

AGENDA ITEM NO.: 15.1

TO: Council Meeting on 18 April 2017

DIRECTOR: Nathan Cunningham, Director Community & Planning

REPORT AUTHOR: Chris Newby, Manager Development Services

SUBJECT: Project Update – Community Hub, Library & 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 28 March 2017 update report. Progress has occurred under the following key tasks:

- 1.1.1 Architect submissions have been received for a body of preliminary work into the possible internal spatial layout options of the CLIC, and its integration with the associated administration office component of the project.
- 1.1.2 A project brief and information pack have been drafted for release for quotes from Real Estate Agents to coordinate the Expression of Interest (EOI) process for both the Prospect Road and Main North Road sites looking at various development and tenure options across each site.
- 1.1.3 Preliminary discussions have been held with representatives of various specialist project management firms, who have indicated their interest in coordinating the delivery of the CLIC project and assisting with various elements of the project.
- 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. The Actions List coming out of each meeting (**Attachment 1**) has been updated with items progressed by key Council staff.

2. RECOMMENDATION

- (1) Council receives and notes the progress update for the Community Hub, Library and Innovation Centre (CLIC) for the period 28 March 2017 until 18 April 2017.
- (2) Council receives and notes the Project Executive Group (PEG) Actions List (as presented in **Attachment 1**).

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 No community consultation has been undertaken within the period of this project update.

5. DISCUSSION

Architect Submissions

5.1 The period for submissions from architects in undertaking some preliminary work on the spatial relationships of the CLIC and Civic Centre closed, with three submissions received. The submitting firms are highly regarded and, following an assessment of the submissions (which is scheduled to occur following the preparation of this update report to Council), the preferred supplier will be engaged.

5.2 This discrete body of work will be used to determine the spatial needs of the future civic centre and explore the inter-relationship of spaces within the CLIC and the administration centre. This work will not necessarily arrive at the final layout and form of the CLIC and administration centre, but will assist in improving an understanding of how the spatial relationships and integration of services will achieve improvements to service delivery and deliver potential savings to the project. Understanding layout

options will assist Council in considering Expressions of Interest for being involved in development on the Prospect Road site.

- 5.3 It is also important that this preliminary work does not preclude consideration of other potential options for the Prospect Road site, as a developer (or development partner) may propose a previously unforeseen delivery model.

Approach to Market

- 5.4 Ongoing discussion concerning the preferred approach to market has consolidated into a preference for releasing a call for proposals from a small number of highly regarded commercial real estate agents. The preferred agent (or agents) will be asked to subsequently release both sites (Prospect Road *and* Main North Road) to market via calls for Expressions of Interest.
- 5.5 The proposals from the agents would need to consider how best to approach the market for each site, taking into consideration the unique opportunities that each site offers and the potential complexities associated with a non-traditional offer to market. Whilst it has previously been identified that a traditional land division of the Prospect Road site would likely realise the most interest, it is important that no potential options are precluded for this highly desirable site at this early stage. Similarly, the Main North Road site (including the adaptive re-use of the Tram Barn) is likely to inspire some exciting proposals.
- 5.6 By releasing both sites to market, accompanied by some guidance on the desired future characteristics of each site, all of the various tenure options, potential subdivision models and opportunities for community-led, partnership development would be able to be considered. For example, the options for the future of the Main North Road site will include (but not be limited to) lease, partial sale/lease, redevelopment, partial redevelopment, re-use of Tram Barn, leaseback of Tram Barn, community-led development, social housing, commercial development, and/or partial Light Industry.
- 5.7 The initial call for EOIs will allow those groups that have already expressed an interest in the future of each site to formalise their proposals for subsequent consideration by Council. The opportunity will be opened broadly with the Agents charged with responsibility for spreading the word and seeking significantly diverse interest.
- 5.8 It is anticipated that the EOI process (after assessment) would lead to a shortlisting and a second round of proposal submissions, where preferred outcomes for each site can be further refined prior to negotiation of tenure outcomes and the entering into of agreements between parties.
- 5.9 Initial discussion with several project management firms have confirmed that independent advice would be beneficial during the EOI assessment process, to assist in understanding the feasibility and risks associated with the various proposals. This would mirror the approach taken in determining the site, scale and delivery model for the new CLIC, which was assisted by independent advice from SGS Economics and Planning.

Governance Arrangements – Prudential Report

- 5.10 Further investigations into the requirements of the Prudential Report have revealed an opportunity for a report framework to be prepared and adopted by Council, with subsequent refinement to occur at latter stages over the course of the project as certainty over the scale of the development increases. A staged Prudential Report

approach will allow this potential ‘hold point’ in the project plan to be progressed earlier than previously anticipated, with updates on total anticipated costs associated with the project subsequently factored into revisions to the original Prudential Report.

- 5.11 This delivery model for the preparation of the Prudential Report is based on current best practice within local government and has been mirrored in recent examples across metropolitan Adelaide. A draft framework will be prepared for consideration by the Audit Committee, prior to being presented to Council in coming months.

Project Executive Group (PEG) Update

- 5.12 The PEG continues to meet regularly to work through the progression of the CLIC Project. The Actions List (**Attachment 1**) has been updated with items progressed by key Council staff, while other sub-groups continue to assist with the delivery of the project and the necessary steps required to reach the critical decision making points and key milestones, allowing the project to be completed on-time and on-budget. On-going project updates will continue to be provided to Council as an agenda item within ordinary meetings.

ATTACHMENTS

- Attachment 1** Project Executive Group Actions List

Meeting Date	Meeting PEG or IPT	Topic	Action Item	Responsibility	O = Ongoing C = Completed H = Historic	Target Date	Status
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	C	21/03/2017	Presented to Council meeting on 28 March, with resolution to proceed to EOI including all possible tenure options
6/12/2016	PEG	Prudential Report	Prepare Prudential Report brief.	Nathan (Ginny)	O	14/03/2017	Draft initiated. The Prudential Report is likely to follow the completion of concept plans or initial design.
21/02/2017	PEG	Property Sales Revenue	Determine likely timing of revenue streams from sale of sites, informed by the outcomes of site options investigations	Cate	O	18/04/2017	Outcome pending a decision on the retention of the tram barn and portion of the Civic Centre site, to be determined as part of EOI assessment
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	Architect appointment to follow spatial review of civic centre needs and concept design for CLIC integration
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 / Chris N	C	21/03/2017	Request for Quotes distributed to City Collective, Hames Sharley and Brown Falconer
7/03/2017	PEG	Main North Road Sale Options	Explore how to provide Main North Road site information available to potential partners – Information Pack/Draft EOI/Prospectus	Chris N	C	28/3/2017	CBRE engaged to provide advice on options to inform the approach to market. Preliminary feedback suggests that an agent would be responsible for creating marketing material, with input from Council staff and release upon approval
7/03/2017	PEG	Main North Road Sale Options	Confirm PEG's role in the sale of Main North Road through a report to Council including governance and delegations.	Chris N	C	28/3/2017	Report received by Council on 28 March
7/03/2017	PEG	Community Engagement	Brendan Lott to attend PEG meetings following regular CRG meeting to provide feedback.	Brendan	C	ongoing	Brendan has confirmed that he can attend PEG meetings to provide updates
7/03/2017	PEG	Council Interface	Develop a brief for Civic Centre site subdivision	Chris N	C	28/3/2017	Whilst it had been anticipated that the initial concept design for the CLIC and Civic Centre (as per the 'Architect for Block Modelling' task above) would inform a future plan of division, it is not necessary for an EOI to be released.
7/03/2017	PEG	Council Interface	Demonstrate Poll Everywhere App at PEG Meeting or Council Workshop	Nathan	C	18/4/2017	Demonstrated at PEG Meeting
21/03/2017	PEG	Community Engagement	Remove log-in requirement for Ideas wall and review in one month	Brendan	O	18/04/2017	Still need to provide an email address and create an alias, which is the minimum authentication required for Engagement Hub. Review has been scheduled.
21/03/2017	PEG	Property Sales Revenue	Provide updated Project Plan including approach to market at next PEG meeting	Chris	O	4/04/2017	To be scheduled