



Shire of Busselton
Geographe Bay

Special Council Agenda

16 July 2008

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

SHIRE OF BUSSELTON

AGENDA FOR THE SPECIAL COUNCIL MEETING TO BE HELD ON 16 JULY 2008

TABLE OF CONTENTS

ITEM NO.	SUBJECT	PAGE NO.
1.	ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE	1
2.	PURPOSE OF THE MEETING	1
3.	PUBLIC QUESTION TIME	1
4.	DECLARATION OF DUE CONSIDERATION	1
5.	DECLARATIONS OF INTERESTS	2
6.	PRESENTATIONS BY PARTIES WITH AN INTEREST	2
7.	BUSINESS OF THE MEETING	2
7.1	CIVIC PRECINCT BUSINESS PLAN - CONSIDERATION FOR ADVERTISING	2
8.	CLOSURE	19

SHIRE OF BUSSELTON

MEETING NOTICE AND AGENDA – 16 JULY 2008

TO: THE SHIRE PRESIDENT AND COUNCILLORS

NOTICE is given that a meeting of the Special Council will be held in Council Chambers, Administration Building, Southern Drive, Busselton on Wednesday 16 July 2008 commencing at 7:00 pm.

Your attendance is respectfully requested.

ANDREW MACNISH
CHIEF EXECUTIVE OFFICER

2 July 2008

A G E N D A

1. **ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

2. **PURPOSE OF THE MEETING**

To consider the advertising of the Civic Precinct Business Plan.

3. **PUBLIC QUESTION TIME**

4. **DECLARATION OF DUE CONSIDERATION**

The Presiding Member will request Councillors to acknowledge, in accordance with Clause 8.1 of the Standing Orders, that they have given due consideration to the matters contained within the Agenda.

5. DECLARATIONS OF INTERESTS**6. PRESENTATIONS BY PARTIES WITH AN INTEREST****7. BUSINESS OF THE MEETING****7.1 CIVIC PRECINCT BUSINESS PLAN - CONSIDERATION FOR ADVERTISING**

FILE NO:	DEV4 / DEV7
ATTACHMENTS:	A. Civic Precinct Business Plan and attachments B. Options Cost Report (James Christou & Partners) April 2007 C. Previous Council Report and Resolutions D. Research paper - Similar local government projects.

PRÉCIS

The Shire of Busselton is an expanding, dynamic, sea change community which is positioning itself to provide services and facilities to a local, resident population growing to 75,000 in the future (refer Busselton Shire Council's Strategic Plan).

To ensure the Shire is well placed to meet the challenges associated with a significantly larger and more diverse community, the organisation has undertaken a process for the last five years to develop a suitable headquarters/Administration Facility.

The first stage of this process was to determine the best long term location of the facility which Council completed in April 2007. It resolved its preferred location for the Shire Administration Facility was the public purposes land surrounding to the Busselton Library (refer C0706/136).

This choice of preferred location has been vindicated by the extensive consultation and research conducted as part of a feasibility study requested by the Council. An additional study was also funded to develop a position on how the Shire of Busselton will provide sustainable and relevant Library Services into the future. The pivotal recommendation from the library study is to develop a new and enhanced Busselton Library to fulfil the role of a central library as a focal point within the Busselton CBD. Thus, rather than just an office building, the project has grown to one which will provide the CBD with a much needed Civic Precinct and in doing so, revitalise the southern end of town.

With an occupation date proposed for 2011 this item represents the next milestone in the project, that is the production of a Business Plan in accordance with the Local Government Act. Whilst the construction of a new Administration Facility itself does not warrant a Business Plan, one is required due to the proposed land purchases and sales associated with securing the site and funding the facility.

Officers believe that the advertising of the Business Plan will be a means by which the broad community and stakeholders can have meaningful comment on the proposal prior to Council determining how it wishes to progress.

The Business Plan includes the design brief and preliminary conceptual plans for the site, details on the future use of the existing building and outlines impacts on the organisation. It should be noted however, the conceptual plans only demonstrate the extent of the building and how it relates to the site. The appearance of the building would be determined as part of the design phase.

A sustainable and balanced funding model has been prepared which demonstrates that Council has the capacity to fund this project without exceeding previously set self imposed constraints.

Research undertaken to date including the recent tour of other Local Government Authorities has highlighted the importance of addressing this issue in a strategic and sustainable manner even in the face of criticism from some sectors of the current community. Council should consider that a modern, energy efficient administration and community centre is critical to the effectiveness of sustainable and responsive Shire operations, staff recruitment and retention and establishment of greater Shire-Community partnerships.

On this basis, this item is presented to Council for consideration with a recommendation to publicly advertise the Business Plan and then report the outcome to Council.

BACKGROUND

Like any major project the Civic Precinct has a history worth recounting. It is important to realise that given the time involved in investigating options, developing feasibilities, engaging with the community and stakeholders, designing a facility and awarding a tender for construction it is almost impossible to undertake all of this within a two year period (or between Council elections).

Given the research undertaken to date it is timely for the broader community to have a direct input.

The following is a summary of the history of the project, however copies of the complete Council items and resolutions relating to this project in chronological order are attached at Appendix C:

1. 22nd October 2003 – CO310/445 - Council resolved it was comfortable in being enticed to Vasse and required a Business Plan to be prepared in accordance with the Local Government Act. A draft plan was produced. However it was discounted following a number of workshops with new elected members following the Council elections.
2. 28th June 2006 – CO606/222 – Officers recommended a process investigating three sites; 1 being the current site, 2 Library site and 3 Vasse. Council resolved to investigate current site (1).

3. 26th July 2006 – CO607/255 – Council resolved to investigate the Public Purposes land surrounding Busselton Library and Lotteries House as part of the selection of the site.
4. 14th March 2007 – CO703/054 – Council received the initial expressions of interest about accommodating community groups and government agencies within the Shire Administration facility and requested a detailed feasibility be undertaken.
5. 13th June 2007 – CO706/136 – Council, in reviewing the report comparing the current site to the Library site, resolved its preferred long term location was the public purposes land surrounding Busselton Library and asked Officers to prepare a Business Plan for advertising in accordance with the Local Government Act.
6. 1st August 2007 – CO708/172 – Council adopted a Consultation and Communications Framework for the project which was a requirement of a previous resolution.
7. 17th October 2007 – CO710/252 – Council resolved that for the purposes of the Business Plan the existing site should be used for Community Purposes.

The attached Business Plan and preliminary Master Planning documents present a business case to the Council which allows the Shire to design, construct, occupy and manage this facility on a freehold-owned CBD site within the statutory and financial environment that a Western Australian Local Government must operate.

The Business Plan represents the culmination of a significant amount of resources of the organisation, Elected Member and Officer time, and consultation group input from community members and organisations.

CONSULTATION

This is a significant project for the organisation, the town's CBD, the entire district and sub-region. As part of its commitment to the community, the Shire is keen to ensure the community and key stakeholders have ample opportunities to provide input into key aspects of the project.

In June 2007, Council endorsed the communication and consultation framework which has provided the basis for how the consultation concerning the project has occurred to date. From the inception of the project the Shire has undertaken a communication and consultation process commensurate with a project of this scale.

To ensure the involvement in the "shaping of decisions" by key stakeholders, Council established three reference groups with members who volunteered, or were nominated, to represent each primary stakeholder group. The membership of these reference groups is as follows:

Community Reference Group

Alison Brown; Marcus Browne; Delys Forrest; Ian Gregory; Jane Holland; Peter McClurg; Bevil Reynolds; Neville Walton.

Staff Reference Group

Lorna Secrett; Rocco Guzzomi; Jeffrey Corker; Wayne Whitehouse; Karen Nicholls; Russell Finlay; Paul Hamilton; Dianne Hamilton; Ingrid Madrigal; Emma O'Brien; Haley Webster, Peter Malavisi.

Civic Precinct Reference Group

Bill Dyas, Silver Chain; Anthony Wright, BESS; Leanne Miller, BESS; Sandra Doherty, Busselton Childcare Centre, Alison Cassanet, Busselton Dunsborough Environment Centre; Patrick Gaillard, DCP; Carl Holroyd, Busselton Dunsborough Volunteers; Mark Teale, Lottery West; Uta Wicke, Busselton Dunsborough Environment Centre; Ric Harrison, Busselton Chamber of Commerce; Joe Moylan, Citizens Advice Bureau.

Project Management Group

Cr Wesley Hartley - Shire President; Cr Bethwyn Hastie; Cr Donald Hanran-Smith; Paul Martin – Manager Economic Development; Bret Howson - Project Manager

Positive involvement and comments, along with full membership of these groups show that the level of consultation and communication has been successful to date. In particular the reference group and public information sessions held have provided an opportunity to the community and stakeholders to be involved in the project earlier than would normally be the case. It is proposed these reference groups remain in existence until the Council considers feedback on the Business Plan.

Members of these reference groups, together with elected members participated in a tour of a number of local government authorities in the metropolitan area with a view to learning from the mistakes and successes of other organisations. This information is complimented by a summary of desktop research undertaken on similar projects across the country.

The consultation associated with the Library feasibility study has also supported and mirrored the findings of the Civic Precinct consultation.

With the completion of the Business Plan and associated feasibility studies, it is timely that significantly more details are circulated about the project to allow informed feedback on the Business Plan. An upgraded consultation strategy has been developed to schedule and control information distribution between now and when submissions close, (should the Council endorse this report's recommendation). Implementation of the communications strategy will achieve proactive engagement to ensure widespread community opinion is obtained.

The Local Government Act requires advertising of the Business Plan for a six week period, however based upon feedback from stakeholders already engaged, it is proposed to advertise the plan for eight weeks. Should the Council resolve to proceed with community advertising, the period will commence Thursday 17th July 2008, and close Friday 12th September 2008. (Note that submissions will be accepted at the Shire up to the close of business on 12 September 2008, but not after this time.)

Having invested hundreds of thousands of dollars worth of resources on the process to date it is recommended the Council advertise the plan and then review the responses using the exercise to inform the projects' future.

STATUTORY ENVIRONMENT

There are two main statutory issues to consider with this project, namely the compliance with the Local Government Act Requirements and the Town Planning Scheme.

Local Government Act

As mentioned above, the construction of a new Shire Administration building itself does not have any specific requirements pursuant to the Local Government Act. However there are two aspects in the Act which relate to how the project will be funded and hence which must be complied with:

1. Land transactions associated with the project; and
2. The borrowing of funds associated with the project.

The financial model developed proposes: the sale of the existing Southern Drive site, purchase of the new CBD site and sale of two other Shire owned land parcels. Therefore a Business Plan is required to be produced in accordance with Section 3.59 of the Local Government Act.

Section 3.59 of the Local Government Act 1995 relates to Commercial Enterprises by Local Governments, including land transactions, and the acquisition or disposal of an interest in land or developing land.

The Local Government Act 1995 states that;

"major land transaction" means a land transaction other than an exempt land transaction if the total value of –

- (a) the consideration under the transaction; and*
- (b) anything done by the local government for achieving the purpose of the transaction,*

is more, or is worth more, than the amount prescribed (\$1m) for the purposes of this definition;

In accordance with Section 3.59(2) & Section 3.59(3) of the Local Government Act 1995, before it enters into a major land transaction, or enters into a land transaction that is preparatory to entry into a major land transaction, a local government is to prepare a Business Plan. The Business Plan is to include an overall assessment of the major land transaction and is to include details of -

- (3) *The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of –*
- (a) *its expected effect on the provision of facilities and services by the local government;*
 - (b) *its expected effect on other persons providing facilities and services in the district;*
 - (c) *its expected financial effect on the local government;*
 - (d) *its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*
 - (e) *the ability of the local government to manage the undertaking or the performance of the transaction; and*
 - (f) *any other matter prescribed for the purposes of this subsection.*
- [Section 3.59 amended by No. 1 of 1998 s. 12; No. 64 of 1998 s. 18(1) and (2).]*

These items are addressed as part of the Business Plan and will therefore not be elaborated upon in great detail in this agenda item, other than to say Officers believe the project as it is proposed addresses the requirements of the Local Government Act and will not have any overtly adverse effects on the Shire of Busselton.

The construction of the Civic Precinct will require the Council to borrow funds. Section 6.20 of the Local Government Act enables the Council to borrow and requires to the Council to give one months local notice of the proposed borrowing. The Business Plan contains the details of the borrowing which will be advertised for an 8 week period thus ensuring complying with the loan advertising requirement.

Town Planning Scheme Implications

The new administration building is expected to be 3 storeys high with an undercroft parking area. This will result in an overall height of approximately 16m and will require specific consideration due to the proposal exceeding the existing Town Planning Scheme 10 metre height limit (as generally expressed in Clause 47 of the Scheme).

The height limit in the Busselton CBD is being considered in the Local Commercial Planning Strategy (LCPS) currently being prepared. The draft LCPS includes a Busselton Town Centre Precinct Map. This map will show the land between Adelaide Terrace / Cammilleri Street / Peel Terrace and Stanley Place as "Civic Precinct". The strategy also recommends that the Shire consider amending the Town Planning Scheme to delete the current CBD height limit on the basis of urban design and built form trade offs. No maximum height is recommended in the LCPS.

The draft Local Commercial Planning Strategy (LCPS) was presented to the Council on 25th June 2008 for endorsement for advertising. The advertising of the strategy was deferred pending further consultation and will now be advertised late in 2008.

Although there may be the ability for the Council to avoid the entire planning process via the Public Works Act 1902 (Section 19), it is recommended the Council comply with the typical development processes set for all development in the CBD.

The business plan identifies some further requirements to satisfy. These include the sale of some shire owned land. Should the Council decide to progress with the project these elements would be progressed within the necessary statutory approval processes.

Existing Building

Previously, the Council resolved (C0710/252) in principle, for the purpose of inclusion in the Civic Precinct Business Plan, that the preferred future use of the existing shire administration building and surrounding land be kept for community purposes. However the Community Resource Centre's feasibility has determined the existing building is not suitable for this purpose and the community group were desirous of a co-location opportunity in the civic precinct.

Discussions were also held with the relevant State Government agency (Department of Housing and Works) who considered the building unsuitable for the same reasons. In the absence of other uses consistent with the Council's initial recommendation, and for the financial impacts upon the project, it is proposed the site be rezoned for residential purposes in line with its immediate environment and its subsequent value realised.

POLICY IMPLICATIONS

Parking implications subject to the Shire's Car Parking Policy, are addressed in the Business Plan.

FINANCIAL IMPLICATIONS

The Council allocated \$200,000 within the 2007/2008 financial year budget to progress the Civic Precinct project. \$180,000 has been expended to date in completing the feasibilities and the development of the Business Plan. This does not include the cost of Officers time.

Given the magnitude of this project and the significant financial issues and potential implications, AMD Accountants were engaged to provide advice and assist in the development of a sustainable financial model for the project. A copy of this report is attached as an Appendix to the Business Plan.

This model includes the Council's obligations in respect to funding the Jetty Rebuild and other issues in accordance with the Council's 5 year financial plan.

When considering the financial issues associated with the project it is important to remember that there are the costs identified by the Architect which relate directly to the costs of the building. However there are also costs which Officers have incorporated in the financial modelling relating to the project including project management, land acquisition and disposal and public engagement.

In summary, the financial aspects are as follows:

- * The estimated construction cost of the new Shire administration building is \$25.7 million and the construction cost of the new Library is \$8.5 million. This is calculated by a construction figure in today's dollars escalated out to August 2009 (using a 12% pa escalation rate).
- * In addition to these direct construction costs there are a range of other costs including design (\$500,000), land acquisition (\$3.5m estimated for proposed site) and disposal, project management and associated consultants (\$550,000) and community engagement.
- * It is assumed the Community Resource Centre will be self funding via Lottery West and other government agencies. Whilst this funding has not been confirmed at this stage indications are positive and accordingly, its presence has been incorporated into the master planning. Should the entire amount of funding not be forthcoming for this element it is proposed the scope can be adjusted to reflect the funds secured.
- * The total cost of the project to build the Civic Precinct (excluding the Community Resource Centre) is \$41.42m.
- * The financial model proposes income from the sale of Shire land to a value of \$25.10m.
- * Additional sources of funding from 2008/09 budgeted allocation (\$877,000), Shire Reserve for expansion of the Busselton Library(\$500,000), Department of Child Protection (\$1,000,000) to the value of \$2.37m.
- * The difference between the estimated construction cost (\$41.42m) and the sale of land and additional funding sources (\$27.47m) is \$13.95m. This difference is proposed to be funded via borrowings. This loan is estimated to be repaid annually in arrears over 20 years at an interest rate of 7%pa with principal and interest repayments being \$1.08m pa commencing on year 2012. Servicing this loan will require a rate increase of 4%.

The calculations undertaken by AMD (Appendix C to Attachment A) prove that the project is within a level of borrowing that is affordable. This is demonstrated by including the level of debt proposed for the project with the Council's current debt and current endorsed five year financial plan against the following ratios:

- * Debt servicing as a percentage of Rates and untied Grants. The West Australian Local Government Association (WALGA) recommend this ratio be 15%. The Council has adopted a conservative position that this ratio should not exceed 8.0%. The maximum impact the project will have on this ratio is 7.67% in year 2012.
- * Debt servicing as a percentage of operating income. WALGA recommend this ratio be 18%. The Council has adopted a position that this ratio should not exceed 10%. The maximum impact the project will have on this ratio would see it increase to 5.70% in 2012.

Therefore the implications of the proposed funding model on the Shire are clear and with the sale of some land and a dedicated 4% rate rise (in 2009/10) the project is demonstrated to be within the Councils' financial parameters. (This is an important point given a new administration facility is required to be constructed, no matter where it will be located.)

STRATEGIC IMPLICATIONS

There are many strategic aspects to this project. The project directly relates to the following Strategic Objectives in the Strategic Plan:

- * *To facilities and assist in the development of quality community facilities and services*
 - The development of a new \$8.5 million library for the Shire located in the Busselton CBD together with a new Administration Facility will bring significant benefits to services and facilities provided by the Shire.
 - The development of a Community Resource Centre associated with the project in the Busselton CBD will be the single most significant facility built by the Shire of Busselton in recent times that will assist in quality services being provided to the community by the non government sector.
- * *To develop and maintain the Shire's assets and built environment to maximise public benefit now and into the future.*
 - The Administration Facility has the potential to underpin the long term vibrancy and hence sustainability of the Busselton CBD and aligns with the planning strategies of the Council for the CBD into the future.
 - The project will ensure the Shire Administration Facility is of a new standard and able to meet the demands on it now and into the future via the creation of options for expansion as part of the building.
- * *To minimise the adverse environmental impact of the activities of the Shire of Busselton and to encourage local businesses and the community to adopt practices that reduce their ecological footprint.*

- * A new building presents a leadership opportunity with respect to GreenStar rated construction and operation within the business sector and the community thus ensuring the Shire's environmental impacts are reduced.

- * *To manage the business of the Shire in a responsible and accountable manner utilising organisational sustainability principles*
 - A major issue facing the Shire is the attraction and retention of quality employees, arguably the working conditions of the existing building are in contravention of public service standards and poor occupational safety, health and well being of the Shire's staff, contributes to a poor reputation in the industry.

 - The location of the Shire's Administration Facility has a large impact upon the business of the Shire by increasing the type and level of customer services, and co-location with the library allows increased productivity with shared resources.

- * *Create harmony and unity within the community through open communication, participation and accurate representation.*
 - The lead-up engagement with the community has been successful. The Council's endorsement of a communications framework will continue to build upon successful communication for the project in the future.

In addition to the project being supported across a number of strategic initiatives the "Administration Centre Expansion/Relocation" is identified as a major project in the Strategic Plan requiring resource allocations.

On a practical level the Shire is unable to safely accommodate any more employees within its existing facilities without major renovations, hence **doing nothing is not an option.**

With the extensive lead time for construction of a new building, the window the Council has in respect to constructing a new facility is closing. With respect to staff not having to suffer too long in temporary accommodation, the existing site not being an optimal location upon which to easily house increasing temporary accommodation, the monthly escalation in building costs, the goodwill of the stakeholders in the project to date, the ability to co-incide occupancy with the 50 year anniversary, to dictate the new CBD height regime, as will be seen with the timeframes section of the item there is a significant lead in time from the current stage to an occupancy date.

The Council has already approved the purchase of a transportable office to temporarily house staff and more will be required to do more of the same awaiting construction of a new facility.

OFFICER COMMENT

Whilst much will be discussed about this project it is important to remember that the project is essentially answering the key questions of; does Council want to build a new Administration Facility, what should be collocated with that facility and how will it be funded?

Officers in conjunction with the Councillor reference/project management group have developed a model which can be summarised as follows:

- * Purchasing the existing Library/car park site from the State Government.
- * Constructing a new three story building on the site comprising
 - * 4,000m² for Shire Administration – costing \$25.7m
 - 1,500m² for a new Busselton Library (more than twice the size of the existing facility) – valued at \$9m.
 - 2,100m² for a Community Resource Centre accommodating not for profit organisations. This is not planned to be funded by the Shire but by other agencies.
- * Selling three land parcels of Shire-owned land (including the current Administration Centre site) to assist in funding the project (estimated to realise \$25.1m)
- * Borrowing the remainder of the projects costs (\$13.95m) which will require a 4% rate rise (in 2009/10) to service.

This item is about advertising the Business Plan. Prior to such a determination, the Council will need to satisfy itself to a point that the project has significant enough merit to formally seek the community's input.

The Officer Comment section of this item focuses upon the merits and major aspects associated with the project which impact upon the Shire. The detail contained within the Business Plan is designed to be the basis for public comment.

Clearly there are a number of benefits derived from Civic Precinct project as proposed including (but not limited to):

- * The provision of a new and expanded Library facility capable of delivering significantly improved services to the community now and into the future. The key development strategies recommended by the feasibility study undertaken by CCS Strategic Management recommends a model of Library service provision comprising a large centralised Library with provision to residential areas using teleplaces, or joint school and community libraries. This report is the subject of another item being considered by the Council (July 2008).

- * Accommodating a number of key non government organisations who providing service to the community. The feasibility of this element of the project is attached to the Business Plan. The details of this feasibility will be the subject of a separate report to the Council in the coming months. In agreeing to advertise the Business Plan, the Council is not committing to this feasibility or the associated recommendations as this is a stand alone aspect of the project.
- * The creation of community meeting rooms and equipment will return some of the facilities lost with the expansion of the Shire into the Civic Centre some years ago.
- * Having the Shire Administration centre located in the centre of the CBD will provide additional benefits in accessing public transport, accessing services and becoming an integral part of the CBD.
- * A new building will be built to significantly higher environmental standards and conditions therefore reducing the Shires environmental impact and establish the Shire as a leader in environmental issues, a significant issue from the communities view as seen in recent surveys.
- * Purchasing and hence controlling a large parcel of land in the CBD.

However the Council will need to determine if the benefits of the project offset the negative issues which include:

- * Some members of the community will have historical attachment to the current administration centre site and may not want to see it lost to residential development.
- * Selling two other parcels of Shire owned land. The current five year financial plan does not identify any use for these parcels of land and furthermore, the Council retains a number of other parcels of land across the Shire making up its property portfolio.
- * A dedicated rate rise of 4% to fund the borrowings associated with the project.

Selling land is a way to reduce the financial impact of the project being borne by rate increase alone. Therefore Officers believe the question is not do we sell land, but rather, which parcels do we sell.

Officers consider the two parcels identified will still leave the Council with reasonable land holdings into the future including, Dunsborough Lakes, the Berryman Road Reserve, Peel Terrace, and the Airport Industrial Land. Whilst all of these are not at development stage yet, in the future they will provide the Shire with options for funding other projects and strategically managing the Shire's real estate assets.

In comparison, if the Council had to fund the construction of a new building on the existing or new site at a cost of \$25m without selling any land it would require a rate increase of 11.6% (in 2009/10) to service the borrowings.

Beyond the financial issues, the main messages which have been uncovered from talking to other Local Government Authorities across the country in respect to projects of this nature include the following:

- 1. Don't comprise in respect to spatial requirements.** Almost all LGA's researched have under-estimated or shortcut their spatial requirements which has resulted in them not having adequate space to meet growth needs. To address this, the project proposes to build 4,000m² of office space to cater for the Shire's future needs. The projected requirement for staff numbers show that by 2017 the Shire will require 3,086m², and 2037 will require 4,000m².

The additional 1,000m² being constructed 'for the future' may be able to be leased out, for financial return. However given the lesson of other LGA's, Officers have not planned for this revenue and the Council of the day can determine this matter when the building is accommodated. Annual office rent of 1,000m² in the CBD might deliver an income of \$200,000pa (at \$200 per square metre).

The current facility (including the Civic Building) has a net usable area of approximately 1,930m². The requirement based on the government office space guidelines for number of staff in the Shire in 2007 is 2,700m². Based on the 5 year plan staff numbers in 2008 require 2,790m² and in 2009 the organisation will require 2,900m². This is reflected in cramped and non compliant current working conditions.

If the existing building is demolished and a new building is constructed on the current Southern Drive site, with flood zone restrictions the maximum building size achievable at three storey levels would be 3,895m², costing \$26m (escalated at 12%pa to from 2006 to 2009) . To achieve this would most likely require taking up a significant number of car parking bays on the site and accommodating the organisation during the demolition and construction phase.

To duplicate the existing 100 bays available to staff would require a significant parking facility to be constructed in the land adjoining Rotary Park. It is estimated that the cost of this \$300,000. This will provide approx. 115 bays with no green buffer zone and large expanse of bitumen which can be seen from Causeway Road when entering Busselton.

All other options proposed to date do not achieve anywhere near the opportunity offered by this CBD site nor, in the case of the existing site, deliver the spatial requirements to take the organisation a long way into the future.

2. **Retain flexibility in space and design to allow adaption of future office requirements.** Although this will be largely addressed in the design phase of the project it is important to note the collocation with both the Library and the Community Resource Centre will provide the Shire with options in respect to space that would not be there with a stand alone building. Clearly a reflection into the services provided 30 years ago by local government shows the evolution to the type and extent of those provided today. Attempting to extrapolate the future services 30 years into the future is challenging. However this project will see the Council with a building of some 6,600m² gross leasable area on land it owns in the CBD of Busselton. This in itself delivers flexibility.

3. **Pursue environmental designs to reduce operating costs and demonstrate the Councils leadership on this issue.** The building has been budgeted to a 4 star green star rating. The operating costs associated with this level have been included in the calculations. During the design phase the Council can determine if it wishes to increase this level to 5 or 6 as it understands the associated cost implications.

Green Star is a comprehensive, national, voluntary environmental rating scheme that evaluates the environmental design and achievements of buildings. The following Green Star certified ratings are available:

- * 4 Star Green Star Certified Rating signifies 'Best Practice'
- * 5 Star Green Star Certified Rating signifies 'Australian Excellence'
- * 6 Star Green Star Certified Rating signifies 'World Leadership'

When investigating the two alternatives of building new or refurbishing, a major consideration was the operating and maintenance cost between a new energy efficient building and a refurbished old building. The Quantity Surveyors have indicated the running cost of an energy efficient building has been determined as 25% cheaper than that of a conventional (older) building.

Officers believe the project has accommodated the above lessons adequately. Further refinement of the concept will occur during the design phase.

All this said the proposed new Civic Precinct building does not come without challenges to overcome. One of the main issues raised by both the staff and community reference groups has been the associated parking and traffic issues with the project. To address this, a traffic and parking study was undertaken a copy of which is appended to the Business Plan.

The proposed building on the library site is adjacent to the Coles car parking area. This area has 290 existing car bays available, and a parking study by Lowes Churchill and Associates show that this area generally operates at 70% full from 11:00am to 2:00pm each day. The new building will reduce this car parking area by 83 car bays, leaving 207 car bays available. This will result in the area operating at 100% full during these times, with no capacity for seasonal fluctuation. There is a written cash in-lieu agreement with Coles to maintain 134 car bays in this area for retail customers. The reduction of this area will not affect this agreement.

Council Car Parking Policy, Section 3.1.2 states:

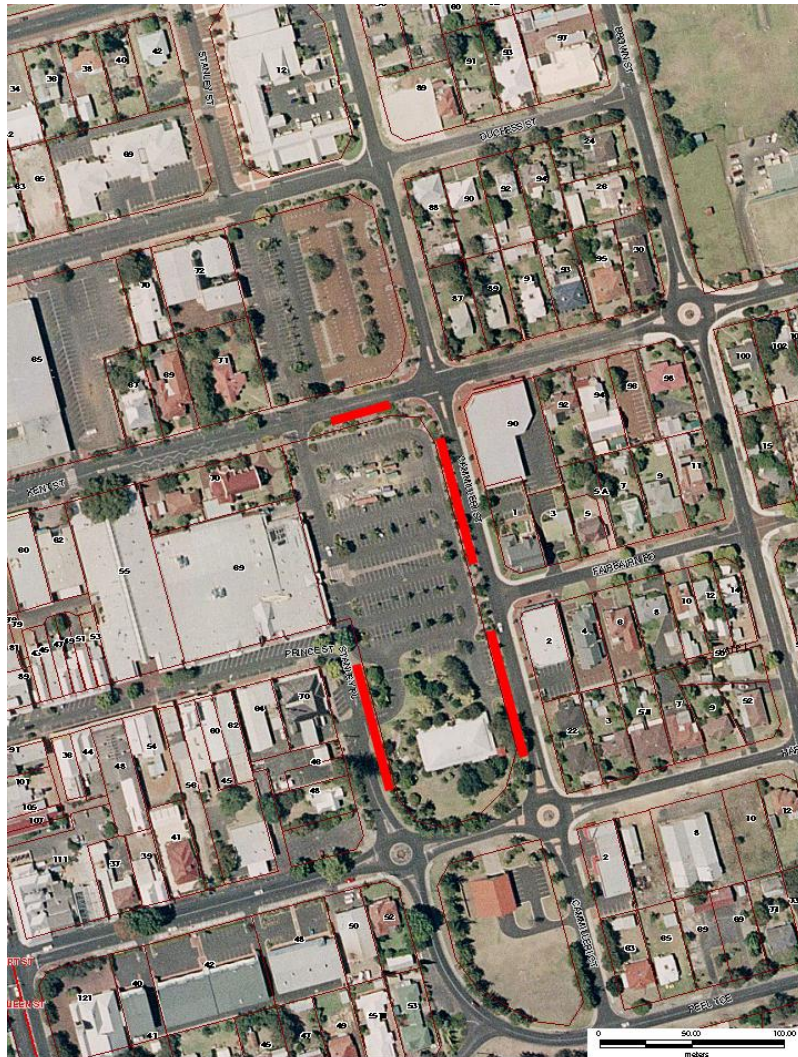
"Within the Busselton and Dunsborough CBD "Business" zone, all new development is required to provide car parking bays on the basis of 4 car parking bays per 100m² of gross leasable area (GLA) for all land uses. For first floor level or above office use only the parking requirement may be reduced to 2.5 bays per 100m² GLA. Car parking for Residential use is required to be provided in accordance with the Residential Design Codes (R Codes) and shall be additional to any parking required for commercial/retail use on the same site."*

The new Civic Precinct Building (including Library and Community Resource Centre) has a gross leasable area of 6,600m² with 1,900m² on the ground floor. The requirement for car parking is 76 bays for the ground floor and 118 bays for the other floors, giving a total of 194 bays required for the entire building.

The conceptual layout of the building includes undercroft parking of 136 bays, 56 on-street parking bays on Stanley and Cammerilli Street (as can be seen on the preliminary concept), and 6 parking bays entering from Harris Street totaling 198 bays.

However the conceptual design on the library site is adjacent to the Coles car parking area. This area has 290 existing car bays available, the proposed building will reduce this car parking area by 78 car bays, leaving 207 car bays available. A parking study by Lowes Churchill and Associates show that this area generally operates at 70% full from 11:00am to 2:00pm each day. This will result in the area operating at 100% full during these times, with no capacity for seasonal fluctuation. There is a written cash in-lieu agreement with Coles to maintain 134 car bays in this area for retail customers. The reduction of this area will not affect this agreement.

Whilst the building satisfies Council requirements for parking on its own, the 78 bays displaced in the adjoining carpark will need to be included, therefore the full number of parking bay required for this building on this site is 272. It is proposed to construct 41 additional on-street bays along Cammerilli Street between Fairbairn Street and Kent Street, 5 bays on Kent Street. The balance of 28 bays will be managed within the final design of the undercroft parking, a revised layout of the existing Coles car parking area, and possibly cash in-lieu arrange.



Proposed On-Street Parking – 92 bays

Plan showing proposed on-street car parking

The traffic associated with the new facility will generate more vehicles entering and leaving the area, however excluding holiday and special event fluctuation, the volumes do not reduce the level of service of the existing The traffic associated with the new facility will generate more vehicles entering and leaving the area, however excluding holiday and special event fluctuation, the volumes do not reduce the level of service of the existing road network surrounding the development. This project, similar to any large office type development will however produce a noticeable morning and afternoon “peak hour”, but this is only expected to add 1 or 2 minutes to a trip through this area during these times, which is not considered unreasonable.

Conclusion of Officer Comments

The Council has expended some \$200,000 on exploring the feasibility of its chosen relocation site in the Busselton CBD. This study has demonstrated this to have been a wise decision and importantly one that if done correctly will save ratepayers tens of millions of dollars over the life of the building as outlined in the comparison of operating and maintenance costs in the Business Plan.

The CBD Civic Precinct development will allow the Council to demonstrate its leadership on a number of fronts and also set the tone for the future development on the town's central business district. This combined with the jetty precinct development will help rejuvenate the town and position it to become a truly regional centre.

Not only have the studies indicated that a Shire Administration facility plays a number of key roles within the community, the opportunity to include the enhancement of the Busselton Library and a Community Resource Centre reinforces the best location to accommodate these roles is centralised, and where the major population is based.

The James Christou and Partners master plan and concept drawings indicates the desired layout on the CBD site, and importantly promotes a 4 green star facility to reduce operating and maintenance costs to the Shire.

It must be clear that the concept drawings demonstrate the extent of the build and how it will work on the site. The actual appearance of the building will be determined as part of the design stage.

The benefits of uniting Shire staff, services and community resources into one building has been proven by other local governments to give immediate morale benefits, lift productivity and generally underpin the well-being of staff and other facility users, particularly complying with occupational safety and health regulations. It helps send a powerful message that staff are vitally important to the organisation.

The time to build a new energy efficient building is now, as the existing building is quickly reaching the end of its structural and mechanical life, and the site does not allow for growth past 15 years. Cost escalation is currently at 12% per year and delay in building will leave an enormous financial legacy to a future Council and community to fund.

Staying in the existing building, or promoting commercial development on the residential side of the Vasse River is also incongruent with town planning schemes notion of hard edging development. The Vasse River forms a logical hard edge for the CBD. If the Council become the forefront of development in the CBD site this will show leadership by example and encourage other private businesses and government departments to follow, (and existing businesses to grow) and ideally utilise the new more sustainable building technologies.

It is therefore recommended to the Council that it advertise the Business Plan to seek community opinion on this project prior to making any construction decision.

TIMELINE/S FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Following is a summary of the timeframes required for the project to be occupied in 2011.

PROJECT MILESTONES/DEPENDENCIES

Milestone	Date
1. Project Development	August 2007 to June 2008
2. Master Plan	September 2007 to June 2008
3. Business Plan Development	December 2007 to June 2008
4. Advertising Business Plan	July 2008 – September 2008
5. Reviewing and reporting submission to Council	October 2008
6. Detail Design	November 2008 to May 2009
7. Tender Evaluation and Award	May 2009 to Aug 2009
8. Construction	September 2009 to July 2011
9. Occupy Building	July 2011 to Dec 2011

Whilst the project timeline has been determined to have the building occupancy and opening coinciding with the 50 year anniversary of when the organisation changed from Busselton Road District to the Shire(1961).

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION

That Council require the Chief Executive Officer to advertise the Civic Precinct Business Plan, including the preliminary Master Plan and Community Resource Centre Facility Study for a period of 8 weeks and report the outcomes back to Council.

8. CLOSURE

