

**Extraordinary Council Meeting****AGENDA NO. 17/11**

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

**ATTACHMENTS – ITEM 2 - PROVIDED UNDER SEPARATE COVER**

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## **ATTACHMENT 1**

### **Ryde Civic Precinct Committee Agenda – 9 December 2008**



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## 1 CITY OF RYDE CIVIC PRECINCT MIXED USE DEVELOPMENT

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**Report prepared by:** Acting Team Leader Strategic Planning and Manager Major Projects

**Report dated:** 5 December 2008

**File No.** OGM/08/11/1/1

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### REPORT SUMMARY

The City of Ryde has a vision to redevelop the Civic Precinct site to deliver a multi function cultural centre, public spaces and Council's administration building within a mixed use precinct. Council aims to ensure that the project is environmentally, economically and socially sustainable. This vision formed the basis of the Draft Ryde Local Environmental Plan (DLEP) 143 planning controls which permitted up to RL130 and 100,000m<sup>2</sup> on the site.

The DLEP 143 was publicly exhibited in 2006 and was supported by 97% of respondents, 86% of these submissions were in complete support and 11% conditionally supporting the draft Plan. However, in making the Plan the Minister amended the height for the Civic Precinct to be no higher than the existing Civic Centre, commenting that he would reconsider it if a competitive design process was undertaken. The floor space potential remained as exhibited. The draft plan actually contained a clause which mandated a competitive design process for the Civic Precinct site but the Minister must have overlooked this fact, when DLEP 143 was gazetted.

Following gazettal of LEP 143 Council established the Civic Precinct Committee in 2006 consisting of all Councillors to steer the project.

This report aims to bring Councillors up to date with the project history and proposes the next steps including a two stage competitive design process that establishes proponent capacity to deliver the project and requires submissions to demonstrate design excellence with economic and environmental leadership outcomes with clear community benefits while minimising Council risk.

This report recommends that Council

- Confirm the project deliverables and outcomes.
- Develop a two stage competitive design process that manages Council's risk exposure with exit opportunities at milestones.
- Confirm the broad timeframes for delivery of the project.
- Approve a submission to be made to amend the Draft Ryde LEP 2008 to increase the permissible height of the Civic Precinct to RL130 as exhibited in 2006.
- Undertake further notification to the community of the amendment to the Draft Ryde LEP 2008.
- Commence discussions with key NSW Government Departments / Agencies to ensure statutory compliance and gain support.



**ITEM 1 (continued)****BACKGROUND****1. Chronology**

There has been a long history of the Civic Centre site redevelopment, a summary in chronological order is provided below.

Date	Event
June 2005	- Councillor workshop to consider future of all Council land in Ryde Town Centre as part of the preparation of DLEP 143.
November 2005	- Councillor workshop to consider future of Civic Precinct. Council expressed a desire to redevelop the site concurrently with the Top Ryde Shopping Centre and deliver community benefits.
October - November 2005	- Public Exhibition DLEP 143 and supporting documents, including an Integrated Traffic Solution that allowed the development potential of the Shopping Centre and Civic Precinct to progress.
December 2005	- Council submitted DLEP 143 to Department of Planning for gazettal.
May 2006	- LEP 143 was gazetted, with amendments to reduce the permissible height from RL130 to RL91 while retaining floor space potential of 100,000m <sup>2</sup> . - Civic Precinct Committee established and first meeting held.
May 2007	- Councillor workshop at Civic Precinct Committee
June 2007	- Council resolved to undertake a competitive design process that would permit 20 storey development on the site and re-establish the Civic Precinct Committee.
October 2008	- Workshop to confirm Civic Precinct Committee with new Councillors.
December 2008	- Councillor workshop with results of feasibility study of a cultural facility on the site.
November 2008 – January 2009	- Draft Ryde LEP 2008 on public exhibition.

Further detail of the background and history of this project is provided below.

**2. The Civic Precinct Site**

The Civic Precinct site is located in Ryde, a transport, residential and retail hub and the third oldest European settlement in NSW. Situated midway between Sydney and Parramatta, and just 30 minutes travel in either direction, the site has excellent access north-south along Lane Cove Road and east-west along Victoria Road. A heavy rail station is located at West Ryde about 1.5km distant. Sydney Ferries operate a service to the City and Parramatta from Meadowbank Wharf. A main State Transit Authority bus depot is also located on Buffalo Road, Ryde.

The site (16,350m<sup>2</sup>) contains the Ryde Civic Centre, two car parks, road and undeveloped land bounded by Parkes Street, Devlin and Blaxland Roads. A map of the site and Ryde Town Centre Precinct map is **ATTACHED**.



**ITEM 1 (continued)**

The site is located on the ridgeline that separates the Lane Cove and Parramatta River catchments and commands spectacular 360° views of the Sydney metropolitan basin with views of Sydney CBD, Chatswood, Olympic Park, the airport, Parramatta and the Blue Mountains.

To allow the increased development potential of the Civic Precinct site an Integrated Traffic Solution is being built which includes three spurs into the site, two pedestrian linkages and significant changes to the road network at grade.

**3. Ryde Civic Centre**

Ryde Civic Centre is not heritage listed but has been a prominent building for 45 years renowned for its visual impact on the ridgeline, rather than its architectural quality. However, with the redevelopment of the Top Ryde Shopping Centre to 17 storeys, the Ryde Civic Centre will lose its visual prominence.

Completed in 1964, Ryde Civic Centre was one of a number of municipal buildings constructed in the 60s. The building floor plate is approximately 400m<sup>2</sup>, over eight levels with a total floor space of approximately 3,000m<sup>2</sup>.

The Civic Centre has come to the end of its useful life with major service and functionality issues. Most office buildings are said to have a maximum life of 50 years before needing replacement or significant capital input and renovation to remain fit-for-purpose.

Ryde Development Control Plan (DCP) adopted in 2006, states that the Civic Centre *'.. no longer provides the scale and amenity required of a modern functional Civic building. It is constrained by a lack of sizeable floor space and is rapidly approaching the end of its useful life. Reports reflecting maintenance issues and the state of repair would indicate that Council will shortly need to assess the merits of continuing to occupy the building in its current form as against redeveloping the site into more modern and efficient accommodation. There is no requirement to maintain and upgrade the existing structures, but consideration may be given to retaining some existing footprints. It would be the intention of Council to demolish the existing Civic Centre and any redevelopment of the Civic Centre should envisage a landmark building(s) achieving a minimum 4.0 Greenstar rating comprising mixed use cultural, civic, retail, commercial and residential.'*

**4. Council's Vision for a Mixed Use Civic Precinct**

The Ryde Town Centre LEP 143 was prepared over a two year period commencing in 2004. Council is the largest landholder in the Ryde Town Centre with more than 80,000m<sup>2</sup>.

Councillors contributed to the preparation and adopted the LEP and defined a vision for the future of the Civic Precinct in workshops held in June and November 2005. Council indicated that it wished to leverage off its landholdings to deliver community benefit both in the form of an income stream / funding and new community facilities, while retaining an asset.



**ITEM 1 (continued)**

To achieve these aims Council saw the merit in redeveloping the Civic Precinct site to not only keep pace with the Shopping Centre redevelopment which will be 17 storeys, but to retain an iconic status as a landmark building. As a result LEP 143 was prepared on the basis of the Civic Precinct being redeveloped with one or more buildings up to RL 130 subject to a competitive design process and up to 100,000m2 permissible floor space.

**5. Community and Stakeholder Feedback**

LEP 143 was publicly exhibited and subsequently adopted by Council in December 2005 on the basis of significant community and stakeholder support. 97% of submissions to the LEP expressed complete or conditional support for the plan and 3% were negative.

No objections were raised to the proposed maximum development potential of the Civic Precinct site or the Top Ryde Shopping Centre. In particular, several key stakeholders including Ryde Chamber of Commerce gave full support to the LEP.

The Roads and Traffic Authority (RTA) was a partner to the preparation of the planning controls and approved and adopted the Ryde Town Centre Integrated Traffic Solution. This study planned for the maximum floor space potential and car parking numbers of the Civic Precinct site within Ryde Town Centre.

**6. A Competitive Design Process**

When the Ryde Town Centre LEP 143 was legislated in May 2006 the Minister for Planning wrote to Council advising that he had amended the LEP to reduce the height limits for the Civic Precinct from twenty storeys to a maximum ten storeys and no higher than the top of the existing Civic Centre (RL 91 AHD), whilst still allowing up to 100,000m2 on the site. The Minister advised that he would reconsider this decision if the future development of the Civic Centre site was the subject to a "competitive design process".

Although the heights for the Civic Precinct were not approved, the Minister clearly considered the proposed floor space of 100,000m2 achievable and supported redevelopment that included well designed buildings.

The Minister did not amend the shopping centre site heights of up to 17 storeys. When complete, the Top Ryde shopping centre will dwarf Council's Civic Centre, which will lose its iconic landmark status as a result.

**7. LEP 143 Outcomes*****Top Ryde Shopping Centre***

The Top Ryde Shopping Centre redevelopment will be the catalyst for the revitalisation of Ryde Town Centre. It will create more than 4,000 new jobs and a focal point for local and regional communities.

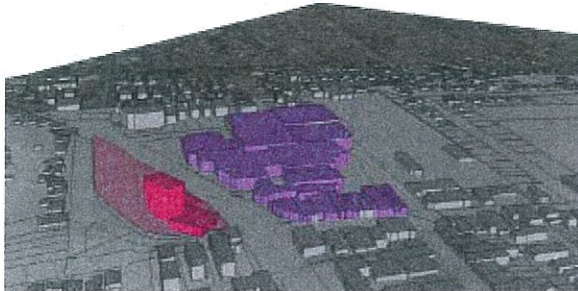


**ITEM 1 (continued)**

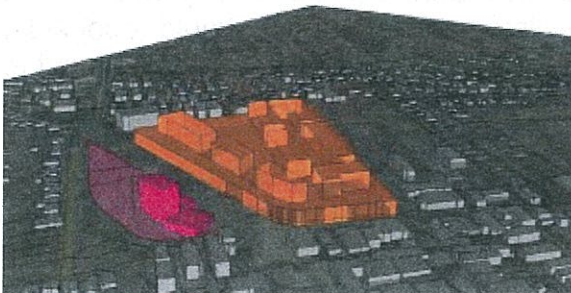
The \$1.2 billion Shopping Centre Development Application was for 150,000m<sup>2</sup> mixed-use development including civic space, apartments, offices, cinemas, supermarkets, diverse retail space and alfresco dining.

LEP 143 requires the shopping centre redevelopment to incorporate childcare, public transport facilities, civic space of 2700m<sup>2</sup> net usable floor area (approximately 3,200 – 3,300m<sup>2</sup> gross floor area), a 2000m<sup>2</sup> public plaza, a 10m wide pedestrian street running the full length of the block, two footbridges over Devlin Street, a number of tunnels under Devlin Street and significant changes to the road network at grade.

City of Ryde civic space in the Shopping Centre will feature an accessible, shop-front style customer service centre, multi-purpose administration space and a public library. Completion of the Shopping Centre and handover of civic space is anticipated in the second half of 2010.



Existing Built Form structure within Ryde Town Centre



Proposed built form strategy to Precinct 2

Total value of benefits arising to Council from the Shopping Centre redevelopment is estimated to be \$105 million made up of:

- Integrated Traffic Solution (\$60 million).
- Stratum sale (\$20 million).
- CoR centre construction and stratum lot (\$20 million).
- Car parking (\$1.5 million).
- Public domain upgrades (\$3.5 million).

Council's challenge will be to use the shopping centre redevelopment as a catalyst to attract further investment and employment to Ryde and to excite interest in the competitive design process and the urban renewal of the entire Ryde Town Centre, but in particular the Civic Precinct redevelopment.

**Infrastructure to Support the Civic Precinct Redevelopment**

New infrastructure to support the Civic Precinct is presently being constructed. The Ryde Town Centre Integrated Traffic Solution is now being implemented as part of the shopping centre redevelopment. As a consequence the transport infrastructure needed to support redevelopment of the Civic Precinct will be in place by mid 2012. This includes:

- Traffic lights and the reconfiguration of the Devlin / Parkes Street intersection.
- Pedestrian footbridges.



**ITEM 1 (continued)**

- Vehicular access ramps to take cars directly from Devlin Street into and out of the Civic Precinct.
- Zone electricity substation.

In addition, reconfiguration of the Victoria / Blaxland Road intersection, the introduction of bus priority and new streetscape works adjacent Ryde Park undertaken by Council and the RTA are now complete.

Substantial improvements to Ryde Park have been completed. This park will meet the recreation needs of planned Ryde Town Centre residential and worker growth. Major public domain improvements are progressing also.

The major infrastructure needed to support the Civic Precinct redevelopment will be completed by 2012.

**8 Leadership and Excellence**

Planning Institute Australia New South Wales Division awarded the City of Ryde Urban Design Achievement 2007 for Ryde Town Centre Urban Renewal Project. Council has established a project which is recognised as best industry practice in the property industry.

**9 Council Resolutions**

As a result of the Minister for Planning's amendment to the LEP to reduce possible height of the Civic Precinct site and stating that he was *'open to re-considering higher buildings in this prominent location through a LEP amendment. Any such LEP would need to be the result of Council undertaking a mandatory competitive design process for the site. The draft plan will need to demonstrate that design excellence will be achieved at this visually significant location.'*, Council at its meeting on 5 June 2007 resolved the following:

- That a competitive design process for the Civic Centre Site identified as the Civic Mixed Use Precinct (Precinct 1) in Local Environmental Plan 143 be endorsed.*
- That the competitive design process includes a proposed height limit for the Civic Mixed Use Precinct that will permit 20 storey development on parts of the site.*
- That the competitive design process aims are to demonstrate Council's commitment to design excellence and:*
  - Environmentally and water sensitive design which is equal to or exceeds a 5 Green Star rating;*
  - Realise community benefits such as a new 21st century Civic Hall and new accessible public domain spaces for prominence, relaxation, recreation and leisure;*
  - Transparent governance and community engagement; and*
  - Responsible management of public resources and assets.*



**ITEM 1 (continued)**

- d) *That the Civic Precinct Committee be re-established to act as the steering committee for the competitive design process.*
- e) *That the General Manager be delegated authority to make representations to the NSW Premier, The Deputy Premier and Local Member and the NSW Minister for Planning to seek comments, involvement and endorsement for a competitive design process for the Civic Centre site.*
- f) *That the General Manager be delegated authority to establish a project team to manage the competitive design process.*
- g) *That the General Manager be authorised to negotiate with the owners of the Brad Garlick site, corner of Victoria Road and Blaxland Road, on the possible inclusion of that site in the design competition process.*
- h) *That a further report be submitted to Council regarding:*
  - i. *The outcomes of representations to the NSW Premier, The Deputy Premier and Local Member and the New South Wales Minister for Planning;*
  - ii. *Project resourcing requirements such as budget;*
  - iii. *Further details around the framework of a proposed competitive design process; and.*
  - iv. *Details of the negotiations with the owners of the Brad Garlick site.*

**REPORT****10 Competitive Design Process - Considerations**

A Civic Precinct site study concluded that development based upon the permissible height and floor space planning controls would cover most of the site with a ten storey building, leaving inadequate space for a viable public domain that could support events, recreation and leisure activities and would not achieve design excellence.

This outcome would be contrary to Council's vision to create an attractive, vibrant Ryde Town Centre that is a hub for local communities. It was recommended that it was more appropriate to create a "heartbeat" silhouette or modulated skyline for the iconic Civic Centre site. This will also contribute to a distinctive "identity" and marketability as a residential and employment hub.

The State Government requires councils to convert existing planning controls in a standardised format. Draft Ryde LEP 2008 translates the existing LEP 143 planning controls into the standard format and is on exhibition from November 2008 to January 2009. This provides an opportunity for Council to revisit the height constraints imposed by the previous Minister for Planning and make a submission to the Draft Ryde LEP 2008 to increase the height for the Civic Precinct site.

A recommendation of this report is that Council prepares and exhibits a submission to the Draft Ryde LEP 2008 to have a height limit of RL130 AHD reinstated. (This will be subject to a separate report to Council on 9 December 2008).



**ITEM 1 (continued)**

Council was approached by the owners of the Brad Garlick site to increase height controls. At the 5 June 2007 Council meeting, Council resolved that the General Manager liaise with the owners of the Brad Garlick site for possible inclusion into the competitive design process as a means to amend the planning controls.

The General Manager met with the owners who were keen for their site to be included, however it was felt that it would not be appropriate to include the Brad Garlick site in the Civic Precinct competitive design process because the objectives of the two landowners are very different. The owners of the Brad Garlick site wish to realise a commercial outcome while Council is committed to social and governance outcomes including:

- Environmental sustainability which is equal to or exceeds a 5 Greenstar rating.
- Realise community benefits such as a multi-purpose cultural facility.
- New accessible public domain spaces to meet recreation and leisure needs.
- Transparent governance and community engagement.
- Responsible management of public resources and assets.

It is suggested that the owners of the Brad Garlick site independently investigate their options.

**11 Competitive Design Process - Proposed Outcomes*****Community benefit***

Expanded and improved public domain space and community facilities that will serve a range of community groups, including youth and seniors, such as a 21<sup>st</sup> century cultural facility.

***Design excellence***

The competitive design process will ensure that the greatest opportunity is created for design excellence by:

- Setting minimum requirements for public domain spaces and built forms.
- Providing flexible design criteria that allows 20 storeys.
- Achieve a 5 Greenstar rating.
- Ensure there are iconic rooftop architectural features and articulation in the built form.
- Sympathetic and innovative responses to the environmental context such as the nearby residential development and heritage items.

***Environmental sustainability***

Implement ecological design principles with stretch targets for energy and water conservation and achieving a 5 Greenstar rating.

***Innovation and technology***

Develop "smart" buildings that are capable of adaptation over time to accommodate technological advances and meet changing community needs.



**ITEM 1 (continued)*****Governance and leadership***

Responsibly manage Council assets and value capture City of Ryde equity to create community benefit. Develop and undertake transparent and open governance processes and manage risk appropriately.

**12 Competitive Design Process - Proposed Deliverables**

The proposed deliverables of a competitive design process are as follows:

- a) Amended LEP 143 and other planning controls.
- b) A Master Plan that will establish design principles for the Civic Precinct site.
- c) A project methodology that facilitates positive publicity and community support / stakeholder buy-in.
- d) Leverage off the redevelopment of the Civic Precinct site to realise community facilities and funding.
- e) Identify the preferred private partners to work with Council.
- f) Practicable and financially viable development.
- g) Demonstrate Council's commitment to environmentally sensitive design.
- h) Responsible asset management that responds to community needs.
- i) Risk minimisation for Council in accordance with the various Government statutes.
- j) Value-for-money in the form of practicable designs that can be implemented.
- k) Transparency and probity.

The draft methodology has been designed to assist in meeting these deliverables.

**13 Competitive Design Process – Proposed Spatial Break Down**

The following table outlines the spatial breakdown of the Civic Precinct site redevelopment. This table reflects Council's vision for mixed use on the site and is informed by a feasibility study for a cultural facility in Ryde Town Centre. The uses and floor space allocations in the table have been identified as a result of the various studies (retail study, traffic management study, cultural centre, etc) that were done as part of DLEP143, the Development Application lodged for the Shopping Centre and separately by Council.

The City of Ryde engaged leading architects Hassell to undertake a feasibility study for a cultural facility in Ryde Town Centre. After considering several sites, this study recommended a multi-purpose facility be located within the Civic Precinct site redevelopment. This feasibility study was presented to Council at a Councillor Workshop on 2 December 2008.

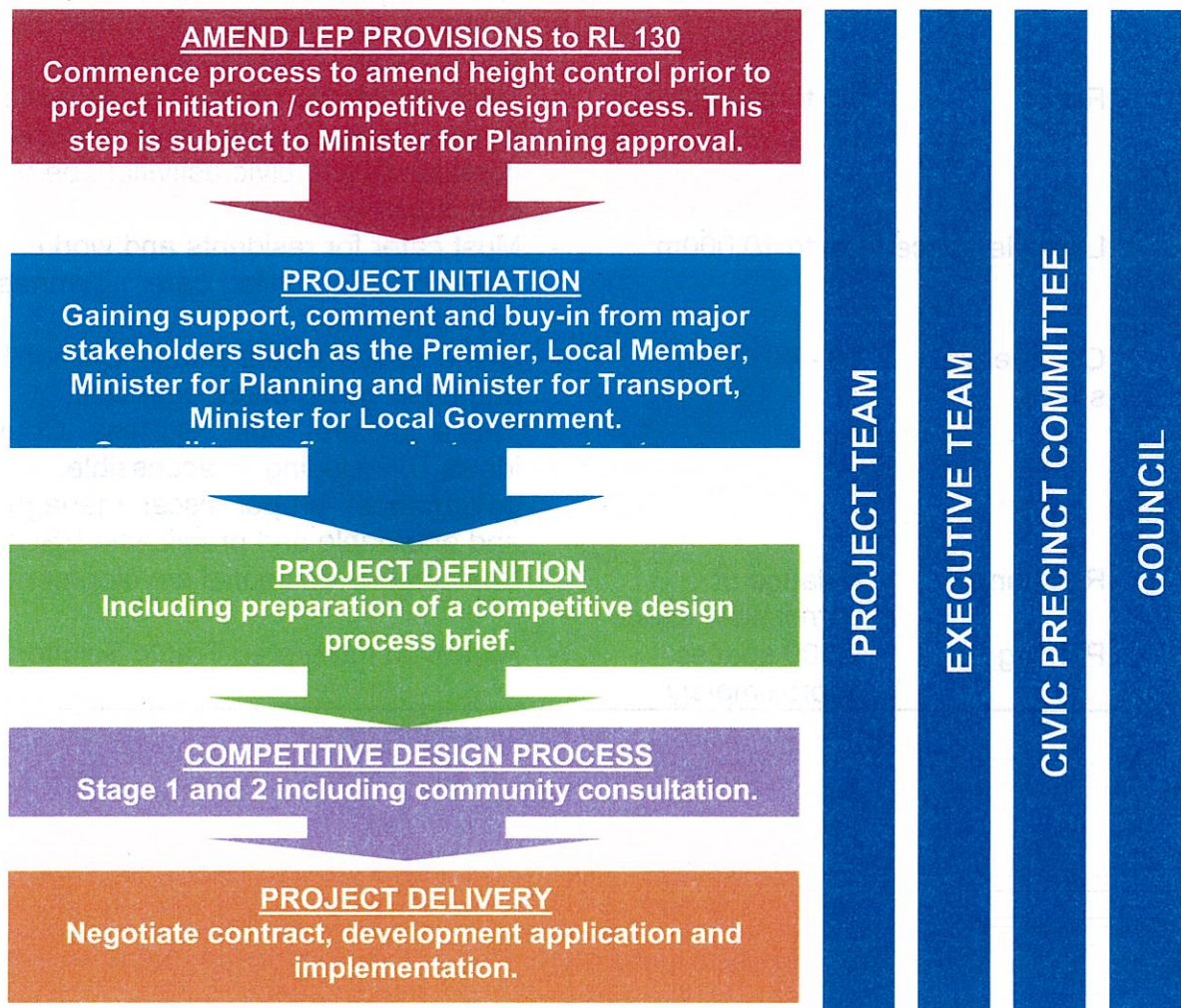
**ITEM 1 (continued)**

Use	Size	Character
Community space	4,500m <sup>2</sup>	- Multi-purpose arts centre capable of hosting cultural / community events, exhibitions etc.
Public domain	5,000m <sup>2</sup>	- Includes shared access roads and open space. - Open space should be robust durable and capable of hosting events.
Retail	Up to 20,000m <sup>2</sup>	- Must contribute to the revitalisation of Ryde Town Centre and complement community and civic activities, be vibrant and inclusive.
Lifestyle space	Up to 10,000m <sup>2</sup>	- Must cater for residents and workers and may include child care, gymnasium, restaurants etc.
Commercial space	10 - 40,000m <sup>2</sup>	- Office space would house City of Ryde and other government agencies. - These offices must express Council's ideals including accessible, open governance, proper fiscal management and affordable and practicable ESD.
Residential	Balance of permissible space	- Sustainable residential development.
Parking	2,500 spaces approximately	- Approved Integrated Traffic Solution.



**ITEM 1 (continued)****Competitive Design Process - Project Structure Overview**

The Council report of the 5 June 2007 outlined a structure for the competitive design process. The step 'amend the LEP' is critical for the project to commence to reduce timeframes / costs and enhance planning certainty for the competitive design process.

**14 Competitive Design Process - Proposed Methodology**

Given that Council has already developed a vision for the site, the competitive design process can focus on practical outcomes and delivery. It is important to base the competitive design process on frameworks that have demonstrated industry acceptance, attracted appropriate industry partners, delivered community benefits, effectively manages risk and ensures good governance. A suitably structured competitive design process will attract experienced development proponents who will expend substantial budgetary resources to prepare a high quality submission.

The Civic Precinct is the object of considerable community connection and ownership and it will therefore be important for the City of Ryde to deliver on community expectations created by any competitive design process or risk community backlash. The timing of key decisions should also be cognisant of political timetables for State and Council elections.



**ITEM 1 (continued)**

It is crucial to manage risk to ensure that the outcome of a competitive design process is a commercially viable and deliverable scheme that realises Council's vision to achieve community facilities leveraged off a mixed-use redevelopment of the Civic Precinct.

A staged process offers the best opportunity for Council to maximise both design and financial outcomes including delivery of cost neutral community facilities and an income stream whilst retaining / replacing assets.

**Stage 1**

Stage 1 aims to short-list two / three finalists to proceed to stage 2. Stage 1 will be open to consortia that will be required to demonstrate their capability to undertake the project as follows:

- Identify team composition (e.g. design team, financiers, traffic experts, and construction entity and cornerstone tenants).
- Demonstrate the experience and prominence of team members in comparable projects.
- Demonstrate the experience and prominence of proponent entities (e.g. companies) to undertake the project.
- Outline the nature and structure of each proponent and where appropriate the relationship of parties in any joint bid.
- Outline the financial capacity of the parties to undertake the project.
- Proof of ability to deliver on project timetable.
- Demonstrate the risk profile for Council associated with their proposal.
- Conceptual design and business case.
- Proposed benefits / costs for Council.

**Stage 2**

The City of Ryde cannot offer prize monies that will cover the costs (anticipated to be up to \$2 million for each proponent) of preparing a high quality stage 2 submission. In order to attract the standard of submissions required for this site the key prize will need to be preferred partner status for the redevelopment of the Civic Precinct site. The unsuccessful short listed consortia should be recognised with prize money of \$50,000.

Stage 2 respondents will be required to address detailed brief/s and submit the following (at minimum):

- Concept design, design statement and detailed designs (exhibition quality drawings, 3D and physical model and a design report detailing how the criteria are met or exceeded and any details of non compliance).
- Implementation plan including delivery timeframes for community facilities and other elements of the proposal.
- Business plan including feasibility and financial models.
- Social impact statement.
- Community benefit statement, including income returns to City of Ryde and performance specification for Council offices and multi-purpose cultural facility.
- Environmental design statement.



**ITEM 1 (continued)**

- Financial certification of having funds available to deliver the development.
- Compliance with all statutes, best practice and governance obligations.
- Documentation that demonstrates compliance with City of Ryde planning instruments.
- Details of community engagement strategies.
- Draft contract that the consortium expects Council to enter into.
- Appropriate security to Council to guarantee delivery of the development within the agreed timeframes.

The outcome of this two staged process is the selection of a preferred partner. This will then be followed by negotiations between Council and the preferred partner regarding the redevelopment of the site. Successful negotiations will result in a contractual arrangement to redevelop the Civic Precinct site. A Development Application will then be submitted by the preferred partner for the consent to redevelop the Civic Precinct site.

The proposed methodology is structured to protect and manage Council's risk with exit opportunities at key milestones and to ensure that Council's financial risk exposure is effectively transferred to the private sector.

**15 Competitive Design Process – Council's role**

Council will have several roles including client, landowner and final decision maker. Council will require expert advice during the competitive design process, particularly in the areas of legal and finance.

It is proposed the competitive design process is made up of a panel of prominent experts reflecting the selection criteria from the disciplines of land economics, financial management, legal, traffic management, sustainable design and architectural/urban design. It will be important for Council to select this expert evaluation panel whose reputation and standing can add to the prestige of the competition and reduce the likelihood of dispute with the outcomes. Panel members should be pre-eminent in their field.

It is anticipated key stakeholders and strategic partners such as the Department of Planning, Department of Local Government, the Green Building Council, the Property Council of Australia, City of Ryde staff and other external consultants will also advise Council.

Council's role as the client will require decisions to proceed or exit the project at key milestones. It must be highlighted that conducting this competitive design process by Council will result in a preferred partner to redevelop the Civic Precinct site.



**ITEM 1 (continued)****16 Competitive Design Process - Business Case**

It is forecast that a 100,000m<sup>2</sup> mixed use project on the Civic Precinct site will have a completed value of works of approximately \$700 million. An industry guide for the management and other fees necessary to put together such a project in a professional manner are in the order of 1.5% or approximately \$10 million spread over six years. Preliminary estimates of the value of Council's deliverables at the completion of the project will be in the order of \$117 million.

Item	Construction Costs
Cultural centre (4,500m <sup>2</sup> ) and stratum lot	\$22.5 million
Council office space (7,500m <sup>2</sup> ) and stratum lot	\$37.5 million
Retail space (5,000m <sup>2</sup> ) and stratum lot	\$25 million
Parking (250 spaces)	\$10 million
Public domain infrastructure upgrades (roads, bridges, spurs, open space and public domain furniture / finishes) (5,000m <sup>2</sup> ) and stratum lot	\$22 million
<b>Preliminary Completed Value of Council's Assets</b>	<b>\$117 million</b>
<b>Less</b>	
Project management costs	\$10 million
Civic precinct land value	\$17 million
<b>NET Return to Council</b>	<b>\$90 million</b>

It should be noted on these figures Council will own 17,000m<sup>2</sup> of built floor space, 250 car spaces plus the public domain. The private partner would own 83,000m<sup>2</sup> of built floor space and 2,250 car spaces.

These figures are conceptual only and must be tested by detailed feasibility studies, should Council determine to move ahead. The market will ultimately decide on the value it will prescribe to the project.

The 08/09 budget has an allocation of \$500,000 and the Civic Precinct Reserve currently has a further \$8,663,937 to fund this project if Council decides to proceed.

**17 Competitive Design Process – Governance Framework**

The development of appropriate governance processes and systems for this redevelopment is crucial to ensure transparency equity and probity. As it is likely that the competitive design process will result in a Public Private Partnership (PPP) between Council and a private sector entity it will be necessary to comply with the appropriate legislation.



**ITEM 1 (continued)**

Council will ensure compliance with State Government guidelines for governance of the Civic Precinct redevelopment, particularly Local Government Amendment Public-Private Partnerships, the Department of Local Government (DLG) Guidelines on the Procedures and Processes to be followed by Local Government in Public-Private Partnerships and the DLG Draft Guidelines for Capital Expenditure Projects, and is **CIRCULATED UNDER SEPARATE COVER.**

The City of Ryde is one of the few councils in Australia that has successful experience in overseeing and delivering on Public Private Partnerships. It should be noted however these skills reside with a very small group of staff.

***Legislation***

The experience of other councils has highlighted the importance of appropriate governance and probity particularly in relation to PPP's. The City of Ryde must be fair, open and demonstrate the highest levels of integrity consistent with the public interest. The Local Government Amendment Public-Private Partnerships, the DLG Guidelines on the Procedures and Processes to be followed by Local Government in Public-Private Partnerships and the DLG Draft Guidelines for Capital Expenditure Projects will be used as the basis for the governance framework for this project.

In its commercial dealings, City of Ryde must observe the highest standards of probity and City of Ryde staff, Councillors and consultants should understand and apply the following principles to guide the project.

***Fairness and impartially***

Open and competitive processes are an important stepping-stone in achieving value for money. During the project initiation and definition phases, market testing can facilitate in finding out whether a service can be carried out more effectively and efficiently. To ensure value for money Council will also seek permission to utilise State Government preferred supplier lists for services such as probity and legal advice.

During the competitive design process itself proponents are to be treated equally and must have the same opportunity to access information and advice. All expression of interests and competitive design processes will meet Council's tendering policies and protocols.

***Consistency and transparency of process***

If fairness and impartiality are not apparent and suppliers perceive there is a problem with the process, they may think twice about making a submission. As a result, competition will be lessened and the best deal may not be achieved. Transparency will be increased by informing proponents of the assessment process, appointing a probity adviser and maintaining adequate process documentation.



**ITEM 1 (continued)*****Maintaining security and confidentiality***

A significant quantity of confidential information is generated through this project, particularly as a result of the selection process. Procedures must be implemented to ensure that no unauthorised release of confidential information occurs. The processes adopted for receiving and managing information are to ensure the security and confidentiality of intellectual property, commercial, proprietary information or otherwise sensitive information.

If Council resolves to proceed with the project it is proposed to establish the project team in the Civic Centre, level 5 meeting room 1 to ensure that document control and confidentiality can be assured.

***Identification and resolution of conflicts of interest***

Conflicts of interest arise when persons are influenced, or appear to be influenced by personal interest when doing their job. It is therefore likely to result in a lesser standard of service delivery and can create the perception of such. Any person involved in the competitive design process is to declare any actual or perceived conflict of interest which may compromise their position and City of Ryde will make a decision on the matter.

***Accountability***

Focusing on accountability and probity need not be at the expense of effective outcomes and value for money. Appropriate accountability mechanisms will result in decreased opportunities for corruption. Public sector accountability requirements are intended to save money, resources and time in the long term and prevent corruption, maladministration and substantial waste of public resources. As such the level of accountability will add to the integrity of the project.

***Monitoring and evaluating performance***

Performance evaluation is an important prerequisite for determining whether value for money will be obtained as an outcome of the competitive design process. It is important to specify explicit, objective and measurable performance indicators before the commencement of the competitive design process.

***Confidentiality***

This section applies to all information that may be proprietary information, commercial in confidence or related to the selection process. For the purposes of this plan such information will be called commercial information. It should be noted there will be information that can not be provided to Councillors during the project to ensure probity and equity.

In general terms City of Ryde must assess each document and piece of information gathered in connection with the competitive design process against its obligations under Section 12 of the Local Government Act, the Freedom of Information Act 1989 and the Privacy Personal Information Protection Act.



**ITEM 1 (continued)****18 Community Engagement**

The competitive design process must engage community and stakeholders. It is essential for the success of the project to obtain community and stakeholder buy-in and build strategic alliances.

It will be necessary to address a range of considerations through a detailed communication and engagement strategy which will follow the 'Your City, Your Voice' policy and framework. This will detail:

- How, when and where information should be made available.
- The political context, including timing for competition and impacts on the process of local, state and federal elections.
- Strategic alliances ensuring State Government and other stakeholder buy-in.
- Create positive perceptions of Ryde Town Centre and engage the community and other stakeholders.
- Create perceptions of City of Ryde as a professional organisation that investors and development professionals can work with.
- Outline events programs including information briefings, announcements etc.
- Establish the project identity / branding as expressed in website, brochures, media releases, advertisements and other marketing material.

There should be a range of strategies utilised to engage a large number of residents and other stakeholders throughout this project.

This project will also need to engage key external stakeholders such as government departments and agencies. As resolved by Council, the General Manager wrote to a number of Ministers in June 2007 to seek comments, their involvement and endorsement for a competitive design process for the Civic Precinct site. There seems to have been no formal response received. As new Ministers are now in these positions it is suggested that Council write to the current Ministers to seek their comment, support and recommence their engagement with the Civic Precinct site redevelopment.

**19 Project Outline**

Before the project starts an amendment to the height provision to the Draft Ryde LEP 2008 for the Civic Precinct site of RL91 to RL130 is required. As the Draft Ryde LEP 2008 comes off notification in early 2009 and will be considered by Council in March 2009 it is an amendment to this LEP is initiated and a submission is lodged by Council as a landowner seeking to amend the height control of the Civic Precinct site.

It is anticipated that the project will take six years to get to a stage of commencing construction. An outline of the project is provided below and it is important to note that some activities occur concurrently.



**ITEM 1 (continued)****Project Outline****Phase 1 – PROJECT INITIATION****Commence April 2009**

- a) Council confirm project scope, structure, delivery framework and resources
- b) Confirm NSW commitment and support for the project (commence discussions with NSW Departments of State and Regional Development, Planning, Premiers etc)
- c) Obtain feedback from ICAC and NSW Department of Local Government regarding proposed process
- d) Establish team and project resourcing

**Phase 1 Timeframe****12 weeks****Cumulative Project Timeframe****12 weeks****Decision Point - Council sign-off to proceed required****Phase 2 - PROJECT DEFINITION****Commence July 2009**

- e) Prepare brief for the comprehensive development of the Civic Centre site
- f) Engage probity legal and feasibility advisors / industry advisor (shadow proponent)
- g) Prepare community and stakeholder engagement plan
- h) Prepare project program
- i) Establish alliances with stakeholders such as the NSW Government
- j) Council research visit to comparable projects
- k) Prepare advertising and project material such as website, brief documents, press release etc.

**Phase 2 Timeframe****39 weeks****Cumulative Project Timeframe****51 weeks****Decision Point - Council sign-off to proceed required****Phase 3 - COMPETITIVE DESIGN PROCESS (Stage 1)****Commence April 2010**

- l) Market call – announce competition, advertising and marketing campaign tailored to project
- m) Respondents prepare submissions to establish capability to undertake project as detailed previously
- n) Shortlist proponents to proceed to stage 2

**Phase 3 Timeframe****18 weeks****Cumulative Project Timeframe****69 weeks**



**ITEM 1 (continued)****Decision Point - Council sign-off to proceed required**

<b>Phase 4 - COMPETITIVE DESIGN PROCESS (Stage 2)</b>		
<b>Commence August 2010</b>		
o) Commence stage 2 with release of detailed briefs to shortlisted proponents		
p) Proponents prepare and submit concept designs and supporting business case, design statements, sustainability statements etc		
q) Evaluation panel makes a recommendation to Council		
r) Council selects preferred partner and competitive design process winning scheme		
s) Announce winner / public exhibition of preferred design		
<b>Phase 4 Timeframe</b>		<b>35 weeks</b>
<b>Cumulative Project Timeframe</b>		<b>104 weeks</b>

**Decision Point - Council to appoint preferred partner to redevelop the Civic Precinct site. Once Council decides to proceed here, Council will be bound legally to proceed.**

<b>Phase 5 - PROJECT DELIVERY</b>		
<b>Commence April 2011</b>		
t) Contractual negotiations undertaken (contract signed October 2011)		
u) Detailed design developed		
<b>Phase 5 Timeframe</b>		<b>96 weeks</b>
<b>Cumulative Project Timeframe</b>		<b>200 weeks</b>
<b>Phase 6 – PREFERRED PROJECT DEVELOPMENT PLANNING</b>		
<b>Commence January 2013</b>		
v) Development application lodged (January 2013)		
w) Public exhibition of development application and assessment		
x) Development Consent issued (December 2013)		
y) Construction certificate obtained (December 2014)		
<b>Phase 6 Timeframe</b>		<b>112 weeks</b>
<b>Cumulative Project Timeframe</b>		<b>312 weeks (6 years)</b>
<b>Phase 7 - PROJECT CONSTRUCTION</b>		
<b>Commence April 2015</b>		
z) Commence construction (April 2015)		
<b>Unable to estimate construction timetable at this point in time</b>		

**20 Project Resourcing - Civic Precinct Committee**

Council has established the Civic Precinct Committee as a standing Committee of Council. This Committee consists of all Councillors and acts as a steering body for the redevelopment of the Civic Precinct site.

The incoming Council has resolved to continue the Civic Precinct Committee and membership includes the whole of Council. The Committee will be the steering body for the redevelopment of the Civic Precinct site.



**ITEM 1 (continued)**

It is intended that the Committee meet every quarter, with the next meeting suggested to occur in April 2009 if the amendment to the height controls for the Civic Precinct site are approved.

**21 Project Resourcing - Proposed Project Team**

Council's Executive Team will be the project control group. A project team, with demonstrated experience in the delivery of government projects, probity and knowledge of the construction and development sector and experience with Public Private Partnerships must be established to deliver the project.

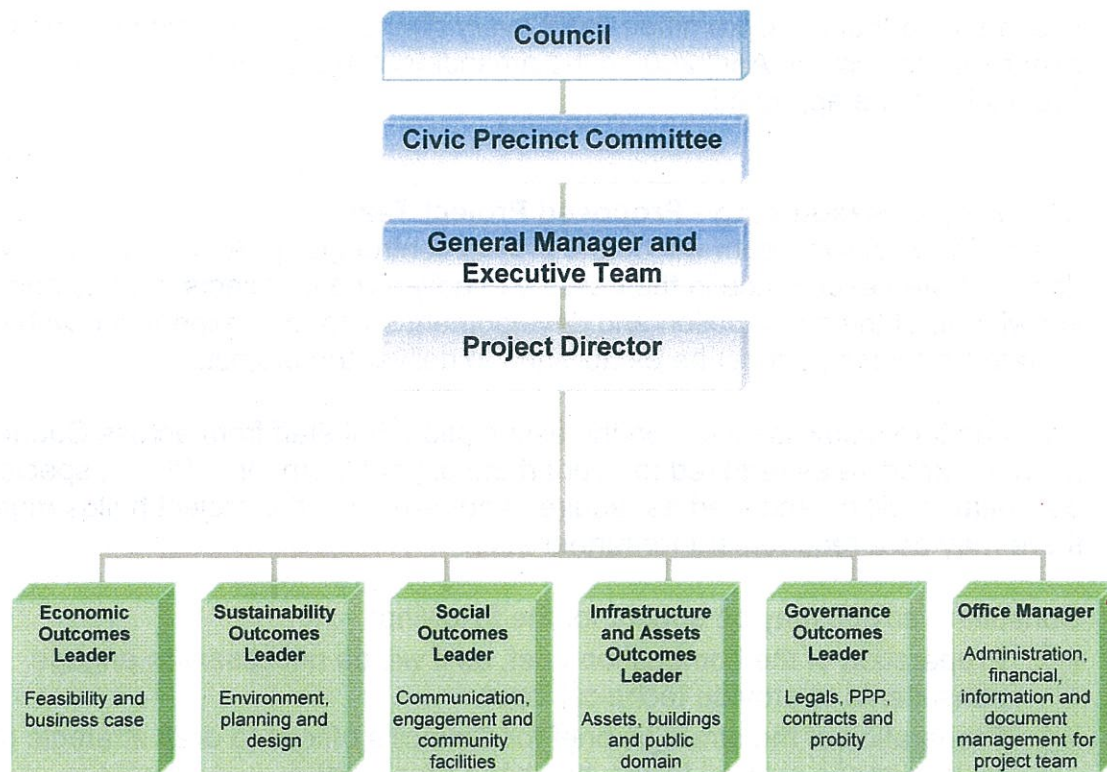
The structure below is based on the assumption that staff from across Council will provide expertise as required to support the project team. In addition, specialist consultants will be engaged as required and also once the project builds momentum there may be a requirement for further staff.

Consultant advice may be sought for the following:

- Preparation of the competition brief, as it will be necessary to engage consultants to provide technical input.
- Preparation of the strategic brief for Council's offices (a draft strategic brief for a multi-purpose cultural facility has been prepared).
- Preparation of an engagement plan to inform and consult the community and stakeholders throughout the life of the project.
- Preparation of a communication strategy and marketing plan, with the aim of attracting investment to Ryde and obtaining stakeholder buy-in from the community state government and development sector.
- Preparation of a probity plan by recognised probity advisors.
- Legal analysis, contract drafting and negotiations.
- Governance obligations required under statutes.
- Financial analysis and strategy.

It is proposed the project team will be accommodated in meeting room one on level 5 of the Civic Centre building, which will provide a suitable confidential and lockable space for the project.



**ITEM 1 (continued)****22 Project Resourcing - Proposed Budget**

The proposed budget for the Civic Precinct project is \$10 million over six years. The present budget for 08/09 is \$500,000 and \$8,663,937 is allocated in the Civic Precinct Reserve. Depending on the decision of Council funds will be requested as part of the management planning process.

**23 Consultation**

Consultation has occurred with Councillors on this matter over the last two years through workshops and reports to Council. Other consultation has occurred with the internal service units and the community as part of the DLEP 143 process.

As outlined previously the key to the success of this project will rely on effective engagement of the Ryde community and other stakeholders throughout the life of the project. However, the first steps will be to amend the height provisions for the Civic Precinct site from RL91 to RL130.

Further information on engagement is provided in section 20.

**24 Critical Dates**

See previous timetable outlined in section 21.



**ITEM 1 (continued)****25 Management Plan Budget / Linkages**

This project has been identified and funds allocated in the 2008/2009 budget as adopted in the Management Plan 2008-2012.

**Relationship to Key Outcome Areas****People**

This project meets the following **key outcomes** for People (set out on page 46 of the Management Plan 2008-2012):

- P1 A vibrant city that is economically strong and engages its community through cultural and social activities.
- P2 A city that plans for people by involving them in decision making to improve their quality of life.
- P3 A harmonious community through a culturally enriched and respectful society.

This project will engage the community throughout the process using the 'Your City, Your Voice' model of engagement as the basis providing the community with a range of opportunities to have their say.

The Civic Precinct redevelopment will deliver a wide range of community benefits, in particular, a cultural facility and public domain improvements. These spaces will enable the current and any future community to engage in activities that support the cultural fabric of the area and create the connections with one another through shared activities and experiences.

**Assets**

This project meets the following **key outcomes** for Assets (set out on page 56 of the Management Plan 2008-2012):

- A1 Well designed streets and paths where motorists, cyclists and pedestrians feel safe.
- A2 Well designed places and spaces that minimise personal harm and where people interact with each other.
- A3 A high standard of visual appearance for our infrastructure, built environment and public areas.

By undertaking a competitive design process Council will create a built environment that is attractive, innovative and functional based on best practice. The Civic Precinct site will provide safe, accessible and inclusive public spaces. Through this redevelopment Council's assets will be better managed and environmentally responsible.

**Environment**

This project meets the following **key outcomes** for Environment (set out on page 67 of the Management Plan 2008-2012):

- E1 Clean air through better integrated transport systems.
- E6 Sustainable practices in buildings, waste management, transport, energy systems and water use.



**ITEM 1 (continued)**

The redevelopment of the Civic Precinct site will be based on environmentally sustainable and supportive practices in the development of both buildings and public spaces and will achieve a 5 Greenstar rating.

The Integrated Traffic Solution will also assist in creating a more effective and safer town centre for the community.

**Governance**

This project meets the following **key outcomes** for Governance (set out on page 75 of the Management Plan 2008-2012):

- G1 Improved awareness and understanding of Council's decisions by the community.
- G2 Members of the community are engaged in democratic decision making.
- G3 Review of best practice approaches on Governance to enhance the delivery of services to the community.
- G5 Compliance with all legislative requirements and statutory obligations.

This project will have a clear and robust governance framework to ensure the transparency and accountability of all involved. This framework includes adherence to relevant statutes, in particular that of Public Private Partnerships and the Department of Local Government Capital Works Guidelines.

Through utilising the 'Your City, Your Voice' model of engagement the community will be provided with an active voice throughout the life of this project.

**26 Financial Impact**

See previous financial information outlined in section 18. The investment required would be approximately \$10 million (project costs), the land value of \$17 million with a potential completed value of works return of \$117 million and a net completed value of assets in the vicinity of \$90 million.

This project is provided for in the current budget (08/09) and within each year of the Management Plan 2008 - 2012.

As this project evolves a more detailed budget will be presented to Council.

**27 Policy Implications**

Council would need to amend the height controls on the Civic Precinct site through the Draft Ryde LEP 2008.

**28 Other Options**

The Civic Precinct is a trophy site with exceptional views, access and development potential. Council has prepared for the project by implementing supporting infrastructure such as vehicular access and utilities upgrades. A number of studies have already been completed which guide the project. The project is ideally suited to a competitive design process. Council has also established a Civic Precinct Reserve and a 08/09 budget allocation of \$500,000 with total funds available of \$9,163,937.



**ITEM 1 (continued)**

Other options available are:

***Do nothing***

Council can decide not to proceed with the redevelopment of the Civic Precinct site or with a competitive design process. Under this scenario the existing Civic Centre building will require capital input to remain fit for purpose. The Civic Hall would also require upgrade to meet community needs. It is estimated that \$8 million would be required to refurbish the Civic Centre buildings to modern standards.

***Sell the site***

Council could choose to sell the site for redevelopment by another party. The value of the site is in the order of \$17 million in its present condition but the market conditions will decide the ultimate price.

***Architectural / ideas competition***

A traditional architectural competition such as held for Barangaroo (East Darling Harbour) is useful to establish a vision for a site. In this case Council has already established a vision and design parameters. These competitions often produce a design which cannot be implemented eg World Trade Centre site and Barangaroo. Subsequent project phases result in substantial change to the winning design to the disappointment of community and other stakeholders. This process would not suit Council as it has placed an emphasis on delivery of community facilities and will therefore need an implementable scheme.

**29 Conclusion**

The redevelopment of the Civic Precinct site in line with Council's vision will have enormous benefits to the community in terms of public space and facilities to meet contemporary needs. The growth of Ryde Town Centre will create jobs, local investment and a diverse range of residential accommodation. In addition, Council will be able to retain and enhance an asset and deliver its vision of a quality mixed use precinct.

An amendment to the existing planning controls is required to ensure design excellence and planning certainty. Draft Ryde LEP 2008 is currently on exhibition now and is anticipated to be reported to Council in March 2009. It is recommended that Council make a submission to the plan to increase the height limit to RL130 AHD, subject to a competitive design process and Council prepare an amendment to the plan, which is subject to a further report to Council on 9 December 2008.

If this amendment is approved the proposed competitive design process for the site will leverage off community enthusiasm and support for the revitalisation of Ryde Town Centre expressed in submissions to LEP 143 and for the recently approved Top Ryde Shopping Centre redevelopment. In addition significant works and studies have already been completed to assist in guiding / delivering this project.

The competitive design process methodology reflects industry best practice and is structured to minimise Council's risk exposure.



**ITEM 1 (continued)****RECOMMENDATION:**

- (a) That the report of Team Leader Strategic Planning and Manager Major Projects on City Of Ryde Civic Precinct Mixed Use Development be received and noted.
- (b) That Council endorse the undertaking of a competitive design process for the Civic Precinct site.
- (c) That Council make a submission to Draft Ryde Local Environmental Plan 2008 to increase the permissible height of the Civic Precinct site to RL 130 AHD (from RL91).
- (d) That Council prepare and exhibit an amendment to the Draft Ryde Local Environment Plan 2008 to increase the permissible height of the Civic Precinct site to RL130 AHD in accordance with the NSW Environmental Planning and Assessment Act and Regulations.
- (e) That the General Manager be delegated authority to make representations to the state government to seek comments, involvement and endorsement for the amendment to Draft Ryde Local Environmental Plan 2008 and the competitive design process for the Civic Precinct site.
- (f) That the General Manager write to the Premier of NSW, Minister for Local Government, Minister for Planning and other relevant Government agencies advising that Council is initiating a competitive design process for the Civic Precinct site, attaching this report and seek their comment and support.
- (g) That Council endorse in principle the outcomes, deliverables, spatial breakdown, project structure and methodology for the competitive design process as outlined within this report.
- (h) That Council endorse in principle the project resourcing required and that the General Manager be delegated authority to establish a project team to be based in Committee Room 1, Level 5 of the Civic Centre building.

Report prepared by:

**Lexie Macdonald**  
**Acting Team Leader Strategic Planning**

**Maxine Kenyon**  
**Manager Major Projects**

Report approved by:

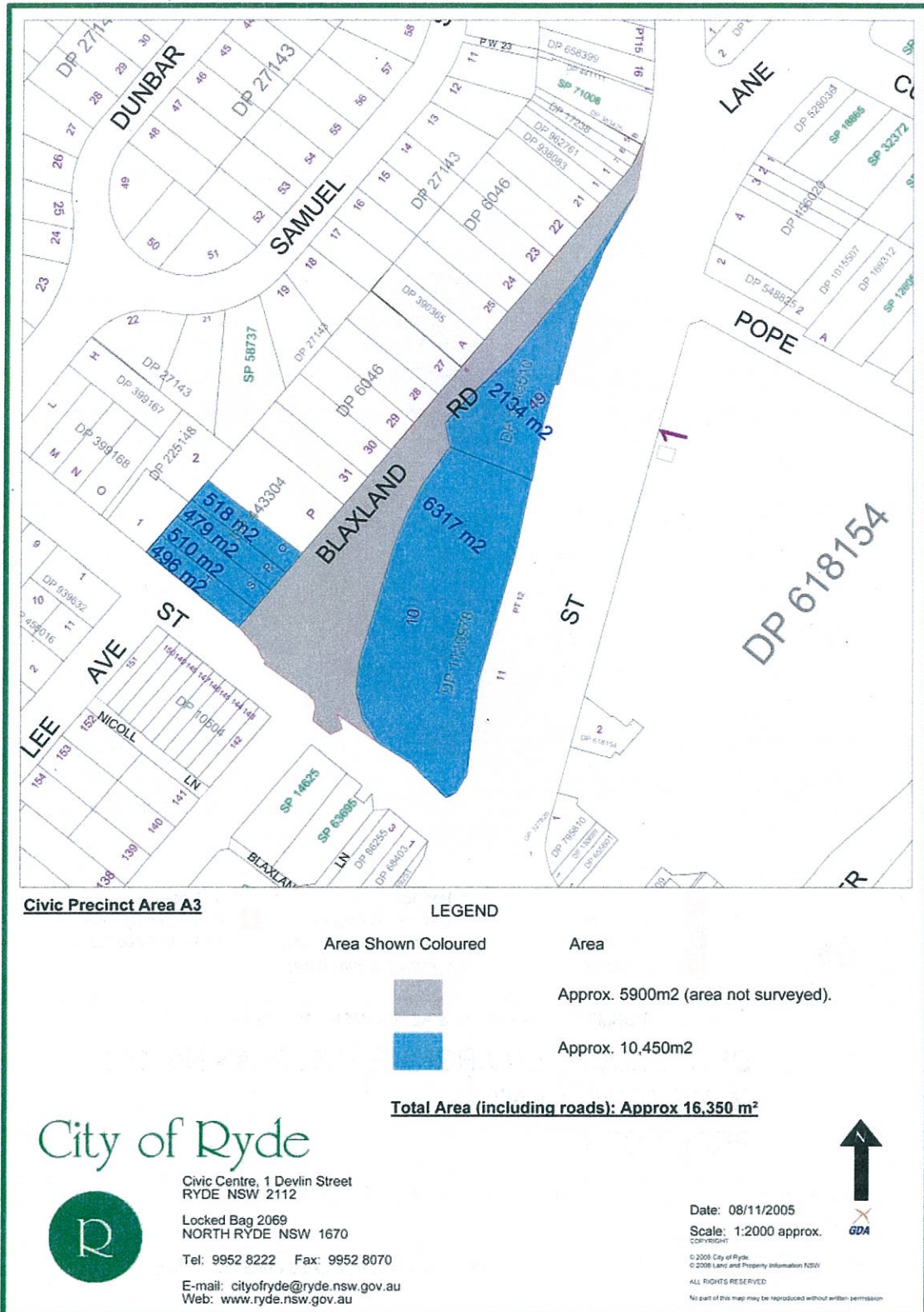
**Michael Whittaker**  
**General Manager**



## ITEM 1 (continued)

## ATTACHMENT

## Civic Precinct Site Map

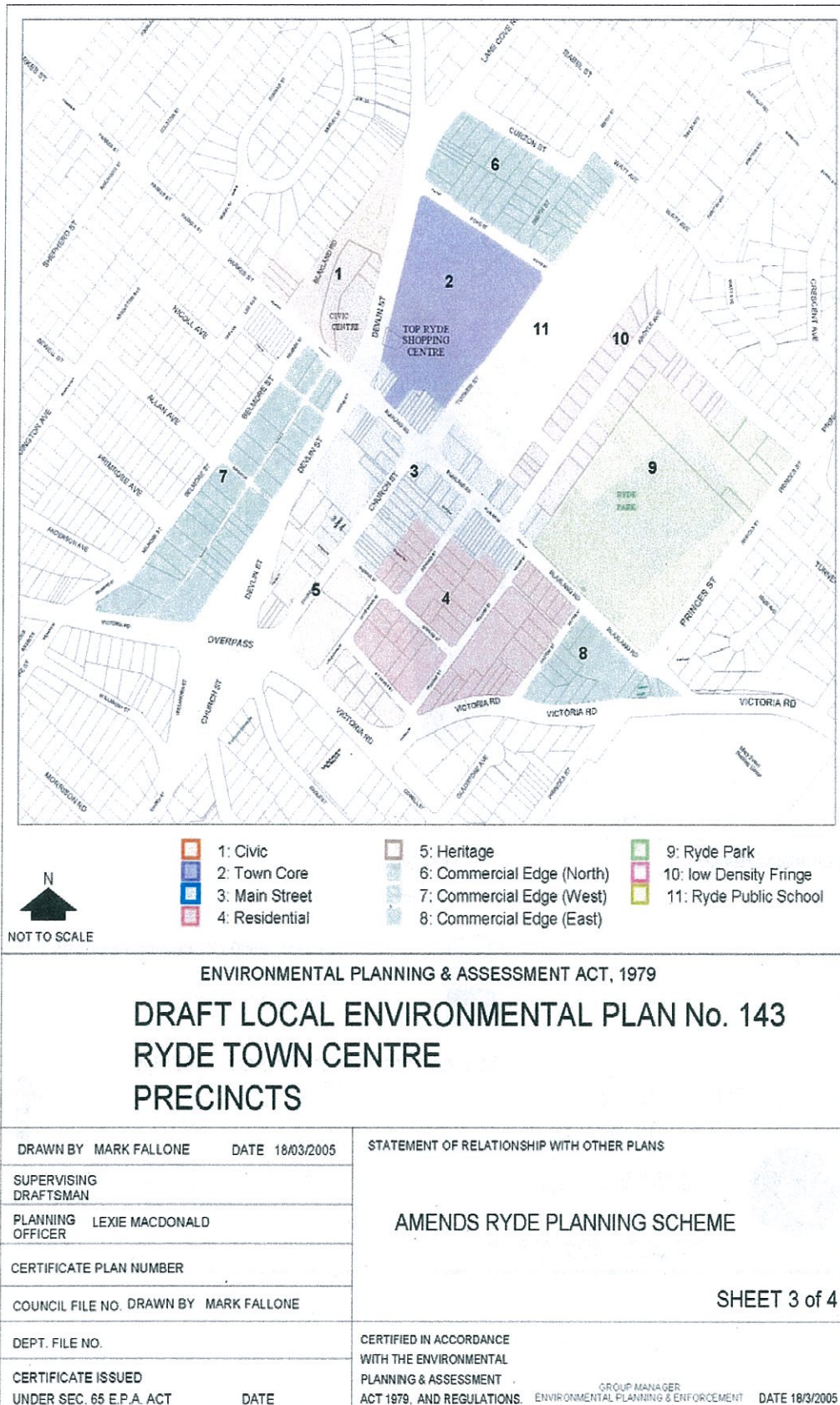




## ITEM 1 (continued)

**ATTACHMENT**

**Precinct 1: Civic/Mixed Use is defined in LEP 143 and detailed design guidance provided within Ryde DCP 2006.**





## **ATTACHMENT 2**

### **Ryde Civic Precinct Committee Minutes – 9 December 2008**



## Civic Precinct Committee

MINUTES OF MEETING NO. 01/08

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**Meeting Date:** Tuesday, 9 December 2008  
**Location:** Committee Room No. 2, Fifth Floor,  
Civic Centre, 1 Devlin Street, Ryde  
**Time:** 5.00pm

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**Councillors Present:** The Mayor, Councillor V J Tagg (Chairperson) and Councillors N Campbell, A Etmekdjian, R Maggio, G O'Donnell, T Perram, B Pickering, and S Yedelian. Councillor J Salvestro-Martin was present from 5.15pm during the presentation for Item 1 and apologised for his late arrival.

**Apologies:** Apologies were received and accepted from Councillors M Butterworth, J Li and I Petch.

**Staff Present:** General Manager, Group Manager – Community Life, Group Manager - Corporate Services, Group Manager - Public Works, Acting Group Manager – Environment & Planning, Manager Major Projects, Manager - Library Services, Corporate Planning Co-ordinator, Media and Community Relations Officer and Senior Administration Co-ordinator.

**Disclosures of Interest:** Nil

### 1 CITY OF RYDE CIVIC PRECINCT MIXED USE DEVELOPMENT

Report: The General Manager, Michael Whittaker, provided a PowerPoint presentation on the City of Ryde Precinct Mixed Use Development.

**RESOLUTION:** (Moved by Councillors Yedelian and Campbell)

- (a) That the report of the Team Leader Strategic Planning and Manager Major Projects on the City of Ryde Civic Precinct Mixed Use Development be received and noted.
- (b) That Council endorse the undertaking of a competitive design process for the Civic Precinct site.

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Minutes of the Civic Precinct Committee Meeting No. 01/08, dated 9 December 2008



- (c) That Council make a submission to Draft Ryde Local Environmental Plan 2008 to increase the permissible height of the Civic Precinct site to RL 130 AHD (from RL91).
- (d) That Council prepare and exhibit an amendment to the Draft Ryde Local Environment Plan 2008 to increase the permissible height of the Civic Precinct site to RL130 AHD in accordance with the NSW Environmental Planning and Assessment Act and Regulations.
- (e) That the General Manager be delegated authority to make representations to the state government to seek comments, involvement and endorsement for the amendment to Draft Ryde Local Environmental Plan 2008 and the competitive design process for the Civic Precinct site.
- (f) That the General Manager write to the Premier of NSW, The Hon. Nathan Rees MP, Minister for Local Government, The Hon. Barbara Perry MP, Minister for Planning, The Hon. Kristina Keneally MP and other relevant Government agencies advising that Council is initiating a competitive design process for the Civic Precinct site, attaching this report and seek their comment and support.
- (g) That Council endorse in principle the outcomes, deliverables, spatial breakdown, project structure and methodology for the competitive design process as outlined within this report.
- (h) That Council endorse in principle the project resourcing required and that the General Manager be delegated authority to establish a project team to be based in Committee Room 1, Level 5 of the Civic Centre building.
- (i) That the sustainability standard for the Civic Precinct site becomes a minimum of a 5 Greenstar building.

**Record of Voting**

For the Motion: Unanimous

The meeting closed at 6.15pm.

CONFIRMED THIS                  DAY OF                  2009

Chairperson

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Minutes of the Civic Precinct Committee Meeting No. 01/08, dated 9 December 2008.



## **ATTACHMENT 3**

### **Ryde Civic Precinct Committee Agenda – 16 March 2010**



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**2 CIVIC PRECINCT UPDATE - Revised Model and Structure**

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**Report prepared by:** Manager, Major Projects**Report dated:** 18/02/2010**File No.:** GRP/10/5/001/1 - BP10/75

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**Report Summary**

In December 2008 Council adopted a structure and process for the development and implementation of the Civic Precinct project. The General Manager has reviewed and identified further information that is needed to confirm feasibility of the project. Particular attention is required on the governance model, the commercial reality of the development, the timing of the project, the potential impacts of the urban design and the engagement process with the community. As a result, changes are recommended to the methodology.

This report provides an overview of the revised governance structure, a project methodology, preliminary costings and risks for the Civic Precinct project. It recommends adoption of this model commencing with the employment of a Development Director with the aim of placing the Civic Precinct in the market within a 3 to 4 year timeframe.

**RECOMMENDATION:**

That Council:

- (a) Endorse the proposed structure and methodology outlined in this report, noting that further detail will be provided after the commencement of the Development Director.
- (b) Commence recruitment of all external consultants, starting with the Development Director through a tender process.
- (c) Provide the allocation of \$2,577,150 funds from the Civic Precinct Reserve into the Management Plan 2010 - 2014, as outlined in the report.

**ATTACHMENTS**

There are no attachments for this report.

Report Prepared By:

**Maxine Kenyon**  
**Manager, Major Projects**

Report Approved By:

**John Neish**  
**General Manager**



**ITEM 2 (continued)****Background**

The Civic Precinct site (16,350m<sup>2</sup>) is a prime site within the Ryde Town Centre, a transport, residential and retail hub. With excellent access and a Roads and Traffic Authority approved transport solution including spurs into the site, two pedestrian linkages and significant changes to the road network, this site has significant development potential.

Council's vision for this site, as identified in the Development Control Plan was to deliver a multifunction cultural centre, public spaces and Council's administration building within a mixed used precinct, whilst ensuring the project is environmentally, economically and socially sustainable. Council needs to be able to leverage off its landholdings to deliver increased community benefit, providing quality urban design outcomes whilst retaining an asset and delivering an income stream to Council.

Council previously adopted a model for this redevelopment, however this was not enacted due to the departure of the previous General Manager. The first step in the process is required to enable the exhibition of the Amended Local Environment Plan as required under the Environmental Planning and Assessment Act.

The redevelopment of this site has a long history, a summary in chronological order is provided below.

<b>Date</b>	<b>Event</b>
<b>June 2005</b>	- Councillor workshop to consider future of all Council land in Ryde Town Centre as part of the preparation of DLEP 143.
<b>November 2005</b>	- Councillor workshop to consider future of Civic Precinct. Council expressed a desire to redevelop the site concurrently with the Top Ryde Shopping Centre and deliver community benefits.
<b>October - November 2005</b>	- Public Exhibition DLEP 143 and supporting documents, including an Integrated Traffic Solution that allowed the development potential of the Shopping Centre and Civic Precinct to progress.
<b>December 2005</b>	- Council submitted DLEP 143 to Department of Planning for gazettal.
<b>May 2006</b>	- LEP 143 was gazetted, with amendments to reduce the permissible height from RL130 to RL91 while retaining floor space potential of 100,000m <sup>2</sup> . - Civic Precinct Committee established and first meeting held.
<b>May 2007</b>	- Councillor workshop at Civic Precinct Committee
<b>June 2007</b>	- Council resolved to undertake a competitive design process that would permit a 20 storey development on the site and re-establish the Civic Precinct Committee.
<b>October 2008</b>	- Workshop to confirm Civic Precinct Committee with new Councillors.
<b>December 2008</b>	- Councillor workshop with results of feasibility study of a cultural facility on the site. - Council resolved to prepare an amendment to the City Wide LEP (DLEP2008) to permit buildings up to RL130AHD. The amended plan is known as DLEP 2008 Amendment No.2.
<b>November 2008 – January 2009</b>	- Draft Ryde LEP 2008 (the consolidated plan for the City) on public exhibition.

Agenda of the Civic Precinct Committee Report No. 1/10, dated Tuesday 16 March 2010.



**ITEM 2 (continued)**

<b>May 2009</b>	- Approval received from the Department of Planning to proceed to the public exhibition (s65) of DLEP Amendment No.2.
<b>November 2009</b>	- Council resolved that the GM be delegated to issue s65 certificate and that the proposed exhibition material be presented to the Civic Precinct Committee for approval.

**Report**

With the commencement of the current General Manager a review of the methodology and structure of the Civic Precinct project has been undertaken. This has resulted in recommended changes to strengthen the feasibility and successful delivery of this project.

The redevelopment on the Civic Centre site must balance the urban design elements and community benefit, whilst providing the best return for Council. This balance, along with governance, commercial testing and risk management, as outlined below, were considered in the revision of the structure and methodology.

**Governance**

The governance strategies of the Civic Precinct project must be robust and involve experts from various fields to assist Council in making well informed decisions.

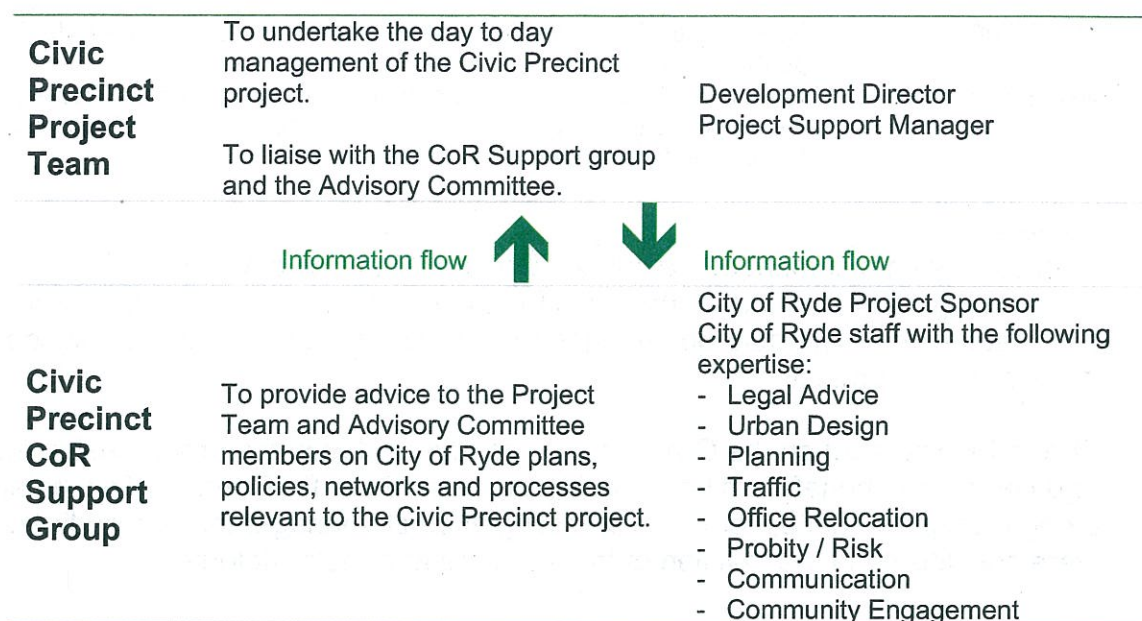
**Structure**

The structure of the Civic Precinct project is outlined in the following table. This model supports the revised methodology and uses the existing skills and knowledge of staff, combined with the objective expertise offered by external advisers. This recognises that a project of this size and complexity requires specialised skills.

The governance structure maintains Council as the final decision maker, through the Civic Precinct Committee.

<b>Structure</b>	<b>Aim</b>	<b>Members</b>
<b>Civic Precinct Committee</b>	To provide direction in all projects involving the development of the Ryde Town Centre including land owned by the Council.	All 12 Councillors
<div style="display: flex; justify-content: space-around; align-items: center;"> <span>Information flow</span> <span>Information flow</span> </div>		
<b>Civic Precinct Advisory Committee</b>	<p>To provide expert advice on matters relevant to the Civic Precinct project which optimises the returns to Council and the community.</p> <p>To collaborate and challenge the Project Team and CoR Support Group.</p>	<p>City of Ryde Project Sponsor External advisers with the following expertise:</p> <ul style="list-style-type: none"> <li>- Development Director</li> <li>- Property / Commercial Lawyer</li> <li>- Urban Designer</li> <li>- Land Economist</li> <li>- Probity Advisor</li> <li>- Communication / Engagement</li> </ul>
<div style="display: flex; justify-content: space-around; align-items: center;"> <span>Information flow</span> <span>Information flow</span> </div>		



**ITEM 2 (continued)**

In conjunction with this structure, the decisions made regarding the type of development and the agreement with the developer will also guide the governance strategies of the Civic Precinct project.

**Type of redevelopment**

The type of redevelopment occurring on the site is not only based on what is permitted through the planning controls but also the decision Council makes as a landholder. There are a number of options, including:

- Selling the site outright with the Council locating elsewhere
- Selling the site and retaining some space in the redeveloped site for Council's own construction
- BOOT scheme - build, own, operate, transfer floor space to Council so that Council operates from the site and owns additional floor space to rent
- Council contributes land and contributes funds to the redevelopment so that Council owns a larger amount of additional floor space for rent.

All of these options will be explored considering the development potential, marketability, potential site mix, Council's risk levels and benefit / return to the community.

**Project Delivery**




The proposed revised project methodology includes four phases, aiming for commencement of works to be undertaken in 2014. As with the model previously provided to Council, it is essential that Council have exit points for the project at the end of each phase. This will ensure that the outcome required is achieved and that the project is still viable before moving forward to the next phase.

This proposed methodology and associated timeframes is indicative only and will be reviewed and enhanced with the commencement of the Development Director who has the experience with this type of development.



**ITEM 2 (continued)**

The key change to the methodology is to delay the public exhibition of DLEP Amendment No.2 to gain increased height on the site until further commercial analysis, feasibility testing and engagement with the community has been undertaken.

Phase	Aim	Description
<b>1. Establishment</b> <b>(Mar 10 – Sept 10)</b>	Undertake appropriate planning to inform decision making and establish the project team.	<ul style="list-style-type: none"> <li>- Selection and establishment of the team members and governance structure</li> <li>- Gaining external support</li> <li>- Development and approval of key documentation, including scope and budget, communication &amp; engagement plans</li> </ul>
Gateway - Exit Point		
<b>2. Planning and Assessment of Options</b> <b>(Sept 10 – Aug 11)</b>	To identify the most appropriate model for the Civic Precinct redevelopment from a commercial and community perspective.	<ul style="list-style-type: none"> <li>- Develop draft Masterplan and high level concept designs</li> <li>- Undertake commercial analysis and feasibility testing</li> <li>- Engage the community on Masterplan and high level concept designs</li> <li>- Revisit planning controls and undertake associated public exhibition period</li> <li>- Planning permission is finalised</li> <li>- Model for developing the site is determined</li> </ul>
Gateway - Exit Point		
<b>3. Tendering and Selection</b> <b>(Sept 12 – May 13)</b>	To select a suitable tenderer through a formal Competitive Design process.	<ul style="list-style-type: none"> <li>- Documentation of tender documents, including selection criteria</li> <li>- Competitive Design process: call Expressions of Interest</li> <li>- Competitive Design process: call for tender</li> <li>- Competitive Design process: selection of tenderer</li> <li>- Contractual negotiations</li> </ul>
Gateway - Exit Point		
<b>4. Project Delivery</b> <b>(June 13 – TBC)</b>	<p>Development of final design and undergo Development Application process ready to commence construction.</p> <p>Construction commences</p>	<ul style="list-style-type: none"> <li>- Detailed designs developed</li> <li>- Development application lodged</li> <li>- Public exhibition</li> <li>- Development consent issued</li> <li>- Construction certificate obtained</li> <li>- Commence construction</li> </ul>



**ITEM 2 (continued)****Project Management**

To deliver this methodology a skilled Development Director is required to maintain the focus, manage the ongoing risks and maintain communication with Councillors and the project sponsor.

This is a large and complex project that requires a project team with demonstrated experience and skills in this type of redevelopment. Council does not have the skills required for this role. The majority of the team will be external consultants who will not only guarantee the skill set required but also share some of the liability associated with the project.

The Development Director and Project Support Manager will manage the project day to day. It is envisaged that the Development Director would initially be part time and the Project Support Manager would be full time. A range of other consultants would be part time and used as required to provide expert advice on issues such as probity and legal, urban design and planning, commercial viability and testing, property assessment, communication and engagement. These positions together with the Development Director and the City of Ryde Sponsor will form the Civic Precinct Advisory Group.

By nature, projects of this magnitude require variable and extensive use of consultants. While the current tendering threshold provided in the Local Government Act and Regulation is \$150,000, the Department of Local Government (DLG) Procurement Guidelines (Circular 06/07) does not specifically address issues associated with engaging consultants on an hourly rate. DLG do however encourage councils to be guided by the following key considerations, which will be covered in the Civic Precinct project governance strategies:

- Legal obligations
- Policy frameworks and guideline documents
- Value for money
- Probity
- Accountability and transparency
- Consistency
- No conflict of interests
- No improper advantage
- Risk management
- Open to scrutiny.

Although the scope of the project is not finalised, it is clear that the costs of the Development Director alone will be higher than \$150,000 over the course of the project. Council has written requesting advice from the DLG on the most suitable process to maintain the information and knowledge of consultants, clear probity requirements and an appropriate process to manage and monitor the expenditure. A verbal response has indicated a tender process based on hourly rates will be acceptable to the department. Written advice is anticipated shortly.



**ITEM 2 (continued)****Urban Design**

The revised methodology to the project plan is based on the need for more detailed data and analysis to be undertaken on the Civic Precinct project, to test the feasibility of all components at an earlier stage.

**Commercial analysis**

In the previous Council report Council was advised as follows:

*'It is forecast that a 100,000m<sup>2</sup> mixed use project on the Civic Precinct site will have a completed value of works of approximately \$700 million. An industry guide for the management and other fees necessary to put together such a project in a professional manner are in the order of 1.5% or approximately \$10 million spread over six years. Preliminary estimates of the value of Council's deliverables at the completion of the project will be in the order of \$117 million.'*

These figures have not undergone scrutiny and as a result of the revised methodology will be tested through the commercial analysis and feasibility of options.

Further analysis is required to test the feasibility and commercial reality of the site, including determining the current land value of the site, research into market feasibility, identifying the appropriate mix of residential, retail, commercial and civic spaces and height needed. This is particularly so whilst the urban design considerations have not yet fully resolved. This analysis will ensure that the outcome is consistent with the intent, that the returns for Council and the community are realistic and that the project is marketable.

**Development Control Plan (DCP) principles and draft Masterplan**

A review of the current DCP provisions (part 4.4 DCP 2006) to guide the development of a detailed Masterplan for this site is needed. This will provide clarity to the community on how urban design issues, such as over shadowing, inclusion of open space etc will be addressed on the site.

An appropriate draft Masterplan will be developed to balance the returns to Council, with the community and urban design outcomes. This process will also verify whether a height of RL130 is required or not and whether it is based on commercial reality.

The draft Masterplan will form the basis for the community consultation.

**Planning**

There are current and possible future planning controls that must be considered on this site and will be a key factor to the success of the redevelopment. Resolution of these issues is critical for the 'de-risking' of the project for the market place.



**ITEM 2 (continued)**Revision to the planning controls

The Civic Precinct site currently has a permissible floor space of 100,000m<sup>2</sup> and height of RL91 (approximately ten storeys) which has been approved by the Department of Planning. Council has undertaken preliminary work which advised that without a height of RL130 (approximately 20 storeys) the floor space of 100,000m<sup>2</sup> currently permitted would not be possible without negative impacts on the urban outcomes and community benefit. However, without the urban design considerations being fully tested the complete impact is unknown. For example, the urban design issues may reduce the floor space lower than 100,000m<sup>2</sup>.

The Department of Planning has approved Council to commence the process to gain approval to increase the height from RL91 to RL130 on the Civic Precinct site. At the Committee of the Whole meeting on 17 November 2009, Council resolved to proceed to the exhibition of the Amendment Plan and for the engagement plan and documentation to return to Council in February 2010 prior to the public exhibition period.

The progress to public exhibition has been considered in the review of the methodology. It is recommended that this process be delayed to enable further research, analysis, engagement to be undertaken to better inform the process.

This delay will require Council to liaise with the Minister under the 'Gateway' process, a new process of the Department of Planning. Considering the work already undertaken and the previous approval to go out to s65, Council will request continuation of the process under the previously agreed process. A meeting with the Minister and the director general of Planning has been scheduled for the end of March 2010.

**Community Engagement**

It is planned to undertake meaningful engagement processes with the community on a draft Masterplan prior to developing the revision of the planning controls, resulting in two clear engagement processes in the early stages of the project.

We will maintain a commitment to working with the community to identify and address their concerns throughout the revised methodology. It is envisaged that a range of detailed concept plans (with various options) will be developed based on the DCP provisions and the Masterplan which will form the basis for the engagement process for the s65. Feedback will inform the process through possible revisions to the draft Masterplan and developments. This will provide appropriate information for a revision of the current planning controls.

**Financial**

The Civic Precinct project has an established Reserve, with a current total of \$4,978,582 (this includes the \$3m deducted for the City of Ryde Centre, as resolved by Council on 2 March 2010).



**ITEM 2 (continued)**Projected expenditure

The revised model has been scoped and high level estimates developed, based on the inclusion of the following elements:

- Consultants
- Development of key documentation
- Development of concepts and feasibility testing
- Revision of planning controls
- Competitive design process
- Engagement and communication
- Contingency.

It is estimated that the total cost of the project between Phases 1 and 3 (Project Establishment, Planning and Assessment of Options and Tendering and Selection) is approximately \$2.6million over more than 3 years. Costs of Phase 4 (Project Delivery) have not been accounted for as it is dependent on the type of redevelopment and agreement that is in place with the developer. These projected costs do not include any rewards or prize money for short listed tenderers. This issue would need to be considered by the Development Director and Council when developing the Competitive Design process.

This revised model requires nearly \$1m being spent (staffing costs, development of concepts and feasibility testing) in phases 1 and 2, prior to the planning controls being revised.

Once the Development Director and other experts are recruited a more detailed and accurate project plan and budget will be developed and reported to Council. This will also need to be revised due to market costs over the course of the project and may change dependent on the type of development and subsequent agreement for the site.

**Risks**

As with any project of this nature, there are significant risks. A key strategy to monitor and manage these risks is to have the right information. By using experienced and skilled team members (such as the Development Director and consultants) throughout the project the provision of regular project status and expenditure updates will be reported to Council. In addition, having clear exit points within the structure and methodology will enable Council to confirm if it wishes to continue with the project and associated expenditure throughout the life of the project.

Below are the key risks for the revised methodology for the Civic Precinct project. This is very high level and once a Development Director is recruited they will need to undertake a more detailed risk assessment.



**ITEM 2 (continued)**

<b>Description of Risk Event</b> This is a specific description of what could happen that would threaten the success of the project.	<b>Consequences</b> 1. Very Minor 2. Minor 3. Significant 4. Serious 5. Very Serious	<b>Likelihood</b> Likelihood of risk event with that consequence rating occurring 1. Very Low 2. Low 3. Likely 4. High 5. Almost Certain	<b>Mitigation Strategy</b> What can be done (if anything) to reduce the likelihood of the risk occurring?	<b>Contingency Plan</b> What can be done (if anything) to reduce the impact of the risk on the project, should it occur?
<b>Consultants fees become excessive over the course of the project if appropriate project management discipline is not used</b>	Significant	Likely	<ul style="list-style-type: none"> <li>- Implement tight project control and reporting</li> <li>- Undertake a tender process that identifies hourly, daily and week rate for the consultants and includes a termination clause at exit points.</li> <li>- Receive formal advice from the DLG on the preferred procurement model.</li> <li>- Monitor the project budget and deliverables</li> <li>- Use exit points when necessary</li> </ul>	<ul style="list-style-type: none"> <li>- Utilise tight project control over the consultants to limit the consultants time to essential elements only</li> <li>- Terminate the project using the exit points</li> </ul>
<b>Delaying the public exhibition process (as outlined in the revised methodology) would lead to Council spending \$1m prior to the public exhibition without the guarantee of an increased height approval being given</b>	Significant	Likely	<ul style="list-style-type: none"> <li>- Commercial analysis to determine the feasibility, commercial reality and best options considering height</li> <li>- Undertake extensive community engagement to inform, identify potential concerns from the community and other stakeholders up front</li> <li>- Develop concepts to address community concerns balanced with commercial realities.</li> <li>- Monitor the project budget and deliverables</li> <li>- Use exit points when necessary</li> </ul>	<ul style="list-style-type: none"> <li>- Reconsider redevelopment vision and concepts based on the height approved</li> </ul>



## ITEM 2 (continued)

<b>Description of Risk Event</b>	<b>Consequences</b>	<b>Likelihood</b>	<b>Mitigation Strategy</b>	<b>Contingency Plan</b>
This is a specific description of what could happen that would threaten the success of the project.	1. Very Minor 2. Minor 3. Significant 4. Serious 5. Very Serious	Likelihood of risk event with that consequence rating occurring 1. Very Low 2. Low 3. Likely 4. High 5. Almost Certain	What can be done (if anything) to reduce the likelihood of the risk occurring?	What can be done (if anything) to reduce the impact of the risk on the project, should it occur?
<b>Community not supportive or against the proposed height and / or concept designs and lodge objections to the DLEP Amendment No.2 which could lead to the recommended height or Masterplan not being approved</b>	Serious	Likely	<ul style="list-style-type: none"> <li>- Undertake extensive community engagement to inform, identify potential concerns from the community and other stakeholders up front</li> <li>- Commercial analysis to determine the feasibility, commercial reality and best options considering height</li> <li>- DCP provisions, masterplan and concept designs developed based on better practice and balance community outcomes with commercial outcomes</li> </ul>	<ul style="list-style-type: none"> <li>- Consider redesign or amendments</li> <li>- Reconsider redevelopment vision and concepts based on the height approved</li> </ul>
<b>An increased height is not approved by the Minister (remains at RL91 or lower than RL130), possibly making redevelopment with the intended vision not feasible or attractive to potential developers</b>	Serious	Likely	<ul style="list-style-type: none"> <li>- Regular communication with the Minister / State Government on the project and its progress</li> <li>- Demonstrate a thorough s65 process, including extensive community engagement, support and robust commercial analysis to support the need for the height</li> </ul>	<ul style="list-style-type: none"> <li>- Reconsider redevelopment vision and concepts based on the height approved</li> <li>- Place the site on the market without the section 65 approval</li> </ul>



**ITEM 2 (continued)****Consultation**

Internal Council business units consulted included:-

- Urban Planning
- General Counsel
- Risk & Audit
- Executive Team.

Internal Workshops held:-

- Nil.

City of Ryde Advisory Committees consulted included:-

- Not Applicable.

External public consultation included:-

- Department of Local Government

**Comments**

Council has written to the Department of Local Government requesting advice on the best procurement method for the Development Director and other consultants for the duration of this project. A formal response has not yet been received.

**Critical Dates**

Although there are no critical dates or deadlines to be met, timing of this initiative is a factor to its success. The Government election dates have been considered in the revised methodology and the status of the property development market must be considered when implementing Project Delivery in Phase 4.

**Financial Impact**

Detail on the financial elements of the proposed methodology have been outlined previously, the preliminary projected costs to date are as follows:

**Current Funds Available in the Civic Precinct Reserve** **\$4,978,582**

Projected estimated expenditure based on the revised methodology and detail outlined in this report

Phase 1 – Establishment	\$251,520
Phase 2 – Planning & Assessment of Options	\$986,820
Phase 3 – Tendering & Selection	\$1,338,810
Phase 4 – Project Delivery	Unknown

**Projected Total Expenditure** **\$2,577,150**

**Projected Balance of Civic Precinct Reserve in May 2013** **\$2,401,432**



**ITEM 2 (continued)**

These figures are high level estimates only, once the Development Director and other experts are recruited a more detailed and accurate project plan and budget will be developed and reported to Council. This will also need to be revised due to market costs over the course of the project and may change dependent on the development and development agreement for the site.

The current Management Plan has identified Civic Precinct allocations, however these would need to be amended to reflect the revised structure and model, as outlined below.

<b>Financial Year</b>	<b>Current Management Plan Allocation</b>	<b>Proposed Management Plan Allocation</b>	<b>Phase</b>
<b>2009/2010</b>	\$150,000	\$17,400	1. Establishment
<b>2010/2011</b>	\$900,000	\$1,084,445	1. Establishment 2. Planning and Assessment of Options
<b>2011/2012</b>	\$2,500,000	\$940,339	2. Planning and Assessment of Options 3. Tendering and Selection
<b>2012/2013</b>	\$2,500,000	\$534,966	3. Tendering and Selection
<b>2013/2014</b>	No allocation	Yet to be determined	4. Project Delivery

**Policy Implications**

There are no policy implications through adoption of the recommendation.

**Other Options**

Council may decide not to undertake further feasibility and viability testing or recruitment of the Development Director and other consultants until a height of RL130 has been approved in the planning controls.

**Conclusion**

The Civic Precinct project requires detailed planning to ensure that the project is commercially viable from the outset and robust governance strategies are in place to successfully manage this large and complex project appropriately.

This project, as with any similar project, has significant risks that need to be planned for and managed. If not, the commercial reality of this site may not be conducive to a redevelopment of the type proposed and Council will spend substantial funds without positive outcomes for the community and long term return to Council.



**ITEM 2 (continued)**

Knowing these and other risks, the revised methodology and structure aims to minimise the risks through the following strategies:

- Establishing a clear structure and governance framework to make informed decisions and utilising clear exit points throughout the project
- Developing appropriate tender and competitive design processes
- Engagement of experienced and skilled team members
- Utilising a project management approach with the provision of regular and appropriate information being provided to Council and other stakeholders
- Undertaking detailed analysis of the commercial viability considering the design outcomes, benefits for the community and return to Council.
- Utilising meaningful community engagement strategies throughout the life of the project.

This model aims to place Council in the best position to deliver this project for the Ryde Local Government Area. The redevelopment of this Council owned site has the potential to have enormous benefits for the City including community outcomes and monetary returns to support the delivery of services to the community.