

# **SHELLHARBOUR CITY COUNCIL**

Ordinary Council Meeting - Tuesday 18 September 2012

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## **Minutes of the Ordinary Meeting**

### **of Shellharbour City Council**

**held at the Council Chambers, Council Administration Centre**

**Shellharbour City Centre**

**on Tuesday 18 September 2012 commencing at 6.31 pm**

#### **Present**

Mayor	K Marsh
Deputy Mayor	M Saliba
Councillor	D Boyle
Councillor	H Stewart
Councillor	J Murray
Councillor	P Moran
Councillor	P Rankin

#### **In attendance**

General Manager	M Willis
Director City Outcomes	C McIntyre
Acting Director Corporate Policy	P Batman
Director Shellharbour Enterprises	B Green
Executive Manager / Public Officer	F MastroDomenico
Group Manager Community Connections	K Baget-Juleff
Group Manager Finance	T Gearon
Group Manager City Strategy	G Hoynes
Group Manager City Development	G Meredith
Acting Group Manager Infrastructure Services	B Short
Manager Property & Recreation	D Flanagan
Manager Financial Services	P Henderson
Manager Community Development	K Hernandez
Manager Youth Services	N Higgins
Manager Assets & Projects	G Standen
Acting Manager Environment	K Parker
Senior Executive Assistant	L Davey
Public Information Officer	D Arney

**1. Acknowledgement to Country**

Shellharbour City Council acknowledges the Traditional Owners and Custodians of the Land on which we are meeting and pays its respects to Elders past and present.

**Webcasting Statement**

The Mayor read the usual advice regarding the webcasting of the meetings of the Council.

**2. Confirmation of Minutes**

**2.1 Ordinary Meeting 28 August 2012**

241 RESOLVED Saliba/Boyle

That the Minutes of the Ordinary Council Meeting held on 28 August 2012 as circulated be taken as read and confirmed as a correct record of proceedings.

CARRIED UNANIMOUSLY

**3. Apologies / Leave of Absence**

Nil

**4. Confidential Business (Committee of the Whole)**

Nil

**5. Pecuniary Interest and Conflict of Interest Declarations**

Note: Councillors and staff who declare a Pecuniary Interest at the Council Meeting are also required to complete a Pecuniary Interest Declaration form.

**Councillor Stewart:** Item 11.1.1 - The Background and Outcomes of the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151

**Nature of Interest:** Councillor Stewart declared a pecuniary interest as she was personally involved in the Land & Environment Court matter

**Councillor Marsh:** Item 11.1.1 - The Background and Outcomes of the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151

**Nature of Interest:** Councillor Marsh declared a non-pecuniary interest as she wrote a statutory declaration for Cr Stewart for the Land & Environment Court matter.

**Councillor Moran:** Item 11.1.1 - The Background and Outcomes of the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151

**Nature of Interest:** Councillor Moran declared a non pecuniary interest as he was involved in the Land & Environment Court matter.

## **6. Condolences**

The Council acknowledged the following deaths in the Local Government area.

Mr Donald Rankin (beloved father of Cr Paul Rankin)

Mrs Rose Sim	formerly	of	Albion Park
Mrs Una Warr		of	Albion Park
Mr Jack Larkin		of	Albion Park Rail
Mrs Eleonore Pohl		of	Albion Park Rail
Mrs Alice May Young		of	Barrack Heights
Mrs Beryl Lewis		of	Lake Illawarra
Mr Wally Willett		of	Lake Illawarra
Mr Walter Frederick Egan		of	Mt Warrigal
Mrs Marjory Pozlewicz		of	Shellharbour
Mrs Joyce Isabelle Clarke		of	Warilla
Mrs Pat Louttit		of	Warilla
Mrs Dorothy Loughland		of	Warilla
Mrs Betty Hazel Hastie	formerly of		Warilla
Mr Brian Keep	formerly of		Warilla

242 A Motion of condolence was passed by all present standing for one minute's silence.

## 7. Addresses to Council

Note: Councillor Stewart declared an interest for Item 11.1.1 and left the Chamber at 6.36 pm whilst Addresses to Council were being considered on this item pursuant to Section 451 of the Local Government 1993.

Note: Councillor Marsh and Councillor Stewart declared non-pecuniary interests for Item 11.1.1 and remained in the Chamber.

<b>Agenda Item No &amp; Title</b>	<b>Name</b>
11.1.1 The Background and Outcomes of the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151 (9778438)	Rudi Oppitz - withdrew Paul Wesley - withdrew Steven Vann - withdrew Sonya McKay

Councillor Stewart here returned to the Chamber at 6.42 pm.

<b>Agenda Item No &amp; Title</b>	<b>Name</b>
11.1.2 Shellharbour City Hub Stage 1 Business Case (9778365)	Dennis Chalker Harry Gooden Steven Krinks
11.2.1 Council Submission on A New Planning System for New South Wales Green Paper (9778141)	Sonya McKay
11.2.6 Adoption of Smoke-Free Policy - Outdoor Areas (9778137)	Steven Krinks
11.3.4 Creation of Easement at Lot 702 DP 1102696 at Illawarra Regional Airport (9776745)	Sonya McKay
15.1 Notice of Motion submitted by Cr Saliba: F6 upgrade (9777391)	Steven Krinks

243 RESOLVED: Marsh/Saliba

That the meeting be adjourned.

CARRIED 6/1

FOR VOTE - Cr Boyle, Cr Saliba, Cr Murray, Cr Rankin, Cr Stewart, Cr Marsh  
AGAINST VOTE - Cr Moran

**Meeting adjourned at 7.07 pm**

**Meeting resumed at 7.26 pm**

244 RESOLVED: Saliba/Murray

That standing orders be suspended in order for Items 11.1.1, 11.1.2, 11.2.1, 11.2.6, 11.3.4 and 15.1, the subject of Addresses to Council, to be considered here in the agenda.

CARRIED UNANIMOUSLY

**11.1.1 The Background and Outcomes of the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151 (9778438)**

Note: Councillor Stewart declared an interest for Item 11.1.1 and left the Chamber at 7.27 pm whilst this matter was being considered pursuant to Section 451 of the Local Government Act 1993.

Note: Councillor Marsh and Councillor Moran declared non-pecuniary interests for Item 11.1.1 and remained in the Chamber.

245 RESOLVED: Murray/Boyle

1. That the Council acknowledge that it is bound by the findings of fact and the Orders made by the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151.
2. That the Council acknowledge that there is no lawful basis on which it can reimburse Cr Stewart's costs arising from the Order of the Land and Environment Court proceedings.

3. That given recommendations 1) and 2) above the Council agree that there is no basis for any further consideration by it of the issue of reimbursing Cr Stewarts costs, or of any other matter concerning the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151.

CARRIED 4/2

FOR VOTE - Cr Boyle, Cr Saliba, Cr Moran, Cr Murray  
AGAINST VOTE - Cr Marsh, Cr Rankin  
ABSENT. DID NOT VOTE - Cr Stewart

**Business Arising:**

246 RESOLVED: Moran/Marsh

That Council write to the NSW Attorney General expressing confidence in Councillor Stewart and enclosing a copy of the letter from the Division of Local Government and asking if he could favourably consider making an ex gratia payment to Councillor Stewart in light of the unusual and difficult circumstances she finds herself in.

CARRIED UNANIMOUSLY

Councillor Stewart here returned to the Chamber at 7.36 pm

**11.1.2 Shellharbour City Hub Stage 1 Business Case (9778365)**

247 RESOLVED: Saliba/Marsh

That this item be deferred to the next Ordinary meeting of Council.

CARRIED UNANIMOUSLY

**11.2.1 Council Submission on A New Planning System for New South Wales Green Paper (9778141)**

248 RESOLVED: Murray/Boyle

1. That Council endorse and submit the submission on *A New Planning System for New South Wales – Green Paper*, as contained in Attachment 1 of this report
2. In relation to Section 8.0 Development Assessment & Compliance, Change 10 that the Councillors take the view that the decision making process for planning matters must involve local Councillors.

CARRIED UNANIMOUSLY

**11.2.6 Adoption of Smoke-Free Policy - Outdoor Areas (9778137)**

249 RESOLVED: Marsh/Saliba

That:

1. Council adopt the *Smoke-Free Policy - Outdoor Areas*.
2. An advertisement be placed in a local newspaper notifying the community of the Council's decision to adopt the *Smoke-Free Policy - Outdoor Areas*.
3. The existing *Smoke Free Sports fields and Playgrounds Policy* be repealed.
4. The smoking ban be added as a requirement to new consent (licence) agreements for alfresco dining areas and incorporated into existing consents (licences) when they become due for renewal.
5. Smoke-free zones be signposted wherever practicable and educational material be made available to proprietors of alfresco dining areas to assist with enforcement of the smoking ban.
6. Council encourages and supports the voluntary adoption of smoke free alfresco dining areas with proprietors of alfresco dining areas before their existing consents are due for renewal.

CARRIED 6/1

FOR VOTE - Cr Boyle, Cr Saliba, Cr Moran, Cr Murray, Cr Stewart, Cr Marsh  
AGAINST VOTE - Cr Rankin

**11.3.4 Creation of Easement at Lot 702 DP 1102696 at Illawarra Regional Airport (9776745)**

250 RESOLVED: Murray/Saliba

1. That Council enter into an agreement with Illawarra Flyers Storage Incorporated for the acquisition of a one (1) metre wide easement on Lot 702 DP 1102696 Illawarra Regional Airport for a compensation amount of \$1500 plus GST.
2. The Mayor and General Manager or his nominated delegate be authorised to sign and execute all necessary documentation associated with the easement including affix of the Seal of Council.

CARRIED UNANIMOUSLY

**15.1 Notice of Motion submitted by Cr Saliba: F6 upgrade (9777391)**

MOTION: Saliba/Boyle

That Shellharbour City Council calls on the NSW Government to extend the F6 Freeway through Shellharbour City as a matter of urgency. This particular stretch of road causes significant traffic congestion during peak times particularly the holiday period. This road is our number one national highway and it is a disgraceful situation. When accidents and incidents occur on the Princes Highway traffic can come to a halt and cause lengthy delays. These delays have economic implications for our region due to the high volume of trucks and other vehicles that use this road.

Councillor Stewart proposed the following addition to the Motion, which was accepted by the Mover:

Further, that Council seek a deputation to the Minister for Roads.

**251 RESOLVED: Saliba/Boyle**

1. That Shellharbour City Council calls on the NSW Government to extend the F6 Freeway through Shellharbour City as a matter of urgency. This particular stretch of road causes significant traffic congestion during peak times particularly the holiday period. This road is our number one national highway and it is a disgraceful situation. When accidents and incidents occur on the Princes Highway traffic can come to a halt and cause lengthy delays. These delays have economic implications for our region due to the high volume of trucks and other vehicles that use this road.
2. Further, that Council seek a deputation to the Minister for Roads.

CARRIED UNANIMOUSLY

Standing orders were resumed.

**8. Mayor's Statements / Reports / Presentations**

The Mayor congratulated Brett Stibners for his achievements at the London Paralympics as part of the Australian Wheelchair Basketball Team.



The Mayor provided details of an upcoming Property Council aged care event being held in Shellharbour. She also advised the details of an upcoming Jobs Expo and the Kidzwish Golf Day being held at The Links Shell Cove.

**9. Councillors' Reports**

252 RESOLVED: Saliba/Moran

That a report in relation to the Local Government Aboriginal Network Conference be presented to a future Council Meeting when all information is received from the conference convenors.

CARRIED UNANIMOUSLY

**10. Mayoral Minutes**

Nil

**11. Reports**

**11.1 General Manager**

**11.1.1 The Background and Outcomes of the Land and Environment Court Proceedings in relation to Shellharbour City Council v Stewart [2008] NSWLEC 151 (9778438)**

This item was considered following Addresses to Council (refer to Resolution Nos 245 and 246).

**11.1.2 Shellharbour City Hub Stage 1 Business Case (9778365)**

This item was considered following Addresses to Council (refer to Resolution No 247).

**11.1.3 Disclosure of Interest Returns - 1 July 2011 - 30 June 2012 (9754552)**

253 RESOLVED: Stewart/Saliba

1. That the names and positions set out in this report be identified as the designated persons for the lodgement of Disclosure of Interest Forms for Shellharbour City Council, for the period 1 July 2011 to 30 June 2012.

2. That Council note the tabling of the register of returns.

CARRIED UNANIMOUSLY

#### **11.1.4 Monthly Investment Report - July 2012 (9774187)**

254 RESOLVED: Murray/Stewart

That Council receive and note the attached Investment Portfolio reports, as at 31 July 2012.

CARRIED UNANIMOUSLY

### **11.2 City Outcomes Directorate**

#### **11.2.1 Council Submission on A New Planning System for New South Wales Green Paper (9778141)**

This item was considered following Addresses to Council (refer to Resolution No 248).

#### **11.2.2 Additional Report - Development Application No. DA 93/2012 - Proposed Gymnasium at Lot A, DP 161334, 62 Terry Street, Albion Park. Section 82A Review - Request to Reconsider Section 94 Contributions Imposed on the Development (9778026)**

255 RESOLVED: Saliba/Rankin

It is recommended that Council:

1. Receive and note this report; and
2. Adopt the recommendation of Item 11.2.1 of Council's Business Paper of 28 August 2012, being:

That the Council determine the application for Review under Section 82A of the *Environmental Planning & Assessment Act, 1979* by amending condition B2 of the Development Consent DA 93/2012 for a gymnasium (Recreation Facility) at Lot A, DP 161334, 62 Terry Street, Albion Park and inserting an additional condition, to read as follows:

'B2 Section 94 Contributions

The following contributions:

- Community facilities/services - \$277.94
- Benefit Area No. 4, Albion Park Commercial Open Space -\$46,142.00.

must be paid to Council prior to the issue of the Construction Certificate. The total amount of \$46,419.94 has been calculated as a result of a Section 82A Review and resolution of Council.

The Contributions Plan may be inspected or a copy purchased at the Customer Service Counter at Council's offices, or downloaded from [www.shellharbour.nsw.gov.au](http://www.shellharbour.nsw.gov.au).

Note: The contribution amounts quoted are the base rate indexed to the date the consent is issued. Where the Construction Certificate is issued at a time later than the Development Consent, the above contribution amount may be adjusted in accordance with the indexing methods detailed in the Plan. Amended rates are available from Council.'

#### Deferred payment of contributions

Council agrees to a deferral subject to a written application, based on the following conditions:

1. Payment of the Section 94 contributions is required prior to the issue of an Occupation Certificate.
2. The deferred payment of the Section 94 contribution will require the applicant to provide a Bank Guarantee from a financial institution acceptable to Council and enter into a Deed of Agreement with Council.
3. Interest must be paid on the deferred payment of contributions at the rate set annually by the Minister for Local Government in relation to outstanding rates.
4. The bank guarantee must be for the total amount of the contributions outstanding at the time of the deferment together with the amount of the interest as calculated at the rate referred to above.
5. The Deed of Agreement is to be prepared by Council's legal representative at the full cost of the applicant. The professional fees so incurred must be paid by the applicant direct to Council's legal representative and not through Council.
6. Council charges an administrative fee of \$300.
7. In the event that the contributions are not paid prior to the issue of the Occupation Certificate, Council will call upon the bank guarantee.
8. A request for deferred payments must be made in writing to Council.

CARRIED UNANIMOUSLY

**11.2.3 Give a Kid A Go Web Site (9778146)**

256 RESOLVED: Marsh/Boyle

That Council:

1. Endorse the Give a Kid a Go program.
2. Fund the development of the website from the current year's allocated budget and consider funding the remainder of the program as part of the development of the 2013/14 Financial year.

CARRIED 5/2

FOR VOTE - Cr Boyle, Cr Saliba, Cr Moran, Cr Murray, Cr Marsh  
AGAINST VOTE - Cr Stewart, Cr Rankin

**11.2.4 Shellharbour's Public Art Policy (9778316)**

257 RESOLVED: Marsh/Murray

That Council:

1. Endorse the draft Public Art Policy.
2. Exhibit the draft Public Art Policy for a minimum period of 28 days, in accordance with Council's Community Engagement Policy.
3. Receive a further report after the exhibition period, making further recommendations on adoption of the Public Art Policy.

CARRIED UNANIMOUSLY

**11.2.5 Shellharbour Village Exhibition Space - Cultural Development (9778155)**

258 RESOLVED: Moran/Murray

That Council:

1. Endorse the waiving of the Shellharbour Village Exhibition Space Fee Hire over three weeks for Youth Week, Reconciliation and NAIDOC Week for Aboriginal artists.
2. Endorse weekly hire of the Shellharbour Village Exhibition Space on a pro rata basis at a minimum of one day and a maximum of three days over a Friday, Saturday and Sunday period.

3. Publicly exhibit the proposed changes to Council's fees and charges for a period of 28 days.
4. Receive a further report if necessary at the end of the public exhibition period, providing further recommendations in relation to the hiring of the Shellharbour Village Exhibition Space.

CARRIED UNANIMOUSLY

#### **11.2.6 Adoption of Smoke-Free Policy - Outdoor Areas (9778137)**

This item was considered following Addresses to Council (Refer to Resolution No 249).

### **11.3 Corporate Policy Directorate**

#### **11.3.1 Amendment to Fees and Charges - E-waste (9763538)**

259 RESOLVED: Saliba/Murray

That Council approve the proposed amendment to fees and charges effective immediately.

CARRIED UNANIMOUSLY

#### **11.3.2 Tender 2012/27: Installation of Underground Electrical Services for Tongarra Road, Albion Park Stage 2 (9776597)**

260 RESOLVED: Rankin/Murray

1. In accordance with Section 178 of the *Local Government (General) Regulation (2005)*, Council resolves to enter into a contract (including lump sum fee and schedule of rates items) with an estimated value of \$481,257.16 excluding GST from Tony Pollard Electrics Pty Ltd (Trading as Transelect) for the Installation of Underground Electrical Services for Tongarra Road Stage 2, Albion Park.
2. Delegate to the Director Corporate Policy the authority to sign the Letter of Award to the Contractor on behalf of Shellharbour City Council.

CARRIED UNANIMOUSLY

**11.3.3 Acquisition of Land at Lot 2, DP 1055678 Croome Road, Croom (9777203)**

261 RESOLVED: Saliba/Boyle

1. That Council acquire the land being Lot 2 DP 1055678 Croome Road, Croom by compulsory acquisition in accordance with the Land Acquisition (Just Terms Compensation) Act 1991 and the Local Government Act 1993.
2. That the subject land be classified as Operational land once acquired under the Local Government Act 1993.
3. That the necessary applications for compulsory acquisition be made to the Minister for Local Government and / or Governor.
4. On approval of Council to proceed with the compulsory acquisition, the amount as determined under the Land Acquisition (Just Terms Compensation) Act 1991, be paid to the property owner.
5. That the Mayor and General Manager or his nominated delegate be authorised to sign and execute all necessary documentation associated with the acquisition including affix of the Seal of Council.

CARRIED UNANIMOUSLY

**11.3.4 Creation of Easement at Lot 702 DP 1102696 at Illawarra Regional Airport (9776745)**

This item was considered following Addresses to Council (refer to Resolution No 250).

**11.4 Shellharbour Enterprises Directorate**

Nil

**12. Committee Recommendations**

**12.1 Recommendations from the Aboriginal Advisory Committee Meeting held 24 July 2012 recommended for adoption.**

262 RESOLVED: Stewart/Murray

That the Recommendations from the Aboriginal Advisory Committee Meeting held of 24 July 2012 be adopted.

CARRIED UNANIMOUSLY

**13. Items for Information**

**13.1 Items for Information - Questions on Notice (9778369)**

263 RESOLVED: Marsh/Stewart

That Council receive and note this report.

CARRIED UNANIMOUSLY

**13.2 Items for Information - Resolution from 17 July 2012 Ordinary Council Meeting: Valuation Services (9782240)**

264 RESOLVED: Moran/Stewart

That Council receive and note this report.

CARRIED UNANIMOUSLY

**14. Notices of Rescission/Alteration Motions**

Nil

**15. Notices of Motion**

**15.1 Notice of Motion submitted by Cr Saliba: F6 upgrade (9777391)**

This item was considered following Addresses to Council (Refer to Resolution No 251).

**16. Questions on Notice (must be submitted in writing)**

Nil

**17. Urgent Business**

Nil

**18. Committee of the Whole in Closed Session: Adjournment**

Nil

**19. Committee of the Whole: Consideration of Adoption of Decisions Reached in Closed Session**

Nil

**20. Consideration of Motions to Declassify Reports Considered in Closed Session**

Nil

**20.1 Consideration of Motions to Declassify Report Considered in Closed Session: Shellharbour City Civic Centre (9778440)**

265 RESOLVED: Saliba/Rankin

That the confidential report relating to Shellharbour City Civic Centre presented to the Ordinary Council Meeting (in Committee of the Whole) on 22 May 2007 and Committee Recommendations arising from consideration of that report, be declassified.

CARRIED UNANIMOUSLY

**Meeting closed 8.31 pm**

**Attachments      Declassified Reports: Shellharbour City Civic Centre**

1. 22 May 2007 Report - 2.2 Shellharbour City Civic Centre
2. 22 May 2007 Recommendation from Committee of the Whole in Confidential Session
3. 22 May 2007 Excerpt from Open Council Meeting Minutes



**Attachment 1. Report - 2.2 Shellharbour City Civic Centre (22 May 2007)**

**Subject 2.2 Shellharbour City Civic Centre (8732089)**

To the Mayor and Councillors

**Division: General Manager's Division**

**Department: Executive Office**

**Manager:** Brian Weir – General Manager

**Author:** Graham Standen – Group Manager Customer & Environmental Services

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**Reason for Confidentiality**

This item is classified CONFIDENTIAL under the provisions of Section 10A(2)(c) and 10A(2)(d)(i) and (ii) of the *Local Government Act 1993*, which permits the meeting to be closed to the public for business relating to the following:

10(A)(2):

- (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
- (d) commercial information of a confidential nature that would, if disclosed:
  - (i) prejudice the commercial position of the person who supplied it, or
  - (ii) confer a commercial advantage on a competitor of Council.

This item has been classified as commercial because Council has yet to finalise the negotiations for the purchase of the proposed site for the Shellharbour City Civic Centre.

Publication at this time of Council's consideration of options to establish the Shellharbour City Civic Centre on a site it currently does not own, would not be in the public interest because it is possible that other parties may seek to purchase the same property for a commercial advantage. This could result in a higher purchase price or the site being unavailable.

**Summary**

Shellharbour City is reaching an advanced stage in its development and there are a number of civic and cultural facilities identified in the Section 94 Plan that are needed to complete the infrastructure within the City.

It is proposed the following facilities, which are identified in the Section 94 Plan, be co-located in a new single facility called the 'Shellharbour City Civic Centre'.

- Central library
- Civic auditorium
- Council administration offices, including a customer services centre
- Council chambers
- Sessional services facility

The proposed site for the new Civic Centre is a 'greenfield' site that is larger than immediately needed and allows for accommodation of future civic facilities.

There is an opportunity to locate these facilities in a **Civic and Cultural Precinct** that will become the civic and cultural heart for the City. By locating the precinct adjacent to the commercial heart of the City, Shellharbour City Centre, the new facilities will increase the diversity of services and add vitality to the City's commercial heart.

Within the new facilities a **City Space** is envisaged that will be a community hub for community development and information, education, passive recreation and Council business. The vision is for a high quality facility, which is accessible by all, over extended opening hours, and combines the traditionally separate roles of customer services, library and community centre.

The City Space will be the public face of Council and offer a fully integrated service to its community.

Preliminary studies for the facility have been undertaken and a Functional Design Brief has been prepared. The Functional Design Brief is a document that details the key functional requirements that Council needs the facilities to provide. It will be an important part of the brief to the designers.

A financial model was prepared for the project and is summarised as follows:

TOTAL Project Funds	\$37,851,023
Less	
TOTAL Project Costs	\$44,269,336

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<b>SHORTFALL in Project Funds</b>	<b>(\$6,418,313)</b>
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The shortfall in funds is the estimated value of the loans required to complete the project.

Key milestones for the projects are:

<b>Milestone</b>	<b>Date</b>
Council approval for the project to proceed as detailed in the Functional Design Brief	22 May 2007
Appoint a Project Manager (external)	7 August 2007

Design commences	22 January 2008
Award construction contract	19 May 2009
Completion and handover	3 May 2011

## **Recommendation**

- 1. Approve further progress of the Shellharbour City Civic Centre, as detailed in the Functional Design Brief, up to the appointment of the architect and design team.**
- 2. That a confidential briefing for the Councillors be undertaken as soon as possible.**

## **Background**

This report addresses the delivery of key facilities identified in the Section 94 Plan (March 2005) that will be constructed in the Shellharbour City Civic and Cultural Precinct. These include the following:

- Central library
- Civic auditorium
- Council administration offices, including a customer services centre
- Council chambers
- Sessional services facility

Preliminary planning studies for the above facilities have been undertaken by Council staff with the assistance of Incoll Development and Project Management. Incoll, a specialist consultancy with extensive experience in the planning for facilities such as the above, was engaged to assess possible sites, assess the project feasibility and prepare a Functional Design Brief. A Functional Design Brief is a document that details the key functional requirements that Council needs the facilities to provide. It will be an important part of the brief to the designers.

It was identified that the facilities should be co-located. Many of Council's services are complimentary and co-location offers increased efficiency and improved customer service. Co-location will also reduce duplication in facilities and reduce construction costs.

A number of potential sites were considered for the facilities, and two were selected for further consideration. These were:

Option 1: A new building on a 'greenfield' site combining Council administration, 'one stop shop' for customer service, civic chambers, civic auditorium, sessional services and a public foyer.

The greenfield site that has been identified is ample in size to also permit a Civic Square at the building entrance, which would not be possible under Option 2.

Option 2: The existing Lamerton House and the adjacent Lot 3000. This option would require the refurbishment of the Lamerton House to accommodate Council administration and 'one stop shop'. On the adjacent block a new facility would be constructed to accommodate the library, civic chambers, civic auditorium, sessional services and a public foyer.

An assessment of these options identified Option 1 as being the preferred option. Details of the site assessment are provided in Attachment 1 and in the financial considerations below.

The preferred site is far larger than needed to accommodate the Section 94 Plan facilities that were the subject of the preliminary planning studies. With about 1 hectare of surplus land available, the preferred site is large enough to also accommodate other cultural and community facilities, such as the Performance Theatre and the Multi-cultural Arts Centre also mentioned in the Section 94 Plan.

By locating all these facilities onto the preferred site, Council would be creating a **Civic and Cultural Precinct** that would complement and add vitality to the Shellharbour City Centre.

## **Consultations**

### **Internal**

An internal working group, which acted under my overall control, was established to oversee the project planning. This group comprised the Group Manager Customer & Environmental Services, Manager Executive Offices/Executive Assistant to the GM, Manager Property, Group Manager Corporate Planning, Group Manager Corporate Services, Manager Media & Communications, as well as Vanessa Weedon from Incoll.

During the preparation of the Function Design Brief numerous staff were consulted to develop the functional design requirements for the new facilities.

### **External**

Incoll Development & Project Management  
McCredie Richmond Quantity Surveyors

## **Considerations**

### **Financial/resources implications**

A financial model for development of the new Civic Centre on the proposed site has been undertaken. A quantity surveyor, McCredie Richmond & Partners, undertook the cost estimates used in the model. Details of the model results are:

Total estimated project costs are summarized as follows:

	<b>Total (\$)</b>
Construction costs (escalated until contract award)	\$37,463,424
Land Purchase <sup>1</sup>	3,300,000
Land transaction costs	144,650
Statutory Fees & Contributions	230,048
Project Reserve (2%)	789,978
Land Holding Costs <sup>2</sup>	535,819
Miscellaneous Costs <sup>3</sup>	1,805,417
<b>TOTAL Project Costs</b>	<b>\$44,269,336</b>
excl. GST	

<sup>1</sup> The financial model only includes the value of that portion of the property to be occupied by the Shellharbour City Civic Centre.

<sup>2</sup> Land holding costs include lease back of Warilla Chambers at \$170,000pa from sale of that property prior to commencement of construction until occupation of the new facility.

<sup>3</sup> Miscellaneous costs include legal advice, relocation costs, salaries of Council project staff (1.5FTE over four years), new library materials and relocation costs.

The funding sources available at this time are:

	<b>Total (\$)</b>
Section 94 funds - Developer	\$7,527,292
Old Section 94 funds	\$902,000
Restricted cash - s94 Council	\$4,000,000
Rationalisation of Assets	\$26,000,000
Ex-gratia payment – in lieu of rates	\$800,000
<b>Total Revenue Sources</b>	<b>\$39,229,292</b>
excl. GST	

	<b>Funding (\$)</b>
TOTAL available funding	\$39,229,292
plus escalation on asset sales <sup>4</sup>	172,777
less contingency on asset sales	(909,292)
less selling costs	(221,456)
less rental income <sup>5</sup>	(420,298)
<b>TOTAL Project Funds</b>	<b>\$37,851,023</b>

<sup>4</sup> Escalation excludes projected sales of Lamerton House and Lot 3000.

- <sup>5</sup> Includes new rental income from lease of Council's expansion space (400m<sup>2</sup>) plus lease of the café in the City Space. However, the figure is negative owing to loss of revenue from existing leases on the lower ground floor of Lamerton House (approx. \$93,000pa).

Total projected revenue less total project costs is then summarized below:

TOTAL Project Funds	\$37,851,023
<i>less</i>	
TOTAL Project Costs	\$44,269,336
<b>SHORTFALL in Project Funds</b>	<b>(\$6,418,313)</b>

The shortfall in project funds will be funded by way of a loan, which has been included in the financial model at 7.0% (0.75% above the above the current Reserve Bank Base rate of 6.25%). Council is able to service this debt with annual repayments of \$750,000 that will have to be factored into future budgets.

An Asset Disposal Plan will be developed for the sale of the Council properties that are required to fund the project.

In considering the costings and financial model it is important to note the following:

- The estimated costs are only preliminary and have been produced without a design, which has limited their accuracy.
- The project costs and financial model are based on the project program. Delaying the project will require the cost estimates and financial model to be revised to allow for cost escalation amongst other things.
- More detailed and accurate estimates will be available following the completion of the design and once tenders for construction have been received.

Key milestones from the project program are as follows:

Milestone	Date
Council approval for the project to proceed as detailed in the Functional Design Brief	22 May 2007
Appoint a Project Manager (external)	7 August 2007
Design commences	22 January 2008
Award construction contract	19 May 2009
Completion and handover	3 May 2011

Should Council decide to proceed with this project it will need to allocate an initial amount of \$2,000,000 from the internal Section 94 restrictions. This would be the subject of a further report to Council.

### **Legal & policy implications**

The planning controls applying to the proposed site of the Civic and Cultural Precinct, including the Shellharbour City Civic Centre, are currently being reviewed. A Probity Plan will be developed to cover the differing roles of Council and the process for reviewing the planning controls.

The Department of Local Government will require a capital expenditure review of the project prior to the commencement of detailed design and construction.

### **Public/social impact**

Shellharbour City is reaching the final stages in its development and there are a number of civic and cultural facilities identified in the Section 94 Plan that are needed to complete infrastructure within the City.

There is an opportunity to locate these facilities in a *Civic and Cultural Precinct* that will become the civic and cultural heart for the City. By locating the precinct adjacent to the commercial heart of the city, Shellharbour City Centre, the new facilities will increase the diversity of services and add vitality to the city's commercial heart.

Within the new facilities a *City Space* is envisaged that will be a community hub for community development and information, education, passive recreation and Council business. The vision is for a high quality facility which is accessible by all over extended opening hours and combines the traditionally separate roles of customer services, library and community centre. Under this proposal the customer services, library services, sessional services, civic auditorium and Council chambers would be integrated into the City Space.

The City Space will be the public face of Council and offer a fully integrated service to its community.

### Central Library

Shellharbour City does not have a purpose-built central library. Instead there are four branch libraries with Warilla doubling as the central library.

As identified in the 'Shellharbour City Council, Report on Library Requirements (April 2007)' the Warilla Library is significantly undersized and under resourced for a central library.

The Section 94 Plan states, 'the central library will contain the administration, technical services, specialist staff and specialist collections. It is the hub of the library information technology and contains (a) larger and more specialised collection of materials'.

The new Central Library will be an integral component of the City Space.

### Civic Auditorium

Shellharbour City does not have a civic auditorium. Other than the clubs, there are no large venues, and the clubs really are not appropriate for many functions.

The Section 94 Plan states that the 'civic auditorium is proposed to accommodate a range of civic and ceremonial events including local dance performances, eisteddfods, amateur musicals, citizenship ceremonies, concerts and musical events, as well as Council receptions and conferences'. It is proposed that the auditorium be an extension of a new Council chamber space, located in the city centre.

The civic auditorium would not be expected to fulfil the specialised functions of a performing arts venue (noting that a purpose-built performing arts centre is included in the S94 Plan for 2018) but rather to provide a civic venue that can comfortably accommodate a range of activities throughout the year.

### Sessional Services

The Section 94 Plan states 'the sessional service provides meeting and conference room space for community service providers including counselling and multi-cultural services'.

The Needs Analysis undertaken for the Section 94 Plan identified a lack of space for sessional services. At present the lack of dedicated space for sessional services means that the services can be poorly located and difficult to access. Often those needing the services are required to travel outside the City to Wollongong.

### Council Chambers

When Council first decided to move its administration to Lamerton House in 1990 (the move occurred in 1991) it was on the understanding that the Council Chambers would be moved there within five years. Obviously this did not occur.

The existing Council Chambers is dated, ill equipped and reflects poorly on a Council for a young and vibrant city. It has poor access for the disabled, has deficiencies in its air-conditioning and its audio-visual facilities.

Having the Chamber located in Warilla and the administration centre at Lamerton House in the Shellharbour City Centre can be confusing for the community and visitors.

### Administration building, including the customer services centre

Lamerton House in its current configuration does not present well to customers, nor does its layout serve them well. There are two major entrances and three customer services areas, none are particularly welcoming or well oriented.

The building has also reached its capacity and will be unable to meet the future growth of the Council's administration. The building is also lacking of facilities such as good meeting rooms and basics such as a loading dock. It won't meet our future needs.



## **Options**

As discussed above a number of site options were considered. Two sites were considered feasible and were the subject of further investigation, costing and financial modelling. These were:

### Option 1

Construction of a new building on a 'greenfield' site combining the Council administration, 'one stop shop' for customer service, civic chambers, civic auditorium, sessional services, and a public foyer.

The Greenfield site that has been identified has ample in size space to also permit a civic square at the building entrance, which would not be possible under Option 2.

### Option 2

The existing Lamerton House and the adjacent Lot 3000. This option would require the refurbishment of the Lamerton House to accommodate Council administration and 'one stop shop'. On the adjacent block a new facility would be constructed to accommodate the library, civic chambers, civic auditorium, sessional services and a public foyer.

As part of the site selection process a preliminary financial model was prepared for the two site options. The models indicated that Option 1 has a significant financial advantage over Option 2 because of the funding raised by the sale of the Lamerton House and Lot 3000. The savings in construction costs with Option 2 were estimated to be only \$2M approximately.

Option 2 offered no physical, operational or financial advantages over Option 1 (refer to Attachment 1).

A Value Management Workshop was conducted to refine the proposal and ensure it represented 'value for money'. A number of cost savings and additional revenue sources were identified through the workshop and the preliminary financial model was revised accordingly. The refined financial model is detailed in the '*Financial/Resource Implications*' above

The preferred site for the Shellharbour City Civic Centre is Option 1.

## **Conclusions**

Council's Section 94 Plan has flagged for many years the need for a modern civic centre.

The proposed co-location of the facilities into the Shellharbour City Civic Centre and the creation of a 'City Space' offer the key advantage of improving the quality and accessibility of services to the community. Co-location is also a more efficient and cheaper way of providing the facilities.

The preferred site offers the opportunity to create a civic and cultural precinct that will complement and enhance the adjacent City Centre.

Approved for Council's consideration: \_\_\_\_\_ 

**Attachments**

1. Site Assessment

Attachment 1 - Shellharbour City Civic Centre Site Assessment - Page 1 of 2

### **Shellharbour City Civic Centre Site Assessment**

It is assumed that the following "success criteria" can be achieved on either the Lamerton House site or the "greenfield" site:

1. Unites civic and administration functions in a single location
2. Fulfils Council's obligations under the Section 94 Plan with respect to the component functions
3. Sets a benchmark of Council facilities
4. Improves Council's public reception to provide a centralised welcoming and efficient customer service area
5. Obtain organisational benefits and economies of scale in collation of services
6. Demonstrates excellence in architectural design and environmentally sustainable design.
7. Proximity of location to other attractions (i.e. shopping)
8. Provide a community focus for the provision of Council's key services in a facility, which the community can be proud of
9. Provides a professional, pleasant and safe work environment for Council staff

Attachment 1 - Shellharbour City Civic Centre Site Assessment - Page 2 of 2

The following weighted table aims to score those “success criteria” that may be differentially achieved on either site.

No	Site Assessment Criteria	Existing Site – Lamerton House	Greenfield Site	Assessment
	Visually prominent location in Shellharbour CBD	Located close to the square. Could have a prominent entrance off Lamerton Crescent	Corner block close to top of the hill and adjacent to City Centre.	Options are equal
	Optimises functional relationships with maximum flexibility and functionality	Constrained site with an existing building that constrains the design.	Large block and a green field site that provides minimal limitations on the design.	Greenfield site is preferred
	Minimises disruption to ongoing Council operations caused by construction works and staging requirements	Staff in Lamerton House will need to move twice, firstly into a temporary accommodation and later into the new permanent accommodation	Staff will be required to move once from Lamerton House into the future permanent accommodation,	Greenfield site is preferred
	Dedicated and secure car parking for 200+ cars for customers and staff	Will not be provided under the proposal, as there is insufficient land available.	Large vacant block that will allow construction of the car parking.	Greenfield site is preferred
	Space for future expansion and/or ability to accommodate future facilities	No space for future expansion unless the new building has additional floors. Would need a significant change to DCP building heights	Large block of land that will have room for further buildings and associated car parking.	Greenfield site is preferred

Preliminary financial models were prepared for the two options. The models showed that “greenfield” site offers a significant financial advantage, primarily because the value of Lamerton House and Lot 3000, which would be sold, far exceed the purchase price for the greenfield site.

**Attachment 2. Recommendation from Committee of the Whole in Confidential Session (22 May 2007)**

**2.2 Shellharbour City Civic Centre (8732089)**

COMMITTEE RECOMMENDATION: Briggs / Bailey

1. Approve further progress of the Shellharbour City Civic Centre, as detailed in the Functional Design Brief, up to the appointment of the architect and design team.
2. That a confidential briefing for the Councillors be undertaken as soon as possible.

CARRIED UNANIMOUSLY

**Attachment 3. Excerpt from Open Council Meeting Minutes (22 May 2007)**

**3. Recommendations from Committee of the Whole**

The following Recommendations to Council from the Committee of the Whole Council (confidential) were read to the Meeting by the General Manager.

**2.2 Shellharbour City Civic Centre (8732089)**

1. Approve further progress of the Shellharbour City Civic Centre, as detailed in the Functional Design Brief, up to the appointment of the architect and design team.
2. That a confidential briefing for the Councillors be undertaken as soon as possible.