

Extraordinary Council Meeting

AGENDA NO. 17/11

Meeting Date: Tuesday 18 October 2011
Location: Council Chambers, Level 6
Time: 7.30pm

Note: This meeting will be recorded on audio tape for minute-taking purposes as authorised by the Local Government Act 1993.

NOTICE OF BUSINESS

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1 PLANNING PROPOSAL RESULTS OF COMMUNITY CONSULTATION - Ryde Civic Precinct

Report prepared by: Manager - Urban Planning

Report dated: 26/09/2011

File No.: LEP2008/480/007 - BP11/624

Report Summary

This report provides outcomes of community consultation on the planning proposal to amend the height and floor space controls within Ryde Local Environmental Plan 2010 that apply to the Ryde Civic Precinct.

The site which is currently occupied by the Council Chambers and office, Civic Hall , former library, car parking and landscaped areas is known as 1 and 1A Devlin Street and 150 – 156 Blaxland Road Ryde. It is also identified in LEP 2010 Ryde Town Centre Precincts Map as Precinct 1 Civic/Mixed Use.

The Planning Proposal, seeks to increase the maximum height of buildings allowed to be built on the Ryde Civic Centre site from RL 91 to RL130 and to reduce the total amount of nett usable floor space that can be built from 100 000m² to 60 000m².

The Planning Proposal was supported by an indicative concept plan that indicated the possible future use of the land as follows:

- Retention of a Civic presence through the provision of community/performance facilities such as Council chambers, facilities for councillors, meeting rooms for community groups, a 400 seat capacity auditorium with back of house and entrance foyers appropriate for the holding of exhibitions.
- Residential apartments developed to a height of RL 130AHD.
- Small quantity of retail development.
- Improved pedestrian access and linkages to existing pedestrian bridges.
- Underground parking provide in accordance with DCP 2010 with access from main arterial roads.

The planning proposal including the indicative concept design was exhibited for a six week period from August to 21 September 2011. A comprehensive consultation program was undertaken to support the legislative exhibition process. This process included a letters being sent to 2,600 properties, ads in City View, information on Council's website, information available at Council offices/library and a series of information sessions. At 23 September 2011, 195 submissions were received.

The key issues identified by the community were:

- Traffic and parking
- Built form and scale
- Amenity impacts, overshadowing, visual impact, loss of privacy, wind tunneling, loss of views.
- Pedestrian impacts
- Development is out of character
- Over development

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A summary of the level of support for the planning proposal is:

- Object 65.64%
- Support 23.5%
- Conditional Support 8.2%
- Neutral 2.56%

An independent assessment of the planning proposal and the review of the submissions received and associated planning response to all issues raised in submissions has been undertaken by consultants SJB Planning Pty Ltd. The planning consultant was engaged in accordance with Council's procurement framework.

SJB Report indicated that the planning proposal raises the following key issues:

- Traffic and parking
- Built form
- Heritage

The planning consultant's comments and recommendations of these key issues are outlined as follows.

1. Traffic and Parking

The infrastructure and road solutions network improvements to provide workable traffic solutions for Top Ryde City Shopping Centre and the Civic Centre Site (redevelopment) were outlined in the Integrated Traffic Solution (ITS) Report undertaken in 2005/2006 as part of the preparation of the LEP 143 controls. The ITS indicated that infrastructure works be undertaken in two phases. Phase 1 as part of the development of the Shopping Centre and Phase 2 with the redevelopment of the Civic Centre Site.

The ITS and more recent traffic modeling was undertaken for development of 100 000m². The Traffic Impact Assessment for the Planning Proposal was undertaken on 60 000m².

In relation to the traffic and parking issues SJB states:

... whilst it is recognised that traffic and parking is a fundamental concern to the residents immediately surrounding the Ryde Town Centre, Council have facilitated major traffic infrastructure works as part of the urban regeneration of the centre, that ensure the Planning Proposal as proposed are within the bounds of that envisaged and approved under the ITS approved in 2007.

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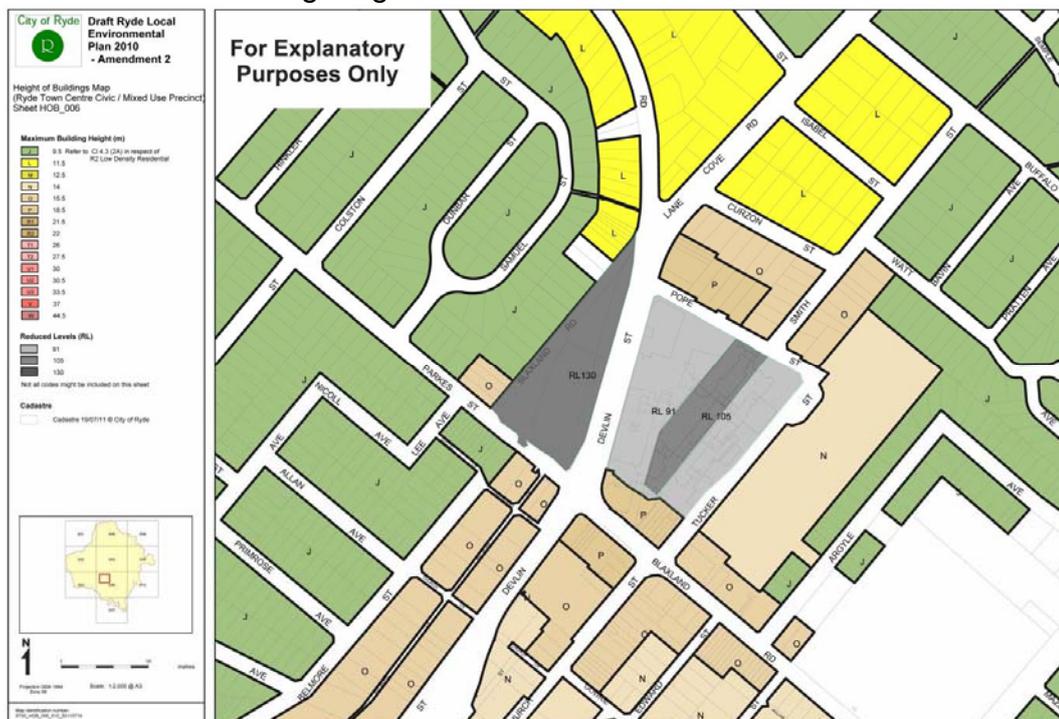
The Planning Proposal has provided sufficient information to demonstrate that the intensity of development envisaged under the Concept Plan can be accommodated without significant adverse impacts, subject to particular works occurring. The Phase Two works and their timing is a matter for a detailed DA application and will be a condition of any approval.” (Taken from SJB report pg 21)

Council is to note that the Phase 2 works include:

- Construction of an access portal into the site off the Devlin Street northbound Top Ryde City exit ramp;
- Provision of an additional right turn lane from Devlin Street into Parkes Street westbound;
- Provision of an additional westbound lane in Parkes Street, west of Devlin St;
- Increase the approach lane capacity in Parkes St to three lanes on approach to Devlin St.

2. Built Form

The Planning Proposal proposes a building height of RL130 AHD for the whole of the Civic Centre Site. The building height controls exhibited in the Proposal are shown in the following diagram:



SJB in assessing the Planning Proposal and reviewing the submissions considers the key issues relating to the built form are:

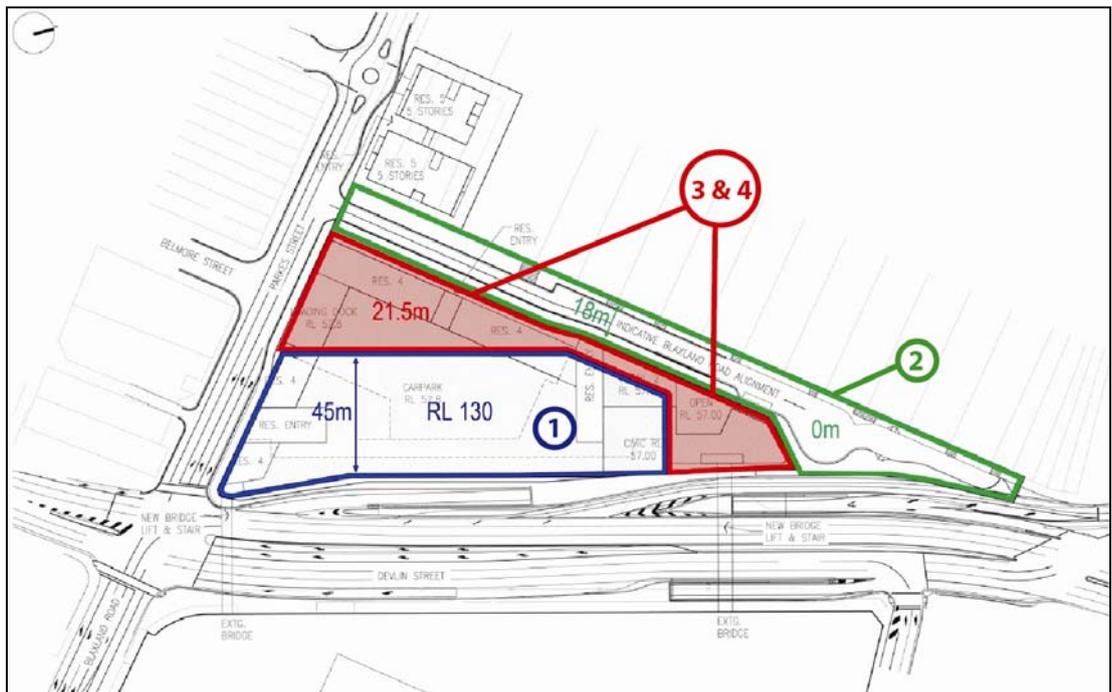
ITEM 1 (continued)

- Height
- Bulk and scale
- Transition to Blaxland Road

To address these issues SJB recommend the following:

1. RL130 should be restricted to the band along the Devlin Street frontage. The width of this band should be approximately 45m measured from the eastern Devlin Street frontage.
2. The proposed realignment of Blaxland Road should be shown 'white' in colour on the map, as per all other roads on the existing Height of Buildings Map under RLEP2010. The width of this 'white' should be approximately 17-18m boundary to boundary.
3. A transitional building height should be provided along eastern side of the realigned Blaxland Road alignment and across the south-western corner of the site immediately opposite the Belmore Street/Parkes Street intersection. This is consistent with the development envisaged under the Concept Plan. The six storeys height envisaged under the indicative concept in the Concept Plan is considered reasonable. This would translate into a height limit of 21.5m under RLEP2010 i.e 6 storeys.
4. The height limit should also be reduced at the northern end of the site in the area of the proposed civic building to a six storey scale i.e. 21.5m.

An amended building height map is provided below. The numbers on the diagram correlates to the points above.



ITEM 1 (continued)

5. DCP controls for the site should be prepared to address the following:

- urban design;
- built form and setbacks;
- site access;
- public domain/road widths;
- pedestrian linkages;
- curtilage to Hattons Cottage.

3. Heritage

The Civic Centre site contains two heritage items being the Obelisk and part of the Great North Road. Three heritage items adjoin the site being the original Ryde Shopping centre (Council resolved to remove this item from the schedule in August 2010), Hattons Cottage and the Masonic Temple.

SJB recommend that the heritage issues relating to the site are addressed as follows:

- Item 49 Obelisk & Item 54, Great North Road - suitable controls can be included within a site specific DCP to ensure the heritage significance is satisfactorily addressed.
- Item 17, "Hatton's Cottage" - it is recommended that the site specific DCP include:
 - controls to ensure that an appropriate curtilage is achieved. In this regard that part of Blaxland Road, upon which the Hatton Cottage fronts, should be of sufficient width to respect the heritage item and include an increased landscaped area at the frontage of the house.
 - setback requirements for any development on the Parkes Street Council car park part of the site so as to maintain an adequate curtilage to the Hattons Cottage property.
- Item 16, Masonic Temple (Hall) - the development envisaged by the Concept Plan does not detrimentally affect the curtilage of the Temple and therefore no further action is required.

The SJB recommendations on the Planning Proposal are listed as follows:

1. That Council amend the height controls sought under the Planning Proposal in accordance with the amended Height of Buildings Map shown in the above diagram.
2. That Council support the reduction in the maximum floor space permitted on the site from 100,000m² to 60,000m² NUFA.

ITEM 1 (continued)

3. That Council adopt the written instrument generally as drafted in the Planning Proposal.
4. That Council proceed with the Planning Proposal, subject to the amendment to the Height of Buildings Map and the preparation of site specific DCP controls prior to gazettal of the Planning Proposal.
5. That Council proceed with the preparation of a site specific DCP for the site incorporating the following controls, prior to the gazettal of the Planning Proposal
 - a. urban design - slimmer buildings, tower separation, tower heights;
 - b. built form and setbacks;
 - c. site access; public domain/road widths;
 - d. pedestrian linkages; and
 - e. curtilage to Hattons Cottage.
6. That all persons who have made a submission be formally advised of Council's decision.

In considering the outcomes of the consultation process and recommendations of the planning consultant SJB, Council has a number of options it could follow to proceed with the Planning Proposal, these are:

1. Do not proceed with Planning Proposal - This option would result in the building height for the site remaining at RL91 (9/10 storeys) and the maximum floor space being 100 000m².
2. Proceed with Planning Proposal as exhibited - The planning proposal requesting an increase in building height to RL130 and a reduction in the floor space to 60 000 (NUFA) be submitted to DOPI requesting the plan be made.
3. Vary the Planning Proposal to reduce height on part of the site with the amended proposal being submitted to DoPI with a request that the plan be made. The amendment to the Height of Buildings Map would reflect the recommendation of SJB.
4. Vary the Planning Proposal to reduce height on part of the site and re – exhibit the amended Planning Proposal.
5. Vary the Planning Proposal to reduce height on part of the site and re – exhibit the amended Planning Proposal with draft DCP controls for the site. (amendment to Part 4.4 DCP 2010).

The options 4 and 5 to re –exhibit the planning proposal is supported by legal advice provided by the Council's General Counsel which states:

ITEM 1 (continued)

it will be a matter for the Minister to decide whether additional consultation is required but, the Minister's decision would be open to judicial review. I consider this to be a strong possibility as opposed to a probability. However, Council should, for abundant caution, re-exhibit the PP if it is to be amended as recommended.

I have based my advice largely on the decision of Craig J in Friends of Turramurra Inc v Minister for Planning [2011] NSWLEC 128. On the authority of that case, I consider Council is at risk of the Court declaring the amended PP, once adopted, to be contrary to the provisions of the EP&A Act for want of proper consultation and thereby of no legal force or effect.

Based on SJB findings and recommendations and the options outlined above this report recommends:

- That the Planning Proposal with the amended height controls is re-exhibited for a period of 28 days.
- That development controls are developed for the site and these controls are incorporated into DCP 2010 - Part 4.4 Ryde Town Centre.

RECOMMENDATION:

- (a) That the Planning Proposal with amended height controls (in accordance with the recommendation of the independent Planners report dated 18 October 2011) for the Ryde Civic Precinct be re-exhibited for 28 days.
- (b) That DCP 2010 – Part 4.4 Ryde Town Centre be amended to incorporate development controls for the Ryde Civic Precinct.
- (c) That the draft amendments to DCP 2010 - Part 4.4 Ryde Town Centre is reported to Council.
- (d) That the General Manager write to the Director General of the Department of Planning and Infrastructure requesting a variation to the timeframe condition of the Gateway Process to this Planning Proposal.

ITEM 1 (continued)

ATTACHMENTS – PROVIDED UNDER SEPARATE COVER

- 1 Ryde Civic Precinct Planning Proposal - Final Report
- 2 Ryde Civic Precinct Planning Proposal - Draft Instrument
- 3 Ryde Civic Precinct Planning Proposal - Draft Height of Buildings Map
- 4 Ryde Civic Precinct Planning Proposal - Proposed Height
- 5 Ryde Civic Precinct Planning Proposal - Submission Summary
- 6 Ryde Civic Precinct Planning Proposal - Leaflet Distribution Map
- 7 Civic Precinct Consultation - Final Report

Report Prepared By:

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Report Approved By:

Sam Cappelli
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ITEM 1 (continued)**Background**

Draft Ryde LEP 143 was placed on public exhibition between October and November 2005. The LEP rezoned the Civic Centre Site to Business (Town Centre), provided for a maximum nett usable floor area of 100,000m² and proposed a height of RL115 AHD - approximately 18 storeys.

At a workshop in November 2005 Council considered the Civic Centre site and expressed a desire to redevelop the site to deliver community benefits through redevelopment. To achieve these aims Council saw merit in redeveloping the Civic Centre Site not only to keep pace with the development of the Ryde Shopping Centre (which has planning controls that allow a height of 17 storeys (RL105)) but to retain the status of the site.

Council considered a report on submissions to the draft Plan on 13 December 2005. Based on:

- a submission made by Council's Corporate Services Group to the draft LEP that highlighted that the Civic Centre site under the Ryde Planning Scheme had no current height restriction and requested that the building height be increased from RL115 to RL130 to achieve a landmark development on the site; and
- a proposal to undertake a competitive design competitive for the redevelopment of the site.

Council resolved to submit the DLEP to the Department of Planning and Infrastructure for gazettal with an increase in the height of the Civic Centre site to RL130AHD – approximately 24 storeys.

Ryde LEP 143 – Ryde Town Centre was gazetted on 29 May 2006. The gazetted plan reduced the permitted height for the site to RL 91AHD (the current height of the Civic Centre building) whilst maintaining the originally requested 100, 000m² of floor space potential.

The then Minister for Planning the Hon Frank Sartor MP advised Council in May 2006 that consideration would be given to an amending LEP to reconsider higher buildings on the site subject to Council undertaking a mandatory competition design process for the site.

Council resolved in June 2007 to undertake a competitive design process for the Civic /Mixed Use precinct on the basis of achieving a maximum height of RL130AHD.

Council on 9 December 2008 endorsed the undertaking of a competitive design process for the Civic Precinct site and resolved to prepare an amendment to draft Ryde Local Environmental Plan 2008 (now known as LEP 2010) to increase the permissible height of the Civic/Mixed Use Precinct site from RL 91AHD to RL 130 AHD.

ITEM 1 (continued)

As required by the then Environmental Planning and Assessment (EP&A) Act 1979 a Section 54 Notification Advice regarding the Council's intention to prepare a draft Plan was submitted to the DoPI on 23 December 2008 with a request that Council be given delegation to certify the draft Plan under Section 65 of the Act so as to enable the draft Plan to be exhibited.

On the 6 May 2009 Council was given authorisation to exercise delegation under S65 of the EP&A Act with respect to the draft LEP by the Director General of DoPI. This letter indicated that a competitive design process was not necessary for the draft LEP to proceed.

During September/October 2009 consultation in accordance with Section 62 of the Act was undertaken with respect to the draft Plan. No significant issues were raised by the public authorities. The outcomes of the consultation were considered by Council in November 2009. At this meeting the Council resolved that the General Manager be delegated to issue the Section 65 Certificate and proceed to exhibit the draft Plan.

The Section 65 delegation that was issued to Council on the 6 May 2009, was not acted upon as Council in achieving best practice outcomes for the Civic Precinct, undertook the following:

- the establishment of a development team for the site to manage the deliverables required to achieve the best quality outcomes for the site
- a master plan and concept designs for the site to determine the best outcomes and options with respect to height, FSR, setbacks, open space and road network issues.

On the 25 November 2010 Council was advised by the DoPI the following:

- The draft Plan had been converted to a Planning Proposal under the Gateway Plan Making Process.
- The Planning Proposal should be made publicly available for comment for 28 days.
- Any supporting documentation associated with the Planning Proposal should be exhibited at the same time.
- The draft LEP is to be finalised by 31 December 2011.

The Planning Proposal – Ryde Civic Precinct aims to:

- Amend LEP 2010 Height of buildings Map with respect to the Civic Centre site from maximum height RL 91 to RL 130; and

ITEM 1 (continued)

- Amend LEP 2010 - *Schedule 6 Planning controls for Ryde Town Centre precincts* Clause 1 (1) so that the total net useable floor area for the Civic Centre site does not exceed 60,000m².

This proposal was placed on exhibition for a period of 6 weeks from 10 August 2011 to 21 September 2011. Details of the exhibition process are outlined in the body of this report.

Given the need for an independent assessment of the planning proposal and the issues raised during the exhibition period, the Urban Planning Unit engaged SJB Planning Pty Ltd on the 8 September 2011 to:

- Review planning proposal documentation to ensure that sufficient information is provided to comply with the gateway determination and undertake a comprehensive assessment.
- Review the Planning Proposal.
- Review all submissions and prepare a summary table of the submissions.
- Prepare a planning response to all issues raised in submission.
- Prepare a planning report to Council that considers submissions and that recommends either variation to the planning proposal and /or adoption of the proposal.

Report

This section of the report provides details on:

- A. Environmental assessment of the Planning Proposal undertaken by SJB
- B. An outline of the consultation process
- C. Issues raised by the community and the recommended actions to address these issues.

A. Environmental Assessment of the Proposal

SJB environmental assessment of the Planning Proposal identifies the following environmental matters with respect to the proposal:

- Traffic and parking
- Built form
- Heritage

These issues are discussed below.

ITEM 1 (continued)Traffic and parking*Background*

The principal planning instrument to facilitate the revitalisation of the Ryde Town Centre was LEP 143 which was gazetted in May 2006. The LEP was supported by a number of Traffic Reports including:

- the Top Ryde Town Centre LEP Traffic Assessment Report (2005) prepared by Mark Waugh Pty Ltd (now known as Better Transport Futures)
- A Supplementary Traffic Report in Support of the Draft Top Ryde LEP (2006) prepared by Parsons Brinckerhoff

LEP 143 provided for the integrated traffic access to the Civic and Town Core precincts – referred to as the Devlin Street Integrated Traffic Solution (ITS). The ITS was prepared and based on 100,000m² NUFA for Precinct 1 (Civic Centre site) comprising the following floor area allocations:

- Retail - 20,000m²
- Commercial 40,000m²
- Residential 40,000m² (or 339 units)

Section 138 Approval and RTA concurrence for the Integrated Traffic Solution was issued by the RTA on 22 March 2007 and forms the basis of the subject sites access solution.

The ITS required the implementation of a variety of engineering works to be carried out in two Phases. Phase 1 of those works has been completed and relates to the development of the Top Ryde Shopping centre, Phase 2 will be undertaken upon the development of the subject site. Phase 2 works include:

- Construction of an access portal into the site off the Devlin Street northbound Top Ryde City exit ramp;
- Provision of an additional right turn lane from Devlin Street into Parkes Street westbound;
- Provision of an additional westbound lane in Parkes Street, west of Devlin St;
- Increase the approach lane capacity in Parkes St to three lanes on approach to Devlin St.

Traffic Impact Assessment

The Planning Proposal proposes a reduction in the Nett Usable Floor Area from 100,000m² to 60,000m². For the purposes of traffic impact assessment, the following development scenario has been utilised:

ITEM 1 (continued)

- Retail - 750m²
- Commercial – Nil
- Residential - 62,120m² (or 530 units)
- Civic Uses - 3,350m².

The Traffic Impact Assessment which accompanied the Planning Proposal makes the following conclusions:

- The modelling work confirms that the current development proposal falls within the maximum development potential of Precinct 1 – originally tested as part of the original ITS.
- The overall conclusion of the transportation investigations is that the concepts of the Civic redevelopment are able to meet the requirements of transportation and access guidelines, and are within the bounds of the approved 2007 Integrated Traffic Solution.
- In terms of parking, the Traffic Impact Assessment identifies that a total of 665 spaces would be provided under the indicative Concept Plan. The Traffic Impact Assessment does not make an assessment of the quantity of car parking spaces. The quantity of parking to be provided will depend on the final composition of the development. This will be determined at the detailed DA phase, should the Planning Proposal be adopted and the LEP amendments be made.

Roads and Traffic Authority

RTA has advised that the Sydney Regional Development Advisory Committee (SRDAC) considered the traffic impact of this Planning Proposal at its meeting on 24 August 2011 and that:

- the RTA has no objections to the amendments proposed by the Planning Proposal and
- the road works identified in the Integrated Traffic Solution (ITS) prepared for the Top Ryde Shopping Centre and the Ryde Civic Precinct are still required to support the redevelopment of the site.

SJB assessed the traffic and parking issue and make the following comment:

“... whilst it is recognised that traffic and parking is a fundamental concern to the residents immediately surrounding the Ryde Town Centre, Council have facilitated major traffic infrastructure works as part of the urban regeneration of the centre, that ensure the Planning Proposal as proposed are within the bounds of that envisaged and approved under the ITS approved in 2007.”

ITEM 1 (continued)

The Planning Proposal has provided sufficient information to demonstrate that the intensity of development envisaged under the Concept Plan can be accommodated without significant adverse impacts, subject to particular works occurring. The Phase Two works and their timing is a matter for a detailed DA application and will be a condition of any approval.” (Taken from SJB report pg 21)

Built Form***Background***

Historically, the built form of the Ryde Town Centre has been characterised by a mix of 1 – 3 storey buildings, with the exception of the Civic Centre building, a seven storey building, which since 1964 has occupied the tallest point in Ryde.

The Planning Proposal seeks to reinstate the landmark qualities of the precinct by amending the applicable height control so as to enable a built form with a maximum height at RL 130, 25m or approximately 8 storeys taller than the maximum height of RL105 permitted and currently under construction on the Top Ryde City shopping centre site.

Concept Plan

The submitted Planning Proposal is accompanied by a Concept Plan for the redevelopment of the site prepared by HASSELL Architects.

The Concept Plan is not a detailed design for the final development of the site and is not approved, should Council resolve to support the subject Planning Proposal. The Concept Plan is an indicative design of one option illustrating how the site may be developed. It assists to identify the key features that should be retained and enhanced.

The Concept Plan as illustrated has a total Nett Useable Floor Area (NUFA) of 49,602m² comprising retail, residential and civic space.

In this respect, the Concept Plan does not illustrate the maximum 60,000m² of NUFA proposed by the Planning Proposal.

As the changes to the planning controls will not necessarily deliver the Concept Plan, it is important to determine what are the critical or fundamental elements identified in the Concept Plan that should be reflected in a suite of planning controls to shape the future development of the site.

SJB have identified the following elements as critical for the future redevelopment of the site:

ITEM 1 (continued)

- Height
- Thickness of tower elements
- Separation between towers
- Setback and treatment to Devlin Street
- Width of Blaxland Road
- Relationship to Hattons Cottage

Outlined below is an extract from the SJB report on the assessment and recommendations relating to the key elements identified above.

Height

Council is to note that under the Planning proposal that was exhibited a height of RL 130 AHD was indicated for the whole of the Civic Centre site. The SJB report has assessed the height proposed and the extent of where such height i.e. RL 130 AHD is appropriate.

a) RL 130

Whilst it is acknowledged that RL 130 or 24 storeys represents a very tall building, and will be visually prominent within Ryde and the broader region, this height is considered appropriate for a town centre location well serviced retail and commercial support services, well serviced by public transport. Increasing densities in town centres is in accordance with the state governments Metropolitan Plan to maximise residences within walking distance of centres and public transport. Subject to design excellence, slender buildings and appropriate siting of tower elements, a building at RL 130 will not have significant detrimental or unreasonable impacts given the town centre location of the site.

b) Area of Application/Transition to Blaxland Road

The key issue to emerge in the review of this Planning Proposal and its indicative Concept Plan is the application of the proposed RL 130 height control across the majority of the site.

The Draft Height of Buildings Map that accompanies the Planning Proposal seeks a maximum building height of RL 130 across the majority of the site, the only exception being the Parkes Street carpark (which is proposed to retain a 15.5m height control i.e. 4 storeys)...

In terms of height and to what area of the site RL 130 should apply, the following observations were made from the urban analysis identified in the Concept Plan, discussions with Hassell Architects and inspections of the site:

ITEM 1 (continued)

- *The Devlin Street frontage of the site is the least sensitive to any increase in height. Devlin Street has a harsh noisy environment typical of a busy arterial road. It is also directly opposite the increased building heights of Top Ryde City and furthest from the low density residential west of the site. In this regard the eastern edge of the site is most suited to increased height.*
- *The Blaxland Road frontage is the most sensitive given the typically one and two storey scale of development along the western side of Blaxland Road, in particular immediately around heritage listed Hattons Cottage. This means that there is a need for a transition in height and scale between the site and the Blaxland Road properties. A reduced height limit should be imposed.*
- *Any significant height on the south-western corner of the site has the potential to have the greatest impact from an overshadowing point of view on the residential flat buildings and dwellings to the south of the site on the southern side of Parkes Street, in particular the street block between Belmore Street and Devlin Street. The indicative Concept Plan acknowledges this, and keeps development to 5 and 6 storeys in this location. In this regard, the RL 130 height limit should not apply to this part of the site and a more restrictive height limit should be imposed.*
- *The indicative concept illustrated in the Concept Plan identifies a height of 5 to 6 storeys along the eastern side of the realigned Blaxland Road. Six storeys is considered an appropriate height for the peripheral development given the location within the Town Centre...*
- *The northern end of the site is most suited to a Civic Centre site due to its northern position, high visibility and good solar access and ability to spill out onto an open civic space. Given this and the fact that this is where the site is at its narrowest, i.e. any built form in this location will be at its closest to the Blaxland Road properties, the RL 130 height limit should not apply to this part of the site and a more restrictive height limit imposed.*

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Therefore, the application of proposed RL130 height across to the western boundary of the site, immediately adjoining the Blaxland Road properties is considered problematic and unacceptable, due to a lack of a transition and the potentially resultant visual and overshadowing amenity impacts.

For this reason, the following amendments to the draft height map are recommended:

- 1. RL130 should be restricted to the band along the Devlin Street frontage. The width of this band should be approximately 45m from the eastern Devlin Street frontage...*
- 2. The proposed realignment of Blaxland Road should be shown 'white' in colour on the map, as per all other roads on the existing Height of Buildings Map under RLEP2010. The width of this 'white' should be approximately 17-18m boundary to boundary...*
- 3. A transitional height band should be provided along eastern side of the realigned Blaxland Road alignment and across the south-western corner of the site immediately opposite the Belmore Street/Parkes Street intersection. This is consistent with the development envisaged under the Concept Plan. The six storeys height envisaged under the indicative concept in the Concept Plan is considered reasonable. This would translate into a height limit of 21.5m under RLEP 2010.*
- 4. The height limit should also be reduced at the northern end of the site in the area of the proposed civic building to a six storey scale i.e. 21.5m.*

A suggested amended building height map is provided at below incorporating the above recommended amendments.

ITEM 1 (continued)



(Taken from SJB report pages 25 – 27)

Other design elements

The SJB report identifies that the following design areas should be part of a suite of DCP controls prepared for the subject site and be in line with the State Governments SEPP 65 and the Residential Flat Design Code:

- *Thickness of tower elements:* Tower thickness/ footplates should be encouraged to be kept to a minimum to encourage tall slim buildings. Taller slimmer buildings are considered more elegant and have less overshadowing impact.
- *Separation between towers:* The void between towers not only provides separation for privacy, overshadowing and visual amenity between the towers themselves, but ensures that a built form is modulated rather than reading as a single mass. This is important in terms of visual impact on the surrounding community. The DCP should include a control that requires a minimum separation of 40m as envisaged under the Concept Plan.
- *Setback and treatment to Devlin Street:* the Devlin Street frontage is a very harsh ‘pedestrian unfriendly’ environment dominated by the traffic of what is a 6-8 lane arterial road and the blank presentation of the upper levels of the Top Ryde City shopping centre site. This environment needs to be considered in

ITEM 1 (continued)

any redevelopment of the site and the DCP for the site should include controls to address this environment.

- *Width of Blaxland Road:* the width of the future realigned Blaxland Road needs to be considered with greater width being provided in the vicinity of Hattons Cottage.
- *Relationship to Hattons Cottage:* Future redevelopment of the site has the potential to impact on the heritage significance on Hattons Cottage at 158 Blaxland Road. Controls should be included in a DCP for the site to ensure that an adequate curtilage is provided both to the east across Blaxland Road but also adjoining the southern boundary of the cottage on Parkes Street site.

In summary the SJB report recommends a refined set of objectives and development controls for the site be prepared and incorporated into the Ryde DCP 2010 following finalisation of the Planning Proposal. The DCP controls would include the following:

- urban design;
- built form and setbacks;
- site access;
- public domain/road widths;
- pedestrian linkages;
- curtilage to Hattons Cottage.

It is envisaged that the DCP would also include controls that:

- address the interface between any red – development and the residential areas in Parkes Street;
- Provide setbacks for buildings fronting Blaxland Road with particular consideration given to setback controls for storeys 5 and 6 within any such developments; and
- Interpretation of the heritage matters including the Great North Road.

Heritage*Background*

The site contains two heritage items, identified in Schedule 5 Environmental heritage of Ryde Local Environmental Plan (RLEP) 2010 as:

- Item 49, Obelisk - Devlin Street; and
- Item 54, Great North Road, Bedlam Point to Eastwood.

Furthermore, there are three heritage items in the vicinity of the site being:

- Item 15, Top Ryde Shopping Centre site – 115-121 Blaxland Road, Ryde
- Item 16, Masonic Temple (Hall) – 142 Blaxland Road and
- Item 17, “Hatton’s Cottage” (Cottage) - 158 Blaxland Road, Ryde

ITEM 1 (continued)

Graham Brooks and Associates (GBA) prepared a heritage impact assessment that reviewed the potential impacts of the Planning Proposal on the heritage items on and within the vicinity of the site. The following is a summary of their comments:

- Item 49 Obelisk - Future development of the site is likely to necessitate the further relocation of the Obelisk. The Obelisk has been moved on several occasions and is not located in its original location. The exact location of this monument is not considered essential to its significance and the Planning Proposal is not considered to result in any additional impacts.
- Item 54, Great North Road, Bedlam Point to Eastwood - The alignment of the former Great North Road passes through a developable portion of the site and the Planning Proposal does not result in any additional heritage impacts.
- Item 15, Top Ryde Shopping Centre site - Council on 17 August 2010 resolved that this item be deleted from the Schedule 5 Environmental Heritage of Draft Ryde Local Environmental Plan 2011.
- Item 16, Masonic Temple (Hall) - The proposed increase in building height to RL 130 will have no additional impact on the Masonic Temple.
- Item 17, "Hatton's Cottage" (Cottage) - Potential impacts to "Hattons Cottage" could be further mitigated through the inclusion of additional controls for building form and setbacks in a DCP and consideration should be given to the retention of the curved corner at the southern end of Blaxland Road to interpret the historical development of the site.

SJB made the following comments in relation to the heritage issues:

- Item 49 Obelisk & Item 54, Great North Road - suitable controls can be included within a site specific DCP to ensure the heritage significance is satisfactorily addressed.
- Item 17, "Hatton's Cottage" - it is recommended that the site specific DCP include:
 - controls to ensure that an appropriate curtilage is achieved. In this regard that part of Blaxland Road, upon which the Hatton Cottage fronts, should be of sufficient width to respect the heritage item and includes an increased landscaped area at the frontage of the house.
 - setback requirements for any development on the Parkes Street Council car park part of the site so as to maintain an adequate curtilage to the Hattons Cottage property.

ITEM 1 (continued)

- Item 16, Masonic Temple (Hall) - the development envisaged by the Concept Plan does not detrimentally affect the curtilage of the Temple and therefore no further action is required.

Social and Economic Impacts

In relation to the economic impacts on Civic Centre site, the SJB report indicates that the amendments to the controls may facilitate the future redevelopment of the site, allowing for a more sustainable development of the site, enabling new community and council facilities to be established. In effect, have a positive economic impact.

Economic impacts on surrounding commercial properties - the Planning Proposal is unlikely to have a detrimental impact, as it seeks to reduce the allowable floor space on the site that could potentially have been utilised for retail or commercial development.

Social impacts - the Concept Plan accompanying the Planning Proposal identifies that the site will include new community facilities and new civic facilities at the northern end of the site. The provision of such new community facilities and a cultural and civic precinct will have a positive social impact.

Public Infrastructure

The site is serviced by water, sewer, electricity, gas and telecommunications.

The SJB report states that a report by Hyder Consulting found that the site is well serviced by public infrastructure and is capable of being developed subject to relocation and/or augmentation of the relevant infrastructure.

This matter would be dealt with as part the DA phase of the development.

The SJB report and attachments are **CIRCULATED UNDER SEPARATE COVER.**

B. Exhibition Process

Details on the exhibition process are outlined as follows:

1. Formal exhibition as required by the EP&A Act 1979

Planning Proposal – Ryde Civic Precinct was exhibited for a period of 6 weeks from 10 August 2011 to 21 September 2011.

As part of the formal exhibition process the following occurred:

- Notification in Weekly Times and Northern District Times on 10 August 2011
- Letters to 2,600 letters to adjoining residents advising of the Planning Proposal
- Exhibition material available for viewing at Customer Service Centre, Ryde Planning and Business Centre and West Ryde Library.

ITEM 1 (continued)

- Letters to relevant State authorities and Local Members of State and Federal Government.
- Website – material on the planning proposal.

2. Consultation undertaken by the Civic Precinct Project Team

Following the gazettal of LEP 143 – Ryde Town Centre a Civic Precinct Committee was established consisting of all Councillors to oversee the changes to the Civic Centre site.

The aim of the Civic Precinct Committee as identified in a report to Council in March 2010 is to provide direction in all projects involving the development of the Ryde Town Centre including land owned by the Council. A Civic Precinct Project Team was established to undertake the day to day management of the Civic Precinct project and report to the Civic Precinct Committee on a regular basis.

On the 11 May 2011 Council endorsed a report that highlighted a proposed exhibition process to be undertaken by Consultants KJA on behalf of the Civic Project Team during the formal exhibition of the draft LEP by Council. The consultation program undertaken by KJA supported the legislative process.

That exhibition process involved the following:

- Project displays at the Customer Service Centre and the Ryde Planning and Business Centre (RP&BC).
- Model of the Concept Plan – Ryde Planning and Business Centre.
- Media Briefings – Northern District Times and Weekly Times - The briefings received extensive coverage with details and images of the Civic Precinct Proposal appearing as front page stories in both the Northern District Times and The Weekly Times on 10 August Wednesday 2011, as well as featuring in the electronic edition of both publications. A follow up briefing occurred to provide an update on consultation activities on 29 August, with stories appearing in both the Northern District Times and The Weekly Times on 31 August Wednesday 2011.
- Council's Webpage - Information on the Civic Precinct Planning Proposal was featured heavily on the front page of the City of Ryde website. In addition, dedicated web pages with a project overview, FAQ's and relevant planning documents have been established.
- 1800 phone number – community information line.
- Doorknocking of neighbouring residents in Parkes Street (between the Civic Centre and Ryde TAFE), Dunbar Street, Samuel Street, Colston Street, Hinkler Ave, Lee Ave, Nicoll Ave, Allan Ave and parts of Blaxland Road (behind the Civic Centre), Belmore Street, and Addington Ave.
- An additional letter drop of the brochure was undertaken on Belmore Street to specifically target residential units.

ITEM 1 (continued)

- Ryde City View (4-page brochure) - The brochure was distributed to 38,000 households within the Ryde LGA.
- Advertisements - Display advertisements promoting community drop in sessions for the Civic Precinct Planning Proposal appeared in the Northern District Times and The Weekly Times on 10 August, 17 August and 7 September and 14 September 2011.
- Mayoral Column - Information on the Civic Precinct Planning Proposal was included in the weekly mayoral column on 17 August, 24 August and 7 and 14 September 2011.
- Community Drop in Sessions - Three community drop in sessions were scheduled during the public exhibition period at the Ryde Planning and Business Centre.
- Chamber of commerce briefing - A briefing to the Ryde Chamber of Commerce was provided on Wednesday 17 August 2011. The Briefing was attended by 35 people including representatives from the West Ryde Chamber of Commerce, North Ryde Chamber of Commerce, Eastwood Chamber of Commerce and Ryde Business Forum.
- Community Information Day - A community information day was held in the Piazza of the Top Ryde City Shopping Centre on Saturday 27 August between 11am – 2pm. The information day was attended by more than 120 people.
- Letter drop and invitation to residents briefing - Approximately 550 letters were distributed on Monday 28 August, inviting people to attend a neighbouring residents briefing on 6 September at 6pm. The invitation was distributed via letter box drop to households in Parkes Street (between the Civic Centre and Ryde TAFE), Dunbar Street, Samuel Street, Colston Street, Hinkler Ave, Lee Ave, Nicoll Ave, Allan Ave, Blaxland Road (behind Civic Centre), Belmore Street, Addington Ave, Anderson Ave, Shepherd Street and Bowden Street.
- Community groups hall hirers and business briefing - An invitation was sent via mail and/or email to 70 individuals or groups inviting them to a briefing on 30 August 2011.
- ESL and Non English groups - Communication via phone and email was undertaken with representatives groups for the Chinese and Korean communities.

During the consultation process conducted by Civic Precinct Project Team all interested persons were invited to make a formal submission to the Planning Proposal during the formal exhibition period.

The KJA report received by Council on 30 September 2011 provides:

- a summary of the consultation events KJA undertook on behalf of the Civic Precinct Project Team and

ITEM 1 (continued)

- issues raised by the community that KJA were made aware of whilst undertaking that exhibition process is an attachment to the SJB report.

A summary of the feedback received from residents, community groups, hall hirers, business and others by KJA throughout the consultation period is contained with the KJA report.

The main points of that summary are:

- Financial considerations - high level of agreement that the ongoing cost to maintain the existing Civic Centre Building is unsustainable. Concerns were expressed about the potential debt Council would incur to maintain or upgrade the current facilities which may in turn impact on the delivery of other services.
- Height - mixed comments on proposed height of any future development on site. Majority of neighbouring residents in close proximity were concerned with the impact of 24 storey towers on their visual amenity.
- Traffic and Parking – mixed comments between different groups with neighbouring residents being concerned with potential impact on residential streets whilst hall users, business and community organisations were concerned with on site accessibility, public transport, parking and loading dock facilities
- Community facilities – greatest interest in such facilities and the design of those facilities indicated by hall users, community
- Relocation of Council's administration offices – preference indicated for administration offices to remain in Top Ryde
- Consultation – positive comments on level of consultation that the City of Ryde had undertaken with respect to the Planning Proposal.

C. Submissions and Response to issues raised by the community

In response to the exhibition of the planning proposal 195 submissions were received by Friday 23 September 2011.

The assessment report on submissions prepared by SJB Pty Ltd examined all submissions and a response to submissions is provided in their report. As part of the review of the issues raised in the submissions SJB also reviewed the consultation outcomes reported by KJA.

A summary of matters raised in submissions is provided in the following extract taken from page 35 of the SJB report.

- Traffic and Parking Impacts
- Built form and Scale
- Amenity impacts – overshadowing, visual impact, wind tunnelling, loss of privacy, loss of views

ITEM 1 (continued)

- Out of Character
- Pedestrian impact
- Overdevelopment, over population, overcrowding
- Precedent for further high density development
- Insufficient Infrastructure to support the development
- Retention of existing Civic building/heritage significance
- Impact on neighbouring heritage items
- Loss of Open Space
- Lack of provision for public transport
- Improvement of Community Facilities
- Form of civic space
- Provision of Council offices
- Use of existing controls as a precedent misleading
- Uncertainty of outcome – Concept Plan
- Lack of options in Concept Plan
- Council business opportunities
- Lack of consideration of other uses
- Conflict of Interest/transparency of process
- Public Consultation – miscommunication/brochure misleading
- Insufficient detail of costs and funding options
- Sale of community assets/public ownership
- Impact on flight paths
- Impact on land values
- Social impacts – community isolation
- Building construction impacts – noise, dust, hours
- Rezoning of adjoining site
- Impact on existing dance facilities and specification of new dance facilities
- Impact on television reception

Detailed discussion of each of these matters and recommended action is outlined in the SJB report – Section 6 (pages 35 -52).

Within the SJB report it indicates that the matters raised by the community can be addressed through the following:

- Amendments to maximum building height
- DCP controls that cover elements such as:
 - Urban design
 - Built form & setbacks
 - Access
 - Pedestrian linkage
 - Heritage issues
 - Interface with adjoining residential areas
 - Landscaping the site

ITEM 1 (continued)

- The design phase of the development and the Development application phase.

A summary of the level of support for the planning proposal is outlined in the table below.

| Level of Support | Quantity | Percentage | Issues raised |
|---------------------|----------|------------|--|
| Support | 46 | 23.58% | <ul style="list-style-type: none"> o Positive Socio-Economic contribution to Ryde |
| Conditional Support | 16 | 8.20% | <ul style="list-style-type: none"> o Want to see improvements in Streetscape elements, reduced heights, provision of suitable support services and dance floor. |
| Object | 128 | 65.64% | <ul style="list-style-type: none"> o Social impacts (crime, overpopulation) o Traffic and parking impacts o Overdevelopment o Pedestrian accessibility/safety/connectivity o Public Transport o Capacity of Infrastructure & services to support population growth o Amenity impacts (noise, dust, view loss, privacy loss, wind tunnels, overshadowing, aesthetics/visual amenity) o Worsenment; o Uncharacteristic development; o Streetscape; o Lack of public open space; o Transparency of process and lack of Community consultation; o Privatisation of public land; o Funding and costing options; o Alternative development options; o Diversity of proposed land uses; and o Sustainability/biophysical environmental impact. |
| Neutral | 5 | 2.56% | N/A |
| Total | 195 | 99.98% | N/A |

Consultation

Internal Council business units consulted included:

- The Civic Precinct Project Team have undertaken a number of staff briefings as part of regular internal communication activities by the project team, media/communications and HR Units. This has equipped staff with information about the project and ensured they are aware of the necessary protocols to direct queries to the relevant member of the project team.

ITEM 1 (continued)

Internal Workshops held:

- The Civic Precinct Project Team undertook Councillor workshops in November 2010, May and July 2011. The workshops were to update council on the status of the Civic Precinct Redevelopment Project. No workshops were undertaken during the formal exhibition period.

City of Ryde Advisory Committees consulted included:

- Not Applicable.

External public consultation included:

- Details of the external public consultation process have been discussed in the body of this report.

Recommendation on the Planning Proposal

The SJB report dated 18 October 2011 concludes and recommends the following:

The report concludes that the proposal to amend the height and floor space controls is a rational planning outcome, is consistent with NSW Department of Planning policies, is consistent with the Draft Inner North Sub-regional Strategy, would potentially facilitate development generally consistent with the Chapter 8 of the Ryde DCP 2010 and therefore has merit.

The amendment to the height and floor space controls is considered to be strategically appropriate and an acceptable urban design outcome, subject to the implementation of development parameters.

However, having regard to appropriate urban design outcomes, it is recommended that the Planning Proposal be varied....

The recommendations of the SJB report are as follows:

1. *That Council amend the height controls sought under the Planning Proposal in accordance with the amended Height of Buildings Map shown in Figure 5 in this report and at Attachment 3.*

ITEM 1 (continued)

2. *That Council support the reduction in the maximum floor space permitted on the site from 100,000m² to 60,000m² NUFA.*
3. *That Council adopt the written instrument generally as drafted in the Planning Proposal.*
4. *That Council proceed with the Planning Proposal, subject to the amendment to the Height of Buildings Map and the preparation of site specific DCP controls prior to gazettal of the Planning Proposal.*
5. *That Council proceed with the preparation of a site specific DCP for the site incorporating the following controls, prior to the gazettal of the Planning Proposal*
 - a. *urban design - slimmer buildings, tower separation, tower heights;*
 - b. *built form and setbacks;*
 - c. *site access; public domain/road widths;*
 - d. *pedestrian linkages; and*
 - e. *curtilage to Hattons Cottage.*
6. *That Council note that endorsement of the Planning Proposal in no way fetters the statutory and regulatory responsibilities of the Council under the Environmental Planning & Assessment Act 1979 or Council's obligation to objectively consider the suitability of any future development application on this site.*
7. *That all persons who have made a submission be formally advised of Council's decision.*

Council should note that the DCP controls to support the Planning Proposal/LEP, if supported, will be prepared as an amendment to DCP 2010 Part 4.4 Ryde Town Centre. The draft planning controls will be the subject of a report to Council at a later date.

Critical Dates

Under the Gateway Plan Making Process the following deadlines are required to be met:

- time frame for completion (gazettal) of the LEP - 31 December 2011.
- request for the Department to draft and finalise the legal instrument amending the LEP - 5 November 2011 (8 weeks prior to the projected completion date).

ITEM 1 (continued)

Failure to meet the specified dates will require that Council approach DoPI requesting consideration for a variation to the condition of the Gateway process for the site.

If Council decides to re – exhibit the Planning Proposal with the amended building height, this would result in the dates set by the gateway process not been met. If the Proposal is to be re –exhibited it is suggested that Council write to the DoPI requesting an extension until April 2012 for the making of the plan.

Financial Impact

The financial implications of the redevelopment of the Civic Precinct Site is not a matter for consideration in this report and is a matter to be dealt with separately by Council.

Policy Implications

There are no policy implications through adoption of the recommendation.

Options

Council has five options to consider in relation to proceeding with the Planning Proposal. Each of these options and the associated outcomes are outlined as follows:

1. Do not proceed with Planning Proposal - This option would result in the building height for the site remaining at RL91 (9/10 storeys) and the maximum floor space being 100 000m².

Outcomes

- Redevelopment opportunities not realised.
 - Development program proposed for the redevelopment of the site may require to be revised.
 - Redevelopment may result in a building mass of 10 storeys across the site.
 - Certainty for the community that the future building height on the site would be no higher than the existing Civic Centre.
2. Proceed with Planning Proposal as exhibited - The planning proposal requesting an increase in building height to RL130 (approximately 24 storeys) and a reduction in the floor space to 60 000 (NUFA) be submitted to DoPI requesting the plan be made.

Outcomes

- Flexibility for the redevelopment of the site obtained.
- Development program for the site can proceed as proposed by the Project Development Team.
- Community concerns regarding height not addressed

ITEM 1 (continued)

3. Vary the Planning Proposal to reduce height on part of the site with the amended proposal being submitted to DoPI with a request that the plan be made. The amendment to the Height of Buildings Map would reflect the recommendation of SJB.

Outcomes

- The development program for the site can proceed as scheduled by the Project Development Team.
- Community concerns regarding building height on the site and the impact on surrounding properties recognized.

In relation to this option the DoPI advised Council on the 10 October 2011 of the following:

- Under the EP&A Act 1979, Council can modify a planning proposal following public consultation. Ultimately it will be for the Minister to decide whether additional consultation is required (under Section 58(3) of the Act).
- Council is encouraged to obtain its own legal advice in relation to proceeding with the planning proposal without further exhibition.
- Should Council proceed to re-exhibit the Planning Proposal, it should do so for a period of time considered to be reasonable and necessary to satisfy the community's expectations.

The legal advice provide by General Counsel is provided below:

I note the Department of Planning's advice... I agree that ultimately it will be a matter for the Minister to decide whether additional consultation is required but, the Minister's decision would be open to judicial review. I consider this to be a strong possibility as opposed to a probability. However, Council should, for abundant caution, re-exhibit the PP if it is to be amended as recommended.

I have based my advice largely on the decision of Craig J in Friends of Turramurra Inc v Minister for Planning [2011] NSWLEC 128. On the authority of that case, I consider Council is at risk of the Court declaring the amended PP, once adopted, to be contrary to the provisions of the EP &A Act for want of proper consultation and thereby of no legal force or effect.

ITEM 1 (continued)

Council should note that the Town Centre LEP prepared by Ku-ring-gai Council was declared invalid by the court as the plan that was made was substantially different from the draft plan that was exhibited.

4. Vary the Planning Proposal to reduce height on part of the site and re – exhibit the amended Planning Proposal.

Outcomes

- The community are able to consider and comment on the variation to the building height proposed for the site.
- The risk that the plan, once made, could be subject to a legal challenge is reduced.
- The timeframe set by the DoPI to complete the Planning Proposal is unlikely to be met. Council would need to apply to DoPI to request that the timeframe to complete the draft plan is extended to allow the re-exhibition.
- The development program for the Civic Centre site would be delayed by approximately 3 months and the program and timeframes for the redevelopment of the site would need to be revised.

It is considered that to allow suitable time for community comment the Planning Proposal should be re – exhibited for 28 days.

(Council is to note that under Options 3 and 4 – draft DCP controls for the site ie amendment to Part 4.4 DCP 2010, would be prepared and exhibited as a separate process to the planning proposal).

5. Vary the Planning Proposal to reduce height on part of the site and re – exhibit the amended Planning Proposal with draft DCP controls for the site. (amendment to Part 4.4 DCP 2010).

Outcomes

- The community are able to consider and comment on the variation to the building height proposed for the site.
- The risk that the plan, once made, could be subject to a legal challenge is reduced.
- The timeframe set by the DOPI to complete the Planning Proposal is unlikely to be met. Council would need to apply to DOPI to request that the timeframe to complete the draft plan is extended to allow the re-exhibition.
- The community is able to comment on the amended planning proposal together with the draft development controls for the site. Consideration of both documents would provide the community with an understanding of the controls that would guide the future development of the site.
- The development program for the Civic Site would be delayed by approximately 5-6 months and the timeframes for stages of the redevelopment program would need to be revised.

ITEM 1 (continued)**PREFERRED OPTION – Option Four**

Option 4: Vary the Planning Proposal to reduce height on part of the site and re – exhibit the amended Planning Proposal for 28 days is the preferred option because:

- It enables the community to comment on the variation/reduction in building height on part of the site.
- The risk of a legal challenge on the plan (once gazetted) is minimal.
- The delays to the development program for the redevelopment of the civic centre site by approximately 3 months.

As indicated above, the preparation and exhibition of draft development controls for the site, prepared as an amended to Part 4.4 DCP 2010, would be undertaken separately to the planning proposal. Details of the draft controls would be reported to Council at a later date.

Conclusion

The Planning Proposal for the Ryde Civic Precinct proposes an increase in building height from RL 91 to RL 130 and a reduction in the floor space from 100,000m² to 60,000m² NUFA. A concept plan was developed for the site to support the Planning Proposal.

The Planning Proposal was publicly exhibited for a period of 6 weeks in August and September 2011. Over 190 submissions were received and the majority objected to the Planning Proposal.

The planning firm SJB Planning NSW Pty Ltd was engaged to undertake an independent assessment of the Planning Proposal. This included reviewing the submissions, preparing a planning response to the submissions and making a recommendation on proceeding with the proposal.

The SJB report indicated that the key issues relating to the Planning Proposal are traffic and parking, built form and heritage. To address these issues the SJB report recommends:

- a variation to the building height on part of the site;
- the support the reduction in the floor space from 100,000m² to 60,000m² NUFA;
- the preparation of development controls for the Precinct that will address issues such as urban design, setbacks, public domain, pedestrian linkages and heritage issues.

2 CIVIC PRECINCT PROGRAM, PROCUREMENT, BUDGET AND FINANCIAL POSITION UPDATE

Report prepared by: General Manager

Report dated: 11 October 2011

File No.: GRP/11/5/4 - BP11/671

Report Summary

The Civic Place project is nearing the completion of its second stage (gateway) as previously determined by Council. The purpose of this report is:

- To provide an update to Council on the stages completed to date
- To seek Council's determination of its preferred option for the future of the Civic Precinct project
- Should Council elect to continue the project; to seek Council's agreement on the processes, budgets and resolutions required to progress the third stage of the Civic Precinct Project.

RECOMMENDATION:

1. That Council determine to either to:
 - (a) progress to the end of stage 3 and delegate to the General Manager to undertake an EOI and tendering process in accordance with Option 1 as outlined in this report, and a further report recommending a preferred development partner be presented to Council by August 2012.

OR

 - (b) progress to the end of stage 3 and delegate to the General Manager to undertake an EOI and tendering process in accordance with Option 2 as outlined in this report, and a further report recommending a preferred development partner be presented to Council by June 2013.

OR

 - (c) stop the Civic Precinct Project in accordance with option 3 as outlined in this report and bring a further report to Council on priorities of works, costs and sources of funds to ensure the Civic Precinct and Argyle Centre complies with BCA standards and an acceptable working environment for staff.
2. That (should Council adopt either option 1 or 2 above) the procurement process for tendering and selecting an appropriate development partner for a private public partnership with the City of Ryde be designed so that the selection criteria:-

ITEM 2 (continued)

- Provides appropriate options for the provision of community, civic and administration facilities (as previously discussed with Council) located in Top Ryde.
 - Evaluates design excellence and sustainable practices (minimum 4 green star rating for the residential component and 5 green star rating for the commercial and civic elements) as a significant element of the evaluation process.
 - Evaluates overall site massing and urban design.
 - Evaluates quality of the design and the reputation of the design team nominated.
 - Evaluates demonstrated experience in building/developing multi million dollar mixed use developments.
 - Evaluates demonstrated financial integrity.
 - Evaluates commercial offer to Council
 - Evaluates the standard and quality of the facilities, finishes and fit out offered in exchange for land sale.
3. That (should Council adopt either option 1 or 2 above), Council delegates to the General Manager the authority to negotiate extensions of procurement arrangements and execute all relevant documentation with four Civic Precinct team external providers (as listed in the information separately provided), where the commitment will exceed \$150,000 over Stages 1, 2 and 3 of the project (exercising Council's ability to resolve not to go to open tender when extenuating circumstances exist as per section 55(3) of the *Local Government Act 1993*).
4. That (should Council adopt either option 1 or 2 above) Council approve expenditure of \$2.6 million from the Civic Precinct Reserve to the Civic Precinct Project budget (with costs to be recouped from the project returns).

ATTACHMENTS – ALL PROVIDED UNDER SEPARATE COVER

- 1 Ryde Civic Precinct Committee Agenda - 9 December 2008
- 2 Ryde Civic Precinct Committee Minutes - 9 December 2008
- 3 Ryde Civic Precinct Committee Agenda - 16 March 2010
- 4 Ryde Civic Precinct Committee Minutes - 16 March 2010
- 5 Report to Council and Minutes extract - 14 December 2010
- 6 Ryde Civic Precinct Committee Agenda - 11 May 2011
- 7 Ryde Civic Precinct Committee Minutes - 11 May 2011
- 8 MCA Report (peer review analysis summary)
- 9 KJA Consultation report
- 10 KJA Attachment document
- 11 Council report - 11 October 2011
- 12 BCA Review - Ryde Civic Centre - 14 June 2011
- 13 Regular Project Plan (to be available on A3)

ITEM 2 (continued)

- 14** Delayed Project Plan (to be available on A3)
- 15** Civic Precinct Redevelopment Procurement of Consultants' Services -
CONFIDENTIAL ATTACHMENT
- 16** Final Probity Advice - ***CONFIDENTIAL ATTACHMENT***

Report Prepared and Approved By:

John Neish
General Manager

ITEM 2 (continued)

Background

The Ryde Town Centre LEP (LEP 143) was gazetted on 29 May 2006. The aim of this LEP was to create Top Ryde as a major centre in accordance with the Sydney Metropolitan Strategy. This planning instrument enables the development of the Top Ryde Centre as stage one and planned for the redevelopment of the Civic Precinct as stage two.

In accordance with this plan, and when the Top Ryde Centre development consent was given on 8 May 2007, the developer of Top Ryde City (Bevillesta Pty Ltd) gained approval to complete the Integrated Traffic Solution (ITS) so that traffic access to the Civic Precinct site through the subterranean tunnels was built at the same time as the completion of the shopping centre works and access solution. This allowed for a new access system for the Civic Precinct allowing the site to be redeveloped to its full capacity of 100,000 sqm.

In addition, the overhead footbridges were designed to link to a future redeveloped Civic Precinct site allowing for appropriate pedestrian capacity. Stage 2 of the ITS has been undertaken by Council, part of stage 2 involved the demolition of shops on the corner of Blaxland Road and Devlin Street in 2010. This enables the Civic Precinct Redevelopment to take place with only the road widening of Blaxland Road to complete. The value of these works was \$38.2 million, of which the majority was funded by Bevillesta Pty Ltd.

9 December 2008

The Civic Precinct Project was presented to the Civic Precinct Committee on 9 December 2008 – **ATTACHMENT 1 (Agenda) and ATTACHMENT 2 (Minutes)**

The report outlined a process for planning amendment requirements, supported by a procurement method for the sale of Council's Civic site, in exchange for the provision of defined new community facilities. This approach comprises a public private partnership and is regulated by part 6 in Chapter 12 of the Local Government Act 1993.

16 March 2010

On 16 March 2010, a revised model and reporting structure for the project was adopted by Council **ATTACHMENT 3 (Agenda) and ATTACHMENT 4 (Minutes)**. This model and reporting structure proposed the engagement of a skilled project team with private sector development industry expertise to progress the redevelopment of the Civic Precinct project. This was undertaken in accordance with a detailed risk assessment process and project plan.

In addition, an independent industry expert was appointed to peer review the professionalism of the project assumptions and to ensure that Council was managing its modelling risks appropriately.

ITEM 2 (continued)

An independent probity auditor was also appointed to ensure that Council followed strict probity protocols in accordance with a probity plan.

14 December 2010

A revised procurement structure and budget forecast was outlined in a report to Council dated 14 December 2010 – **ATTACHMENT 5** and confirmed the key stages (gateways) for the project.

11 May 2011

A further report to the Civic Precinct Committee was considered on 11 May 2011 – **ATTACHMENT 6 (Agenda) and ATTACHMENT 7 (Minutes)**.

Workshops conducted

In addition, Workshops were held on 23 November 2010, 11 May 2011 and 26 July 2011, to outline the process and results of the research undertaken over the previous 12 months and keep Councillors informed prior to Council reports being presented to Council.

Stage 2

The project is now nearing the completion of Stage 2. Council will recall that this stage ends with the submission of a planning proposal (should Council so determine) to seek a modification to the existing planning controls relating to the precinct. This report (completed by an independent assessor) is the subject of a prior report. As previously reported to Council, the Department of Planning have given Council until November 2011, to hold appropriate community consultation and lodge an amendment to the existing planning controls in accordance with their gateway process.

Following extensive community consultation (exceeding any statutory requirements), height control and massing concepts which support the financial model have been developed and placed on public exhibition.

The proposal to date is designed to replace Council's failing assets and in doing so, improve the value of the civic precinct asset so that costs to the ratepayers of the City of Ryde are minimised. This is in accordance with the proposals previously outlined to Councillors in various reports and workshops.

With completion of Stage 2 (which is on track with the detailed project plan) Council is now in a position to decide if Stage 3 should commence, be delayed or halted indefinitely.

ITEM 2 (continued)

Report

Since Council agreed to proceed through Stage 2 of the project, the Civic Precinct project team have carried out master planning and feasibility work necessary to ensure that Council's redevelopment proposal can arrive at a justified financial position which balances sustainable and urban design.

Numerous financial models were examined in line with over 20 design and feasibility options. Four preferred development scenarios were analysed in depth.

This included the production of massing diagrams, floor space tables, overshadowing impacts, traffic analysis, cost plans, and civic use designs all being tested in accordance with industry best practice, the result being the selection of the best option for Council meeting the development brief.

In particular, urban design advice was sought on the best way to minimise impacts on the neighbouring residential areas including traffic management and overshadowing. This work was undertaken in accordance with Council's previous resolutions. The aim was to find the right balance between a return to Council which covers the redevelopment costs of its assets and the height and massing on the site, ensuring that the final concept design met all industry best practice urban design criteria.

Following analysis of the existing planning controls, which allowed 100,000sqm of development space, it was decided to reduce the developable floor space to 60,000sqm so that an improved design outcome for the site can be achieved. As agreed at a previous meeting, Council has prepared a planning proposal to change the current allowable floor space and height on the site to achieve an improved urban design. The planning proposal will be assessed independently and (should Council wish to proceed) be submitted to the Department of Planning for its consideration.

The process adhered to strict probity guidelines and was carried out in accordance with standard industry practice utilising an experienced and professional team. The process was verified by a leading industry expert, MCA Consulting (MCA). MCA concluded:

MCA has worked closely with the project team to ensure that the financial and feasibility analysis reflects industry standards and the operation of the broad market place. This has been a harmonious process with the project team showing a keen interest in, and commitment to, ensuring that the project feasibilities are competent and reflect market norms.

MCA is satisfied that the project feasibilities display land values that Council can consider as reasonable estimates of the financial worth of the Civic Centre precinct site to Council.

The full peer review analysis summary is attached – **ATTACHMENT 8**.

ITEM 2 (continued)

On 26 July 2011, the Civic Precinct Committee resolved to undertake a two stage community consultation process. The community consultation is now complete; and the results are attached to this report – **ATTACHMENTS 9 and 10**.

A summary of the feedback of the public exhibition is provided below:

Feedback throughout the consultation period provided a range of different views. Although a small number of people did not support replacing the current Civic Centre building, overall there was a high level of agreement that the ongoing cost to maintain the existing Civic Centre building was unsustainable.

Comments about the proposed height of any future development on the site were mixed. While the majority of neighbouring residents in close proximity to the Civic Precinct site were predominantly concerned about the potential impact of 24-storey towers on their visual amenity, feedback received during drop-in sessions and the community information, provided a broader range of views.

Various people (particularly from the community information day) were more concerned about the potential debt Council would incur to maintain or upgrade the current facilities, which they thought would impact on the delivery of other services. Some people expressed a view that the development was preferable to Council incurring a large debt.

There were also contrasting comments between different groups about traffic and parking. Neighbouring residents were primarily concerned about the potential impact on residential streets. Hall users, businesses and community organisations had a greater focus on site accessibility for private buses and public transport, parking and the provision of adequate loading dock facilities.

The provision of new community facilities received relatively little comment from the majority of neighbouring residents. This differs from the views expressed by hall users, community organisations, and businesses who had a greater interest in facilities and services, and on ensuring the design was 'future proofed' to accommodate increased demand over the long term.

ITEM 2 (continued)

General comments about the potential relocation of Council's administration offices, to a different location, suggests there is a preference for Council's offices to remain in Top Ryde, although this did not appear to be a strongly held view.

Despite a range of different views about the Planning Proposal and the future of the Civic Precinct, a large majority of people made positive comments about the level of consultation that City of Ryde had undertaken.

The Civic Precinct Project has been undertaken for many reasons previously reported to Council and further outlined below. Since it has reached a gateway decision point, Council should now consider its preferred future for the site. The following options and commentary have been prepared to assist with this decision.

1. Key drivers for the proposal to redevelop the Civic Precinct

The redevelopment of the Civic Precinct site is nothing new to Council. It has come about as a result of the following key issues.

Precinct 1 (Civic Precinct) was proposed for redevelopment as part of the Ryde Town Centre revitalisation vision adopted by Council in December 2005. This site is part of the Ryde Town Centre LEP which identified Top Ryde as a major town centre in accordance with the then State Government's Metropolitan Planning Strategy. Without the redevelopment of the Civic Centre site, the full Town Centre revitalisation project is incomplete and Top Ryde will fail to meet the planning objectives relating to a major town centre ie: community, business and social needs.

The Council's Civic office building, Community Hall and old library were built in the 1960s. The complex has already outlived its life cycle and is not able to accommodate Council's staff in an environment which complies with acceptable working conditions (particularly in summer). Concerns have previously been reported to Council that unless we are prepared to expend up to \$12.5 million over the next five years on the building (including the Argyle centre), Council is exposed to serious risks to our employees and business continuity.

The previous option of moving Community Life staff to West Ryde, some other staff to the level above the Ryde Library, will only further exacerbate operational inefficiencies and create additional costs for the relocation, as well as the continued maintenance of the Civic building, Community Hall, Argyle centre, the West Ryde community hub and the area above Ryde Library, ie: five areas to maintain. This option is not considered a viable long term solution for Council's accommodation and community requirements.

ITEM 2 (continued)

The existing buildings provide an unacceptable working environment which effects the morale and productivity of Council staff and currently exposes Council to unacceptable risks.

A staff culture survey (“*Have Your Say Day*”) undertaken by Council brought very negative reactions from staff, related to perceived deficiencies in the working environment and facilities. The facilities are seen as lacking in the provision of effective work spaces for staff, Councillors and the community. This has implications for staff retention, productivity and morale.

The issue of air conditioning and raw sewerage spillage across office desks was clearly documented by staff recently when Council conducted the ‘Have Your Say Day 2010’ employee opinion survey. Only 27% of staff agreed that the buildings, grounds and facilities are in good condition. In response to the statement ‘*The buildings, grounds and facilities I use are regularly update*’, only 16% of staff agreed.

The General Manager and Councillors have a duty of care to provide adequate staff facilities which meet health and safety requirements. It is my opinion that the current work environments do not do so, especially under summer heat.

The functionality of the Council Civic building is extremely inefficient due to the extensive lift cores, services and staircases. They significantly diminish the floor space available for the staff and facilities within the building.

Comparing a modern commercial facility with the existing building demonstrates the Council building’s poor design. 25% of each floor is dedicated to service areas rather than people. Current design practices aim to limit service space within an entire building to 10% or less of the overall space. Effective planning and use of the current facility is consequently, very difficult.

The operational and maintenance costs are extremely high and wasteful of ratepayers’ funds because of the antiquated systems and defects of the building. The cost of running the building is \$150 per square metre (excluding statutory charges), which compares to \$50 per square metre for a modern commercial facility measured in the same way.

In short, the Civic Centre building is three times more expensive to run than a modern commercial facility, costing Council an extra \$352,000 per annum. This cost is increasing as the building ages and is becoming ever more significant as a drain on Council’s income (see ‘Financial Implications’ section of this report).

As previously reported to Council, the plant and machinery in the Civic building has begun to suffer catastrophic failure. All the plant and equipment has passed its effective life. Council is required to spend capital immediately to ensure the building remains functional this coming year. Council was requested to expend \$690,000 on both the Argyle Centre and Civic Centre just to keep it functioning this summer -

ITEM 2 (continued)

ATTACHMENT 11 (as submitted to the Council Meeting of 11 October 2011). This is not a permanent fix to the buildings' problems but a temporary attempt to stabilise the risks that the buildings pose.

The Civic Precinct Complex does not comply with the Building Code of Australia (BCA) standards and is rapidly becoming unaffordable. A full BCA survey of the Civic Building has been completed by Davis Langdon Australia - **ATTACHMENT 12**. This report shows alarming facts that Council must address to meet minimum Code requirements.

The existing community facilities at both the Argyle Centre and the Community Hall do not adequately meet the requirements of the Ryde community. The hall does not have adequate rehearsal space, performance change rooms or air conditioning. The Argyle theatre has been closed because of fire risks and its non compliance with BCA standards. Council will eventually need to upgrade its community facilities in Top Ryde.

The City of Ryde has a number of financial business drivers. As previously discussed with Councillors, we have a backlog of asset renewal expenditure on drainage, roads, paths, parks assets, as well as its other community building assets, which totals approximately \$79 million. This produces a pressing need to bring about balance between funds raised and asset renewal undertaken.

The following major issues are identified as affecting Council's long term financial sustainability and must eventually be addressed or Council will face further risks to the operation of its assets.

Council has over \$2.5 billion of asset value, of which \$1.2 billion is land and the remaining \$1.3 billion is held in assets that require renewal.

- Currently, there is a backlog of asset renewal required in infrastructure assets of over \$79 million.
- Council, as a minimum, should be spending at least the equivalent of asset depreciation on its infrastructure asset renewal work each year on existing aged assets, (ie: not assets built in the last financial year). For the financial year 2009/10 this was equal to \$11.6 million. For example, in 2009/10 alone, Council only spent \$5.7 million on renewal. This shortfall in expenditure of \$5.9 million between the required expenditure and actual spend further exacerbates the issue.
- In 2008/09 and 2009/10, Council supplemented its asset renewal program with Section 94 contributions (which had been held in reserves). Such contributions have now decreased (mainly due to the downturn in development work during the GFC) and remaining funds in reserves have been utilised.

ITEM 2 (continued)

- Council has received contributions of over \$70 million in assets over the last two years, which will add to the pressure of future asset renewal.
- The written down value of total assets is increasing over time, even with additional depreciation. This translates to a requirement to spend \$15.5 million per annum on renewal and maintenance just to maintain Council's assets at their current condition.
- The Rates Coverage Ratio is 62.5%, ie: Council is reliant on 62.5% of rates for its cash annually. Unless other/new revenue sources are created, ratepayers will be required to fund most, if not all, additional asset renewal or Council will have to drastically cut its non statutory services.

The challenge posed by our ability to manage our asset renewal backlog is to do so in a way which minimises financial strain on the ratepayers of the City of Ryde. This creates a number of challenges for us. One solution is to unlock the value of our 'lazy assets'. The ongoing costs of temporary expenditure on the Civic buildings and their maintenance, can either be met through additional expenditure of Council's reserves (which reduce funds available for asset renewal), through borrowings, or through the redevelopment of the site at no cost to Council.

2 Civic Precinct Program to Date

The high level program of activities for the Civic Precinct project was adopted by Council on 14 December 2010. The program throughout 2011 has been between three weeks behind and three weeks ahead depending on the activities and month.

The adherence to the program has been mandated by the State Government.

The Department of Planning has limited the time frame for Council to submit a planning proposal to amend the Civic Precinct LEP by November 2011. It is for these reasons that strict project/program management has been critical and remains critical if Council wishes to progress the project.

Council has previously adopted a staged approach to this project.

The following provides a summary of the stage of the project in regards to project milestones as reported to Council on 14 December 2010. The following Stages have been updated to reflect the current position of the project and potential next Stages (3-4).

ITEM 2 (continued)

Stage 1 Completed December 2010

Stage 2

| | | |
|---|---|--|
| <p>2. Planning and Assessment of Options (Jan 2011 – Oct 2011)</p> | <p>To identify the most appropriate model for the Civic Precinct Redevelopment from a commercial and community perspective.</p> | <ul style="list-style-type: none"> • Prepare indicative scope of Council's current and future facility requirement. • Develop draft Master Plans, PPR and high level concept designs • Undertake commercial analysis and feasibility testing • Seek community/Council approval to the Master Plan and high level concept designs • Revisit planning controls and undertake associated public exhibition period. • Council to proceed with the financial model for developing the site that suits the brief <p>COMPLETE</p> |
|---|---|--|

Gateway - Exit Point ↓ Gateway - Exit Point – October 2011)

Stage 3

| | | |
|--|--|--|
| <p>3. Tendering and Selection (Nov 2011 – August 2012 (should Council agree to option 1. see project plan 1 ATTACHMENT 13) (Nov 2011 – June 2013 (should Council agree to option 2) (see project plan 1 ATTACHMENT 14)</p> | <p>To select a suitable tenderer through a formal Competitive process.</p> | <ul style="list-style-type: none"> • Obtain Planning height approval • Formalise Council's requirements (staff amalgamation etc) • Finalise scopes for Council's future facilities and assets including minimum sustainable design of 4 star for residential and 5 star for community and commercial • Finalise project briefs and project plan • Finalise additional consultants to execute the approved project model • Document tender documents, including selection criteria • Competitive Tender process: call Expressions of Interest • Competitive Tender process: call for tender • Competitive Tender process: selection of tenderer • Finalise contractual negotiations |
|--|--|--|

ITEM 2 (continued)

Stage 4

| | | |
|---|--|---|
| <p>4. Project Delivery To be agreed pending stage 3 timing</p> | <p>Development of final design and undergo Development Application process ready to commence construction. Construction commences</p> | <ul style="list-style-type: none"> • Appoint developer to prepare procurement strategy and program • Appoint developer and commence detailed designs • Developer to prepare development application and lodge • Design consultants to be retained for peer review • Public exhibition • Development consent issued • Construction certificate obtained • Commence construction of Community/ Civic and Council admin building • Relocate Council administration and the community facilities • Manage successful tenderer to protect Councils interests |
|---|--|---|

3 Options for the Future Development of the Civic Precinct

Given that Stage 2 is now complete, Council is in a position to consider 3 options for the Project.

Option 1 - Progress the project in accordance with program 1 (titled '*regular civic precinct program stages 3-4*' attached to this report (**ATTACHMENT 13**))

Option 2 - Progress the project in accordance with program 2 (titled '*delayed civic precinct stages 3-4 program*' attached to this report (**ATTACHMENT 14**))

Option 3 - Exit the project and delay the project indefinitely.

Each option holds various risks and opportunities, which are outlined below.

ITEM 2 (continued)**Option 1**

Progress the project in accordance with the 'regular civic precinct program stages 3-4' (subject to Council endorsing the planning proposal for reference to the Department of Planning)

In this option, Council continues to progress the project and completes the requirements of stage 3 by August 2012 so that the successful joint venture partner is selected after a tendering process based on urban and sustainable design, financial return and developer capability etc.

Option 1 Risks

- **Planning Risk** - The LEP amendment is not gazetted by the Minister, whilst Council progresses the project. This will mean that Council is exposed to project expenditure whilst the LEP amendment is being considered by the Department of Planning.

Should the amendment not be agreed to by the Department of Planning, Council is still able (should it so wish) to develop the site in accordance with a poorer urban design outcome and a possibly lessened land value which is contained in the existing planning approval for the site.

- **Market Cycle Risk** - The Global Financial Crisis (GFC) dampens the demand for residential development within the Ryde Local Government Area and there are limited bidders or bids which do not meet Council's expectation.

Council has greatly de-risked the site and has modelled likely returns for the site as a 'benchmark' for any tender submissions. Should the market not provide an adequate response to the site then option 3 as listed below can be deployed. The development proposal will be finalised and ready for the next property cycle, which will have inherent risk (see options 2 and 3 below)

Option 1 Opportunities

- Council improves its asset base with the value of the Civic precinct site rising from approximately \$17 million to \$60 million at no or minimal cost to the ratepayers. This significantly increases the value of Council's assets.
- Council capitalises the existing third party investment of \$38.2 million for the subterranean road tunnels and other associated infrastructure.
- Council operates a more efficient building (saving a minimum \$352,000 per year on its base budget).

ITEM 2 (continued)

- Council staff operates more efficiently and reduce times travelling between Council sites. Staff morale will improve.
- Intellectual property is held and utilised efficiently to form stage 3 documentation (pending Council resolutions in regards to procurement and budget) and the project team is kept intact, otherwise many of the current consultants, once relinquished, may not be available (see option 2 below).
- Potential developers recognise that Council is committed to contracts for land sale prior to the Council election and will bid with confidence and not build in risk to their pricing, enabling Council to maximise the potential sale price and design outcomes.
- Feasibility analysis remains current and the development costs spent to date will be recovered more quickly than under option 2.
- The expenditure on 'propping up' the existing Civic Centre and Argyle Centre assets is minimised compared to options 2 and 3 below.
- Council's current annual outgoings and losses on staff productivity and operational inefficiencies are minimised compared to options 2 and 3 below.
- Those local residents and partners who support this development will have their views implemented.

Option 1 Financial Impacts

This option has the most cost effective financial outcomes for Council and the residents of Ryde.

Dependant on the results of the tendering process, this option is most likely to deliver a cost neutral result to Council. This will increase the asset value of the site from \$17 million to \$60 million, and reduce operating costs to Council (both staff and building costs).

Ratepayers will not be burdened with additional debt, nor a reduction in Council services or projects.

However, the total project costs are estimated to be \$7.6 million over seven years. For stage 3, costs are estimated to be \$2.6 million which are currently available in Council's Civic Precinct Reserve of \$4.1 million. Whilst these project development costs will be fully recoverable from the project, there will be an initial loss of interest on reserves of approximately \$120,000.

ITEM 2 (continued)**Option 2**

Progress the project in accordance with program 2 (titled 'delayed civic precinct stages 3-4 program' (subject to Council endorsing the planning proposal).

In this option, Council continues to progress the project and completes the requirements of stage 3 by June 2013 so that the successful joint venture partner is selected after a tendering process based on urban and sustainable design, financial return and developer capability etc. but the tender process is delayed until November 2012.

Option 2 Risks

- **Project Continuity Risk** :- Council loses momentum, the project stalls and Council loses the majority of members of its project team and intellectual property gained, and is unable to regain them when ready to proceed again. Council may incur program delay due to the recruitment of a new team and will incur additional expenditure of up to \$200,000 due to keeping its development management team and educating the new team with previous knowledge gained.
- **Ongoing Maintenance Risk**:- Council will incur additional expense fixing the already dilapidated Civic Building but over a longer period than option 1 above.
- **Political Risk**:- Appropriate developers will not consider bidding prior to September 2012 as the tender period will cross the next Council election. The development industry will consider the political risk of expending large amounts of funds on a tender process which may not proceed as a high risk. This risk has the likelihood of limiting the field of bidders for the project which could affect the quality of the design offerings and the financial returns to Council unless the tender was delayed approximately nine months.
- **Market Cycle Risk** - The GFC dampens the demand for residential development within the Ryde Local Government Areas and there are limited bidders or bids which do not meet Council's expectation.

Council has greatly de-risked the site and has modelled likely returns for the site as a 'benchmark' for any tender submissions. Should the market not provide an adequate response to the site then option 3 as listed below can be deployed. The development proposal will be finalised and ready for the next property cycle, which will have inherent risk (see option 3 below).

ITEM 2 (continued)

- *Feasibility Analysis* becomes outdated and may need updating, therefore some of the investment spent to date is wasted.

Option 2 Opportunities

- There will be certainty of the LEP amendment gazettal and the planning framework prior to proceeding to the next stage.
- Council capitalises the existing third party investment of \$38.2 million for the subterranean road tunnels and other associated infrastructure valued at \$60 million.
- Council improves its asset base from approximately \$17 million to \$60 million at no or minimal cost to the ratepayers.
- Council operates a more efficient building (saving a minimum of \$352,000 per year on its base budget).
- Council staff operate more efficiently and reduce travelling times between Council sites. Staff morale will improve but over a longer period than option 1 above.
- Feasibility analysis remains relatively current and the development costs spent to date (although greater than option 1 above) will be returned.
- The expenditure on 'propping up' the existing Civic Centre and Argyle Centre assets is minimised compared to option 3 below but over a longer period than option 1 above.
- Council's current annual outgoings and losses on staff productivity and operational inefficiencies are minimised compared to option 3 below but over a longer period than option 1 above.
- Those local residents who support this development will have their views implemented (but later than in option 1 above).

Option 2 Financial Impacts

This option has the next best cost effective financial outcomes for Council and the residents of Ryde (after option 1 above).

Dependant on the results of the tendering process, this option is most likely to deliver a cost neutral result to Council. This will increase the asset value of the site from \$17 million to \$60 million, and reduce operating costs to Council (both staff and building costs). However, additional costs of approximately \$200,000 will be incurred to maintain the Civic Precinct over an extended ten month staging of the project.

ITEM 2 (continued)

Under this option, ratepayers will not be burdened with additional debt, nor a reduction in Council services or projects.

However, the total project costs are estimated to be \$7.6 million over seven years. For stage 3, costs are estimated to be \$2.6 million which are currently available in Council's Civic Precinct Reserve of \$4.1 million. Whilst these project development costs will be fully recoverable from the project, there will be an initial loss of interest on reserves of approximately \$120,000.

Option 3

Delay the Project indefinitely

In this option, Council decides not to proceed with the redevelopment of the Civic Precinct and places the project on hold until further notice.

Option 3 Risks

- *Reputation Risk - Waste of Council Funds* - Council wastes the expenditure on development costs to date (currently \$2.02 million) and will not regain its investment from the redevelopment returns on the site.
- *Reputation Risk - Waste of Developer Contributions* - Council is seen not to fulfil its previously stated intentions for the required investment from Bevillesta Pty Ltd of \$38.2 million for the subterranean road tunnels and other associated infrastructure placing it at risk of being poorly regarded in the market place ie:- requiring major developer funded infrastructure and then deferring its utilisation indefinitely.
- *Reputation Risk* – Council's vision of Top Ryde as a major Town Centre will not be realised signalling that it does not regard Top Ryde as a Major Town Centre in keeping with its planning intentions.
- *Financial Risk* - Council will be required to incur significant debt (or draw down all of its property development reserves) to replace existing services in the current Civic Building and the Argyle Centre (see Financial Impact section of this report). Community facilities will not be replaced unless Council is prepared to raise significant debt to do so. This risk places further pressure on rate increases.
- *Risk of loss of Intellectual Property* - Council loses all members of the project team and intellectual property gained over the past eighteen months with little chance of it being regained, should the project proceed into the future.

ITEM 2 (continued)

- *Operational Efficiency Risk* - Staff amalgamation in one central location is not achieved and Council's administration will remain very inefficient for an indefinite period.
- *Asset Liability Risk* -The asset renewal and infrastructure replacement on the Civic precinct will remain limited. A future Council will eventually be faced with the same dilemmas on the use of the site – the asset liability will continue to require attention over time.

Option 3 Opportunities

- This Council can defer making a site redevelopment decision and leave it to a future Council to determine.
- The scale of development of the Civic Precinct site will remain in its current form.
- Those local residents who are opposed to this development will have their views implemented.

Option 3 Financial Impacts

This option has the least cost effective financial outcomes for Council and the residents of Ryde.

Council will not realise the improved value of its Civic Precinct asset, it will remain a 'lazy' asset and one which will burden Council with high levels of additional and ongoing expenditure; both capital and operational.

At its meeting held, 11 October 2011, Council considered a dilapidation report on the Civic Centre and the Argyle Centre. This report was developed under industry standards commissioned by an independent quantity surveyor, (WT Partnership) – **ATTACHMENT 11.**

The report is a first stage of a detailed analysis of a priority of works and should be treated as indicative only, with a plus or minus 20% accuracy rating. The report was commissioned to address the Building Code of Australia standards for these buildings to a grade 'B' building level (average suburban office building standard).

This report has been used to help in predicting the likely future cost outlays for the buildings to bring them up to acceptable standards which minimise costs to the ratepayers. The report indicates that over the next five years it is likely that up to \$12.5 million will be required on important works.

Council has two options of funding this amount:

1. Reduce reserves by up to \$12.5 million at an estimated loss of income of \$2.7 million over five years, and \$625,000 for every year after.

ITEM 2 (continued)

2. Borrow up to \$12.5 million at an estimated servicing cost of \$1.6 million per annum over ten years. This will reduce funds available for Council for use on other projects and significantly reduce Council's ability to address its asset infrastructure backlog.

In considering the long term future of these buildings, the report indicates possible expenditure of up to \$48 million (inclusive of the \$12.5 million previously mentioned) in order to extend the buildings life expectancy by approximately twenty years. Detailed analysis and feasibility of these costs will be required to bring them to finality.

Council has options of funding this amount:

1. Reduce reserves by up to \$20 million at an estimated loss of income of \$5 million over five years (and \$1 million for every year after) and borrow up to \$28 million at an estimated servicing cost of \$3.7 million per annum over ten years. This can be funded from an increase in rates, a reduction in projects and services, or both. Further analysis will need to be provided to Council should this option be chosen.
2. Borrow up to \$48 million (inclusive of the \$12.5 million previously mentioned). This can be funded from either an increase in rates, reduction in projects and services or both. If funded from an increase in rates this would result in an increase of 15.4% of Council's ordinary rate income per annum to service the debt servicing cost of \$6.37 million per annum over ten years.

Should Council determine not to proceed under option 3, we have examined the possibility of moving Council offsite, demolishing this building and building a new one. This has estimated to cost \$73 million, which is outside Council's ability to fund.

Procurement Considerations – (Should Options 1 or 2 be selected)

Both options 1 and 2 (if selected) will require a procurement procedure, this is further explained below.

Options 1 and 2 would necessitate Council entering a Public Private Partnership (PPP) arrangement to optimise the land value of the Civic precinct by providing modern, highly valued assets.

This type of procurement is referred to in industry as a PPP, whereby a commercial partner with suitable expertise is sought by Council to deliver Public infrastructure or assets in return for either funding or a land opportunity. To facilitate these PPP arrangements changes were made to the Local Government Act 1993 by the Local Government Amendment (Public-Private-Partnership) Act 2004. The amending Act introduced Part 6 in Chapter 12 (sections 400B – 400N) in the Local Government Act. On 1 September 2005 the Division of Local Government (DLG) issued guidelines on

ITEM 2 (continued)

the procedures and processes to be followed by Local Government PPPs. The Guidelines are not intended to be an onerous additional burden.

Currently the DLG is reviewing the project and will provide commentary as to the extent of governance and/or administration to be applied to the project procurement and delivery phase.

Initial discussions with the DLG have indicated the project may be classified as a low level PPP with administration in the form of project updates only; however Council is awaiting the final form of the DLG's opinion.

It is proposed that a community performance space and meeting/rehearsal rooms and Council chambers etc will be included in the tender requirements, as well as the provision of Council's amalgamated administration facilities.

From previous workshops with Councillors, it has been consistently suggested that such facilities be retained in Top Ryde. It is felt that this is the governance and community heart of the City of Ryde and that the presence of the workforce supports the vision of Top Ryde as a major centre with a commercial employment component that helps to stimulate the local small business economy. It is also considered important that Top Ryde retains a cultural centre which services the local schools and community.

It is therefore important that (if options 1 or 2 are adopted by Council) the method of procurement for the successful bidder must ensure that as a major consideration suitable premises are financially provided for Council in Top Ryde.

This method of procurement will require a strict governance regime and also industry experts to assess the suitability of the tendering parties. It is imperative that the project team recruits industry experts to facilitate and review the various stages of the tendering process. It is standard Industry and Government practice to split the procurement process into two stages of: Expression of interest (EOI) and a Request for Tender (RFT).

An open EOI process is proposed to determine suitably qualified companies to tender for the project.

The project is extremely specialist. There are few companies possessing the skill, experience and demonstrated capacity to fulfil the development expertise required. To limit risk to Council it is imperative that the procurement process is executed in a professional and skilled manner. Council will immediately lower its risk profile by ensuring selection of the most appropriate tenderers for the site through carefully defined selection criteria.

A shortlist of acceptable tenderers can be determined from the EOI process, progressing to the mandatory RFT procedure.

ITEM 2 (continued)

Under this model the tender documentation would be released only to the shortlisted organisations and submissions received and assessed. The tender process, governed by Council's Procurement Policy, would include further detailed selection criteria and assessment methodologies to ensure the most advantageous outcome is achieved.

The Project Team has determined, through community consultation and various workshops, that design and sustainability are key aspects to consider throughout the process.

The team have carried out extensive cost and market research to determine the minimum appropriate sustainability standards to be set. These are far greater than current and future proposed planning minimums. This is considered an appropriate response given Council's commitment to sustainable design as stated in its strategic plan.

Strict minimum sustainability standards will govern the tender process and be accorded a high rating in the assessment criteria. The proposed criteria will include, but will not be limited to, the following areas:

- Design excellence and sustainable practices (minimum 4 green star rating for the residential component and 5 green star rating for the commercial and civic elements).
- Overall site massing and urban design.
- Quality of the design and the reputation of the design team nominated.
- Demonstrated experience in building/developing multi million dollar mixed use developments.
- Demonstrated financial integrity.
- Commercial offer to Council.
- Standard and quality of the facilities, finishes and fit out offered in exchange for land sale.

The conclusions from the feasibility research undertaken throughout 2011 were presented to the Civic Precinct Committee Workshop on 26 July 2011.

ITEM 2 (continued)

The estimated land value from a reversed feasibility calculation was provided in accordance with a new massing and urban design proposal. It was proved through extensive research and modelling (including industry expert peer reviews) that the likely highest and best use for the Civic Precinct land (if partially sold) would be a residential development.

However, this should not be declared mandatory within the tender process. Tenderers may be able to demonstrate other uses producing a better commercial return to Council. If such alternatives exist they will be revealed within the tendering process and they can be assessed in accordance with the assessment criteria outlined above.

It is possible, and highly likely, that the successful tender for the site may bring a proposition which differs from that of Council's concept planning proposal, recently placed on exhibited for six weeks. The consultation process clearly stated that the design and model provided were purely conceptual, to demonstrate what might be built on the site if the planning proposal were successful. The exhibition material will not determine the final design outcome for the site. This will be formulated through the tender process and subsequent development applications, all independently assessed.

Consultation

1 External Public Consultation

The results of the public consultation undertaken are attached to this report – **ATTACHMENTS 9 AND 10** (the Ryde Civic Precinct Community Consultation Report). A summarised explanation of the process is provided below.

Consultation activities were broken into two stages:

1. A preliminary engagement with neighbouring residents, regular users of Council's existing facilities, together with community groups, local businesses, to cross check the feasibility principles established to guide development of the Planning Proposal and to understand the initial concerns of residents.
2. An extensive communication program, operating in parallel with the public exhibition over six weeks between 10 August and 21 September 2011. The primary aim of the second stage of communication and consultation was to ensure key stakeholders and the wider community were not only aware of the Planning Proposal, but also understood what was being proposed, and how to make a formal submission on the subject.

During the exhibition period, communication materials were distributed to over 38,000 households.

ITEM 2 (continued)

More than 160 people attended the community information day or drop-in sessions, and at least 84 people attended project briefings.

The Project Team also door-knocked over 270 local residents.

Local residents expressed concerns mainly about traffic management, overshadowing, scale and bulk of the development. It is hoped that many of the residents' concerns can be managed within options 1 and 2. However option 3 will address all of the concerns raised by those who made submissions to that effect.

2 Internal Consultation

Internal Workshops were held on 23 November 2010, 11 May 2011 and 26 July 2011, to identify how the future staff accommodation requirements can best be met. All of Council's business units except Urban Planning and Assessment (Environment and Planning) have been consulted throughout Stage 2 of the Civic Precinct Project. Internal communication meetings took place on a regular basis and monthly updates provided to the staff via 'Communications Central'.

There is a strong consensus view across the organisation that the redevelopment of Council's workplace environment is critical and necessary for improved efficiencies, cost savings and staff morale.

Critical Dates

The deadlines proposed are in accordance with the attached programs and proposed resolutions. By adopting one option in this report Council will define the appropriate program which will set the critical dates for the next stage.

Project Budget Requirements (Should Options 1 or 2 be selected)

1 Project Management Budget

As previously resolved by Council the project to date has been funded from the Civic Precinct Reserve. \$2.02 million has been expended to complete stages 1 and 2 of the project which are now essentially complete and on budget.

To complete stage 3 (should Council so determine) and continue to utilise the range of consultants required to complete the tender for the Civic Precinct there is the requirement to allocate further funding to the project. This is in keeping with the typical costs of project development of between 10% and 15% or, between \$6 million and \$9 million for an asset value of \$60 million.

ITEM 2 (continued)

With the total project asset value of the Civic Precinct estimated to be approximately \$60 million, it is estimated that total project development costs for option 1 (that is completion of stages 1, 2 and 3) is approximately \$4.6 million. Therefore project costs to selection of tender (should Council resolve to proceed) will be \$4.6 million or 7.7% of the estimated asset value return to Council; which is below industry norms.

Stage 4 (delivery) will add an additional \$3 million of expenditure for supervision contract risk and management providing a total investment of \$7.6 million or 12.7% of the estimated asset value return to Council; which is still below industry norms.

It is planned that the previous expenditure and expected budget requirement, including stage 4, will be funded and recouped through the project - if the project is to continue to its final stages. All feasibility analysis to date envisages this occurring; it is standard industry practice to account in this way.

If Council is to choose option 1 as the preferred option to progress the project, there are benefits in regards to the effective allocation of funds. In essence, if option 1 is chosen, pending Council's budget and procurement resolutions, the current consulting team will be retained.

The next stages of the project are complex. It is imperative that appropriate experience and skill is applied to lower Council's risk profile and determine the best outcome for Council, in accordance with the criteria specified earlier in this report. In particular, the legal drafting of the development agreement will require lawyers versed in commercial land deals.

The following list provides the necessary skill set required to complete stage 3 of the project, many of the skills/consultants required have been utilised in stage 2 of the project and have provided invaluable input. They possess vital intellectual property required should the project proceed. If Council is to progress with option 2 or 3 it is likely to risk the loss of some (or all) of the consultants appointed to date and lead to the following:

- Loss of intellectual property
- Loss of project momentum
- Loss of individuals who have so far formed a cohesive and effective team
- A delay in the program to allow for the procurement process

It is for these reasons and, others stated in the **Confidential ATTACHMENT 15** to this report, that Council resolutions are being sought in regards to budget allocation procurement methods (should Council resolve to proceed).

ITEM 2 (continued)

All procurement processes for the Civic Precinct project have been conducted under the auspices of the City of Ryde Procurement Framework and the advice of Council's probity auditors **Confidential ATTACHMENT 16**.

Also, the Service Unit Manager - Risk and Audit, as the administrator of this framework and in conjunction with his oversight role of probity in formal City of Ryde procurement processes, has been involved and has endorsed the formal procurement conducted in relation to the Civic Precinct.

This has included;

- Involvement in initial scoping of procurement requirements at meetings conducted with the proposed development team in October/November 2010.
- Preparation of procurement templates and conditions of engagement for the engagement of Consultants for use in the Civic Precinct development project.
- Liaison with NSWBUY in relation to pre-qualified providers and consultants.

There have been sixteen consultants/providers appointed in relation to the Civic Precinct to date. Of these;

1. Three have been appointed following a formal open tender process and have been subject to Council resolution. Council's e-tendering solution (Tenderlink) has been utilised with Council's Procurement Framework adhered to.
2. Seven have been appointed following a formal quotation process (in excess of \$50,000) in line with Council's Procurement Framework. Council's e-tendering solution (Tenderlink) has been utilised with Council's procurement framework adhered to.
3. Six have been subject to invitation under Council's Procurement Framework. This has involved quotations being invited from a minimum of three quotations (in some cases up to seven quotations were invited) in accordance with the Procurement Framework. In relation to 2 of these procurements, the NSWBUY pre-qualified consultant listing was utilised.

ITEM 2 (continued)

The following skills / Consultants will be required for stage 3, the approximate budget expenditure is provided below each subsection of consultants

| | |
|---|-----------------------|
| Group1 including Administration/Accommodation <ul style="list-style-type: none"> • Feasibility Modelling • PR & Community • Assessment team • GST Valuation Advisor | \$460,000 |
| Group 2 <ul style="list-style-type: none"> • Wind Consultant • Structural/Civil/Façade Engineer • Mechanical Engineer • Electrical/Fire systems Engineer • Energy Consultant • Hydraulic Engineer • Programmer • Development management | \$597,000 |
| Group 3 <ul style="list-style-type: none"> • Space Planner to design in detail Councils civic, accommodation and community facility requirements • Architect/Urban/VPA Design • Project Management | \$578,500 |
| Group 4 <ul style="list-style-type: none"> • Cost Planner/ Sustainability advisor • Town & Urban Planning • BCA Consultant • Transport and Traffic Planning • Acoustic Consultant | \$380,000 |
| Group 5 including Tender Advertising <ul style="list-style-type: none"> • Legal Advice • PPP Adviser • Probity Adviser | \$584,000 |
| Total | \$2,599,500.00 |

ITEM 2 (continued)

As stated, the budget requirement for stage 3 of the project is estimated as \$2.6 million. The following table reflects the activity in the Civic Precinct Reserve and the budget forecast for stages 3-4.

| | |
|--|-----------------------|
| Stage 1/2 Expended 2008-Nov 2011 and fully committed | \$2.02 million |
| Stage 3 Budget (pending resolution and option) Nov 2011 to Aug 2012 estimated | \$2.60 million |
| Stage 4 Budget (pending resolution and option) Sep 2012 to Jan 2016 estimated | \$3.00 million |
| Total | \$7.62 million |

The current Civic Precinct Reserve has \$4.1 million to complete stage 3. All project costs are planned to be fully recovered through the land sale process and the Civic Precinct reserve fully replenished.

Conclusion

It is essential that Council makes informed decisions based on options, risks and costs, prior to determining the future course of action for the Civic Precinct and, to a lesser degree, the Argyle Centre.

As highlighted in this report, the Civic Precinct project has been professionally managed to time and budget, delivering the previous resolutions of Council. Stage two has now been completed and it is for Council to determine whether it wishes to proceed to the next stage. To do so, three options have been outlined for Council's deliberations. This report highlights the risks and financial considerations of each option open to Council.

Council is now to decide which course of action it wishes to take so that the organisation can respond accordingly. As highlighted in this report each option has associated risks and financial implications.

I believe that Council is now fully aware of all options and the risks involved helping it deliberate on its decision. As identified, this decision is of major importance and critical to the future of Council's financial sustainability.