	7/03/2017	
Council Decision							
6/12/2016	PEG	Independent Analysis	Independent Analysis report to Council (with recommended Option and Site) from BRM Holdich	Nathan	C	24/01/2017	Report to January meeting completed
20/12/2016	PEG	Council Workshop	February Workshop to be held at Thomas Street Centre	Nathan	C	13/02/2017	Workshop schedule was not updated to include location, so workshop to be held at Civic Centre
20/12/2016	PEG	Audit Committee	Prepare CLIC Reports for Audit Committee	Chris B	C	12/01/2017	Report titled "Community Hub, Library & Innovation Centre (CLIC) – Project Management Process" was considered by the Audit Committee on 12/1/17.
31/01/2017	PEG	Council Workshop	Develop operational principles for discussion at workshop	Nathan	C	14/02/2017	Workshop held with Elected Members on 14 February discussed guiding principles for the CLIC, as well as the services and spaces that would be provided.
31/01/2017	PEG	Council Workshop	Distribute LibrariesAlive report and Harriet's Churchill Fellowship documents as pre-reading for workshop (to help set the scene)	Chris N	C	10/02/2017	Distributed 1/2/17 along with the executive summary of the Fellowship report.
21/02/2017	PEG	Council Workshop	Distribute information on development partner, project governance and potential project objectives prior to the workshop on 21 March.	Nathan	O	14/03/2017	
Economic Analysis							
6/12/2016	PEG	Developer Options	Framework for partnering with developer and consider tenancy options	Chris N	O	20/01/2017	Discussed at 31/01/17 PEG meeting with further review to occur

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20/12/2016	PEG	Developer partnership pathway	Approach a commercial developer, a residential developer and Co-op/affordable housing for feedback on project	Chris N	O	10/02/2017	
31/01/2017	PEG	Developer partnership pathway	Draft Development Partner EOI to be emailed to Deputy Mayor Grooten	Chris N	C	1/02/2017	Emailed 1/2/17
31/01/2017	PEG	Developer partnership pathway	Draft Development Partner EOI to be reviewed by PEG members and provide feedback at the next meeting	All	C	7/02/2017	
31/01/2017	PEG	Developer partnership pathway	Meeting to be scheduled with the following: <ul style="list-style-type: none"> • Daniel Gannon from the Property Council • Steven Knight regarding approaches to complex development projects • A heritage architect (Flightpath) 	Nathan / Cate	C	14/02/2017	Meeting with Flightpath's Alistair Ravenscroft held 06/02/2017. Alistair preparing higher level advice on adaptive re-use potential to inform March decision by Council. Meeting with Daniel Gannon scheduled for 15/02/2017.
21/02/2017	PEG	Land division options for Prospect Road and impact on investment model	Determine differences in likely sale price for vertical vs horizontal division of land (i.e. establishing a separate parcel of land next to CLIC rather than selling air rights above)	Chris N	O	7/03/2017	
21/02/2017	PEG	Land division options for Main North Road sites	Work up a proposal for the potential sale of the Main North Road site including reference to master planning. Seek specific comments from Flightpath on potential risk of Tram Barn demolition	Chris N	O	21/03/2017	
Funding							
28/10/2016	IPT	Grant Funding	Explore Grant opportunities upfront but give serious consideration longer term.	Cate/ Chris N / Jo	O	30/11/2016	Initial review undertaken and discussed at PEG 31/1/17. Desire from LGFA that the project is brought forward as there is some uncertainty about the eligibility of the CLIC project, while the Broadview Oval project is a possibility.
6/12/2016	PEG	Prudential Report	Prepare Prudential Report brief.	Nathan (Ginny)	O	20/12/2016	Draft initiated.
6/12/2016	PEG	Funding	Mayor and Cate to meet with Local Government Finance Authority re 20% funding announcement (seeking guidelines around funding)	Cate	C	1/01/2017	Ginny and Chris Birch met with the LGFA to discuss funding opportunity.
20/12/2016	PEG	State Government 20% Project funding	Meet with LGFA regarding State government 20% project funding opportunity	Nathan (Ginny / Chris B)	C	1/01/2017	Meeting to be arranged in New Year
31/01/2017	PEG	State Government 20% Project funding	Provide an update to PEG on the meeting with the LGFA	Ginny / Chris B	C	7/02/2017	
31/01/2017	PEG	Prudential Report Eol - process	Meeting to be scheduled for Stephen Lewis from Minter Ellison regarding the process and governance on setting up a joint venture. Questions to be posed regarding the Prudential Report timing/ requirements	Nathan / Cate	C	14/02/2017	Meeting was held on 06/02/2017 with Susie Inat. Stephen Lewis has left Minter Ellison.
21/02/2017	PEG	Property Sales Revenue	Determine likely timing of revenue streams from sale of sites	Nathan /Cate	O	21/03/2017	

Meeting Date	Meeting PEG or IPT	Topic	Action Item	Responsibility	O = Ongoing C = Completed H = Historic	Target Date	Status
21/02/2017	PEG	Federal Government Funding	Set up a meeting with Senator Anne Ruston	Cate	O	7/03/2017	
Project Management							
18/10/2016	PEG	Architect Expression of Interest Draft	Consider expression of interest for Architect – timeframe and rough scale, \$4m - \$22m. PEG to shortlist down to 5 applicants, final appointment by Council. Applicants might present at Workshop	Nathan/ Cate	O	30/11/2016	Considering Architect and Project Management Procurement. Architect appointment to follow Project Manager
18/10/2016	PEG	Project Manager and capitalisation queries	Budget for architect – What can we capitalise? How much this financial year? Check procurement policy – how can this appointment be made?	Nathan/ Jo (Chris B)	C	20/12/2016	Unable to capitalise until a single concept is completed that leads to a detailed design. Ginny will confirm the procurement policy question.
20/12/2016	PEG	Project Manager Brief	Finalise Project Manager brief for David's review and January release	Nathan (Chris N & Jo)	C	1/01/2017	Draft edited and provided to Mayor for final thoughts.
20/12/2016	PEG	Project Managers	Mayor to review list of Project Managers and EOI brief.	Mayor	O	12/01/2017	
31/01/2017	PEG	Project Manager Brief	Feedback to be given on Project Manager Brief	Mayor	C	3/02/2017	
31/01/2017	PEG	Project Manager Brief	Staff to update further based on Mayor's comments, and based on the CLIC Option and site now being confirmed	Chris N	C	14/02/2017	Brief updated
31/01/2017	PEG	Governance Structure	Meeting to be scheduled with Wayne Gibbings to seek advice on the governance structure	Cate	C	14/02/2017	Cate met with Wayne Gibbings on 13/02/2017.
21/02/2017	PEG	Governance Structure	Explore process for Council to establish a separate company/entity to act as a developer	Cate	O	21/03/2017	
21/02/2017	PEG	Architect for Block Modeling	Engage an architect following select tender process to: - undertake a spatial review of office needs - provide some initial concept design work based on bulk and scale (and site/building capacity) for the identified potential land division options	Nathan	O	21/03/2017	
Other / Misc							