



AGENDA

FOR STRATEGIC PROPERTY DEVELOPMENT SUB COMMITTEE MEETING TO BE HELD ON

**9 JULY 2018 AT CONCLUSION OF THE INNOVATION AND BUSINESS
DEVELOPMENT SUB COMMITTEE**

IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY

MEMBERS

Cr S White (Chairman)
Mayor G Aldridge (ex officio)
Cr G Caruso
Cr E Gill
Cr D Proleta
Cr S Reardon
Cr G Reynolds (Deputy Chairman)
Cr J Woodman
Cr R Zahra

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager City Development, Mr T Sutcliffe
Manager Strategic Development Projects, Ms C Milton

APOLOGIES

An apology has been received from Cr E Gill.

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Strategic Property Development Sub Committee Meeting held on 13 March 2018.

Presentation of the Minutes of the Confidential Strategic Property Development Sub Committee Meeting held on 13 March 2018.

REPORTS

SPDSC1 Future Reports for the Strategic Property Development
Sub Committee 9

SPDSC2 Tranche 2 - Boardwalk at Greentree Project Update 11

SPDSC3 Strategic Property Projects Tranche 2 and Salisbury Oval Update 19

OTHER BUSINESS

CONFIDENTIAL ITEMS

SPDSC4 Strategic Land Review - Bi-Annual Update Report & Program Timing

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *non-disclosure of this item and discussion at this time would protect Council's commercial position as public disclosure may provide third parties with a commercial advantage.*

*On that basis the public's interest is best served by not disclosing the **Strategic Land Review - Bi-Annual Update Report & Program Timing** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CLOSE



**MINUTES OF STRATEGIC PROPERTY DEVELOPMENT SUB COMMITTEE
MEETING HELD IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY ON**

13 MARCH 2018

MEMBERS PRESENT

Cr S White (Chairman)
Mayor G Aldridge (ex officio)
Cr E Gill
Cr D Pilkington (*proxy for Cr G Caruso*)
Cr D Proleta
Cr S Reardon
Cr G Reynolds (Deputy Chairman)
Cr J Woodman
Cr R Zahra

OBSERVERS

Cr L Caruso

STAFF

Chief Executive Officer, Mr J Harry
General Manager City Development, Mr T Sutcliffe
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr M Petrovski
Manager Strategic Development Projects, Ms C Milton
Governance Support Officer, Ms K Boyd

The meeting commenced at 6:59 pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

An apology was received from Cr G Caruso.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr G Reynolds
Seconded Cr R Zahra

The Minutes of the Strategic Property Development Sub Committee Meeting held on 16 January 2018, be taken and read as confirmed.

CARRIED
UNANIMOUSLY

Moved Cr R Zahra
Seconded Cr E Gill

The Minutes of the Confidential Strategic Property Development Sub Committee Meeting held on 16 January 2018, be taken and read as confirmed.

CARRIED
UNANIMOUSLY

REPORTS

SPDSC1 Future Reports for the Strategic Property Development Sub Committee

Moved Cr R Zahra
Seconded Cr G Reynolds

1. The information be received.

CARRIED
UNANIMOUSLY

CONFIDENTIAL ITEMS

SPDSC2 Tranche 1 Close Out Reports and Program Status Update

Moved Cr J Woodman

Seconded Mayor G Aldridge

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) and (d)(i) and (d)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which would, on balance, be contrary to the public interest.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *non-disclosure of this matter would protect Council's commercial position as public disclosure may provide third parties with a commercial advantage*

*On that basis the public's interest is best served by not disclosing the **Tranche 1 Close Out Reports and Program Status Update** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CARRIED

The meeting moved into confidence at 7:01 pm.

The meeting moved out of confidence at 7:02 pm.

Cr S Reardon entered the meeting at 7:04 pm.

OTHER BUSINESS

SPDSC-OB1 Low Cost Housing - Role of Council

Moved Cr E Gill
Seconded Cr D Pilkington

That a scoping report be presented to the Strategic Property Development Sub Committee on options for provision and management of low cost housing as a component of future Council strategic property development projects.

CARRIED

CLOSE

The meeting closed at 7:42 pm.

CHAIRMAN.....

DATE.....

ITEM	SPDSC1 STRATEGIC PROPERTY DEVELOPMENT SUB COMMITTEE
DATE	09 July 2018
HEADING	Future Reports for the Strategic Property Development Sub Committee
AUTHOR	Michelle Woods, Projects Officer Governance, CEO and Governance
CITY PLAN LINKS	4.3 Have robust processes that support consistent service delivery and informed decision making.
SUMMARY	This item details reports to be presented to the Strategic Property Development Sub Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

RECOMMENDATION

1. The information be received.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each standing committee for noting.
- 1.2 The reports to standing committees also capture reports that are required to be presented to sub committees that fall within the responsibility of that standing committee.
- 1.3 The administration will now separate these and present a report indicating items that, as a result of a Council resolution, will be presented to each sub committee.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
 - 2.1.1 Report authors and General Managers.
- 2.2 External
 - 2.2.1 Nil.

3. REPORT

3.1 The following table outlines the reports to be presented to the Strategic Property Development Sub Committee as a result of a Council resolution:

Meeting Item	- Heading and Resolution	Officer
26/06/2017 2.9.1 Due:	Fairbanks Drive Reserve Update Report Council has previously resolved this resolution to be confidential. March 2019	Chantal Milton
25/09/2017 2.9.1- SPDSC4 Due:	Shoalhaven Strategic Development Project Update Council has previously resolved this resolution to be confidential. June 2020	Chantal Milton
25/09/2017 2.9.1- SPDSC5 Due:	Hoyle Green Tranche 2 - Status Update Report Council has previously resolved this resolution to be confidential. September 2018	Chantal Milton
29/01/2018 2.9.1- SPDSC3 Due:	Strategic Land Review Implementation Plan Bi-annual Update Council has previously resolved this resolution to be confidential. July 2018	Chantal Milton
26/03/2018 2.5.2- SPDSC(OB1) Due:	Low Cost Housing - Role of Council That a scoping report be presented to the Strategic Property Development Sub Committee on options for provision and management of low cost housing as a component of future Council strategic property development projects. September 2018	Chantal Milton

4. CONCLUSION / PROPOSAL

4.1 Future reports for the Strategic Property Development Sub Committee have been reviewed and are presented for noting.

CO-ORDINATION

Officer: EXECUTIVE GROUP
Date: 02.07.18

ITEM	SPDSC2
	STRATEGIC PROPERTY DEVELOPMENT SUB COMMITTEE
DATE	09 July 2018
HEADING	Tranche 2 - Boardwalk at Greentree Project Update
AUTHOR	Chantal Milton, Manager Strategic Development Projects, City Development
CITY PLAN LINKS	1.4 Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice.
SUMMARY	This report summarises the current status of the first Tranche 2 Strategic Development Projects to reach construction delivery and sales, Boardwalk at Greentree (Walpole Road Stage 3).

RECOMMENDATION

1. That the report be received and the update on the project delivery status for Boardwalk at Greentree, Walpole Road Stage 3, be noted.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Lot Status Plan - Boardwalk at Greentree

1. BACKGROUND

- 1.1 Council is undertaking a number of residential subdivision opportunities identified as Tranche 2, scheduled to follow on from the Tranche 1 program currently in the stage of final project completion. This report provides an update on the first of these projects to reach construction delivery and sales, Boardwalk at Greentree (Walpole Road Stage 3)
- 1.2 The current status of Boardwalk at Greentree is:

Project Name	Scope of Project	Project Status
Walpole Rd Stage 3, Paralowie (Boardwalk at Greentree)	Project civil construction complete and landscape construction substantially advanced, sales commenced and first project settlements occurred in late August 2016.	Stage 4 – Project Sales

- 1.3 Updates on the current status of the balance of the Tranche 2 projects, Hoyle Green and Lake Windemere are provided as part of agenda item SPDSC3, Strategic Land Review Bi-Annual Update Report, 09/07/2018.

2. REPORT

- 2.1 Since the last update report in January 2018, progress has continued at Boardwalk at Greentree with 74% of the project sold and over 66% of the homes under construction as of 25 July 2018. The project's first resident moved into their new home in early March 2017, and currently 50% of the project allotments have completed construction with residents moving into their new home.
- 2.2 Since settlements commenced on the project in late August 2016, as of 25 June 2018, the project had achieved 84 settlements with a net value of \$11.83 million being received.
- 2.3 The status of revenue and costs for the whole of life project for Boardwalk at Greentree is summarised in the attached table.

Boardwalk at Greentree Project Summary	Council Endorsed Budget BR1 17/18(1)	Current Forecast July 2018	Percentage Change from Endorsed Budget
Project Cost	\$9,627,357	\$9,627,357	0.0%
Sales Revenue	\$15,083,136	\$15,083,136	0.0%
Commonwealth HAF Grant Revenue	\$710,000	\$710,000	0.0%
Rebates Revenue	\$270,020	\$270,020	0.0%
GST Saving (Margin Scheme Revenue)	\$44,577	\$44,577	0.0%
Net Proceeds on Cost (excl. Land Cost & MOSS Payback)	\$6,480,377	\$6,480,377	0.0%

(1) *Council Endorsed Budget – includes land sales revenue, project costs to produce assets - some of which Council will retain ownership of (footpaths, drainage) - plus sales/marketing and holding costs, and costs associated with the provision of the HAF Grant to purchasers.*

(2) *In respect to endorsed gross project revenue, this is a total project revenue not representing revenue for any one financial year.*

3. COSTS

3.1 Civil Construction

- 3.1.1 Civil construction is complete with Practical Completion received on 21 September 2016, with the project now in a 12 month defect liability period. The final completion walkover was undertaken on 21 September 2017, and the defect list is currently being closed out by the civil contractor before the security is returned.
- 3.1.2 A reconciliation of the contingency budgets for the civil contract work once Final Completion is issued will be completed as part of the project close-out. Savings are expected to be returned to Council as part of a future budget review, as the civil construction contingency was not fully expended.

3.2 Landscape Construction

- 3.2.1 The landscape contractor commenced in April 2016 with the landscaping crews following behind the civil program through a coordinated program of works in separable portions. The majority of landscape works reached Practical Completion on 6 October 2016, following a 12 month defect liability and maintenance period. The entry playground, streetscape and picnic ground landscape reached Final Completion on 21 December 2017.
- 3.2.2 The main boardwalk platform and approach ramps were installed in April 2017, prior to the winter rains. Due to weather delays the Boardwalk platform and railing was finished in August 2017 with the Boardwalk currently under 12 month maintenance. A boardwalk seat was installed in January 2018 once the water level in the wetlands dropped over summer for installation.
- 3.2.3 The only outstanding landscape works still to be completed at Boardwalk at Greentree are the streetscape areas and small reserves immediately adjacent the Jewel Living affordable housing. Due to the intensive construction activity in this section of the site, the landscape installation was deferred to minimise damage until after all 30 homes were constructed, which is anticipated to be mid-2018. It is anticipated that this landscape work will be undertaken in August 2018 as a separable portion of works.

4. SALES/MARKETING

- 4.1 Sales at Boardwalk at Greentree have continued to be solid, but as expected sales have slowed in comparison to the project launch with the completion of sales of the conventional larger allotments, and the project transitioning to a focus on built form product such as Jewel Living, Town Cottages and Park front Townhomes. In total 90 allotments have been contracted on the project as of 25 July 2018.

Strategic Development Projects staff are working closely with a builder partners to bring the Park Front Townhomes to market at a price point that will be accepted in the Paralowie market. Preliminary designs have been completed, and a delivery strategy including a development deed between Council and the builder Normus Urban Projects is currently being resolved with the builder prior to launch mid-2018. This agreement is largely based upon the agreement previously entered into with Rivergum for delivery of the Jewel Living medium density housing, and addresses the sales and delivery process for both parties, with purchasers contracting with Council for the land and with the builder for the home construction with product jointly marketed and sold under exclusivity arrangements to ensure a consistent look and feel to the park front address.

- 4.2 The main project marketing campaign continues to have a stronger digital focus than that used on the Tranche 1 projects. The campaign focused around authenticity using local contractors and buyers to sell the project which has resonated well with our buyer profile. Over the last two months the volume of marketing content has been reduced to preserve the remaining marketing funds for use to promote the final built form product in mid-2018. Marketing spend to promote this product will be shared with the associated builder, and will include built form pages on the Boardwalk Website, Realestate.com feature listings and updated billboard signage to Port Wakefield Road.

- 4.3 A community/marketing initiative will be launched at Boardwalk in July 2018, to encourage new residents to take responsibility for the establishment of front gardens and maintenance of the verge spaces to retain the overall project quality once the landscape contractor maintenance converts to the standard Council maintenance regime. This form of initiative was identified as an administrative recommendation in the Strategic Development Projects Program Review noted by Council (PRSC1, Program Review Sub Committee, 14/08/2017).
- 4.4 The Boardwalk encumbrance requires every home to complete their front landscaping within six months of occupation and encourages residents to look after verges and street trees. This initiative has been titled “Be Proud of your Patch” and will use the Boardwalk cartoon duck Lowie, used for the children’s nature trail booklet, to lead the promotion with small prizes offered under a number of categories including “best of boardwalk” and encouragement awards that include the Jewel Living small lot housing owners to participate via balcony gardens. Plant vouchers will be provided to encourage participation involving the Salisbury Provenance Nursery. This initiative utilises the existing project website and branding. The project collateral developed is represented below for information.



This sort of community pride initiative directly contributes to the overall quality of the Boardwalk development, will encourage increased lot values on those lots yet to be sold and will encourage new buyer interest in future projects.

- 4.5 Rivergum Homes – Affordable Housing Builder Agreement (Jewel Living)
- 4.5.1 The Affordable Housing products, Jewel Living was released to market in June 2016 with the starting price point of \$229,990 house and land. This project was delivered under a development deed agreement between Rivergum Homes and the City of Salisbury.

- 4.5.2 Only one allotment remains to be sold and Rivergum have commenced construction on all dwellings. Residents moved into the first Jewel Living homes in late 2017 with construction of all homes within this affordable housing project anticipated to be completed by August 2018.

5. CONCLUSION

- 5.1 Pricing of remaining land at Boardwalk at Greentree will continue to be monitored and adjusted for any new land placed to market, and contract cancellations to secure further revenue uplift, subject to market conditions.
- 5.2 The nature of Strategic Development Projects means that projects extend over multiple financial years including both expenditure and income with forecasting updated regularly to respond to actual project costs and market conditions.

CO-ORDINATION

Officer: EXECUTIVE GROUP

Date: 02.07.18



ITEM	SPDSC3
	STRATEGIC PROPERTY DEVELOPMENT SUB COMMITTEE
DATE	09 July 2018
HEADING	Strategic Property Projects Tranche 2 and Salisbury Oval Update
AUTHORS	Terry Sutcliffe, General Manager City Development, City Development Chantal Milton, Manager Strategic Development Projects, City Development
CITY PLAN LINKS	1.4 Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice. 4.4 Embed long term thinking, planning and innovation across the organisation.
SUMMARY	An update is provided on the status of the current Tranche 2 Strategic Property Projects and the Salisbury Oval project, noting revised time-lines.
RECOMMENDATION	
	1. That the report be received, and the status of the Hoyle Green, Lake Windemere and Salisbury Oval projects and revised timelines be noted and endorsed.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

- 1.1 At the January 2018 meeting of the Strategic Property Development Sub-Committee (SPDSC), a report was considered relating to the bi-annual update of the Strategic Land Review. Embedded within that report was an update on the status of Council's Tranche 2 Strategic Property Development Projects, being Hoyle Green and Lake Windemere, and the residential component of the Salisbury Oval master plan. These three projects, along with Boardwalk at Greentree, are those that are the most advanced in terms of investigations and potential delivery of residential development outcomes across the various projects currently being progressed by the Strategic Development Projects Division. Note that there is also a separate report in this agenda (SPDSC agenda 9/7/18 Item SPDSC2) updating on the Boardwalk at Greentree Tranche 2 project at Paralowie, which is in delivery phase.

- 1.2 This report further updates the status of these projects, noting that the resourcing priority given to the delivery of the Salisbury Community Hub, combined with the need for EOIs in relation to Salisbury Oval and Lake Windemere, and negotiations with the adjacent property owner in relation to Hoyle Green, has impacted upon the time-lines for these Tranche 2 projects.
- 1.3 The status of the balance of the Strategic Property Development Projects and related activities are reported through the bi-annual Strategic Land Review update report on this agenda (SPDSC Agenda 9/7/18 Item SPDSC4).
- 1.4 Note that the Tranche 1 Projects close-out reports were reported to the Sub-Committee in March 2018, and the only outstanding matter relating to Tranche 1 Projects is the completion of landscaping associated with the indigenous reserve at Emerald Green, Ryans Road Parafield Gardens. This has been held pending the planting season.

2. CITY PLAN CRITICAL ACTION

- 2.1 Develop Salisbury oval to include an integrated recreation and residential precinct.

3. CONSULTATION / COMMUNICATION

3.1 Internal

- 3.1.1 Due to the nature of Strategic Property projects, in terms of location on Council land, and the method of engaging with consultants and the development industry, various Divisions of Council are engaged across the life of the projects, particularly City Infrastructure and Strategic Procurement.

3.2 External

- 3.2.1 To inform the EOI processes, content and structure, external consultant advice has been and will continue to be sourced.

4. REPORT

- 4.1 Reflecting the organisational and community criticality of the Salisbury Community Hub project and the consequent need to adequately resource and manage project risks, significant organisational resources have been directed to the Salisbury Community Hub project over recent months. This has impacted upon the timelines for the current Tranche 2 and Salisbury Oval projects. The impacts of this on the Tranche 2 and Salisbury Oval projects timing are outlined below, and is also captured in the update report in this agenda for the bi-annual review of the Strategic Land Review in the revised project pipeline Action Plan and timing provided as an attachment to that report (SPDSC Agenda 9/7/18 Item SPDSC4)

Salisbury Oval Masterplan

- 4.2 The Salisbury Oval Masterplan was endorsed in March 2017 and the community land revocation process for those parcels identified as potentially surplus to open space was finalised by the Minister and endorsed by Council (Item 2.5.1, Works and Services Committee, 19/02/2018). The completion of the community land revocation process confirmed the total available area for residential development at Salisbury Oval at approximately 4.5ha. It should be noted however that the total development area identified above is not all potential residential area but will also include new roads and redeveloped community open space as part of the overall development.
- 4.2 An expression of interest (EOI) document is under preparation for the release to market of the residential project parcels in line with the process Council first endorsed in September 2016 (Confidential Item 1.10.1, Policy and Planning, 19/09/2016). In the Strategic Land Review Update report to the SPDSC in January 2018, it was projected that the EOI and Business Plan for Salisbury Oval would be presented to SPDSC in July 2018, but this has been delayed as outlined in this report. This EOI is now scheduled for release to the market in September 2018 following production of the marketing, advertising and legal agreement structures required to inform the EOI, which will seek to identify one or more potential development and/or builder partners and potential interest in the delivery of a range of housing forms for delivery over all, or part, of the development site that can deliver Council's vision for Salisbury Oval. This EOI will be a two-step process, firstly seeking to identify potential partners and identify a preferred development model and role that will be played by the Strategic Development Projects, followed by detailed negotiation with any one or more parties identified through the initial EOI.
- 4.3 The EOI is an essential component of and input to the Business Case preparation for the Salisbury Oval Project, and the outcomes of the EOI are required to enable completion of the Business Case.
- 4.4 A high level synopsis of the EOI scope is outlined below for information. This will be further refined and detailed with the agent engaged to undertake this approach to market to maximise interest in the sector.

The City of Salisbury will invite submissions to deliver and/or partner with Council in the Salisbury Oval Residential project involving the delivery of affordable and market aligned medium density housing within the Salisbury City Centre.

This residential property project aims to rejuvenate Salisbury Oval, to provide a commercial net return to Council for the land holdings, build on the existing amenity of the area and provide a diversity of well-designed and integrated new housing capitalising on the access advantages to existing services and facilities.

The City of Salisbury will consider all proposals including ones that involve partnerships between suitably experienced private and 'not for profit' developers and/or built form housing providers.

Subsequently, Council will also consider a range of delivery models and alternate roles for Council in the project including direct sale, joint venture, City of Salisbury acting as the master developer for subdivision works to support built form or other partnership model that can best deliver innovative market aligned housing product and maximise net returns to Council as part of this EOI process.

Council will also consider partnering with multiple successful parties from the EOI on identified parcels that could support the development being delivered by multiple parties across multiple fronts.

- 4.5 The outcomes of the first stage of the EOI including depth of interest and potential models to maximise project returns and community benefit, while also managing the development risk and exposure, will be reported through Strategic Property Development Sub-Committee in November 2018.
- 4.6 As part of the outcomes of the EOI process ongoing community engagement will also be required in relation to the market response.
- 4.7 Concurrent with the EOI, a development engineer has been engaged to commence works on the broader precinct stormwater/earthworks modelling, utility service capacity investigations for the residential project and engineering design of the project entry road by December 2018. Concurrent with this, work is progressing on delivery of sport and recreation components of the Salisbury Oval Master Plan, particularly the clubroom and grandstand refurbishment, and the new change rooms.

Lake Windemere, Hissar Avenue, Salisbury North

- 4.8 An expression of interest process has been added to the Business Case development stage of this project to identify potential housing products to inform the finalisation of the Lake Windemere land division design options, to achieve greater housing diversity and to test market acceptance.
- 4.9 The expression of interest (EOI) will be released in late 2018, and is being drafted concurrent with the draft Salisbury Oval EOI documentation. The EOI will be consistent with the methodology, branding and marketing used in relation to the Salisbury Oval EOI, to ensure a consistent legal and probity framework and to reinforce the Salisbury 'brand' within the development sector. The EOI is planned to be released shortly after the Salisbury Oval EOI to maximise interest and exposure in the industry and also provide capacity should a developer/builder be preparing a submission for both projects. This also reflects that in order to achieve innovative and high quality residential development outcomes at the appropriate price point in the Salisbury North market, Council will need to actively market the opportunity to the development industry and provide a convincing case for investment by the industry.
- 4.10 As with the Salisbury Oval Project, the EOI is an essential component of and input to the Business Case preparation for the Lake Windemere Project, and the outcomes of the EOI are required to enable completion of the Business Case.
- 4.11 The Lake Windemere EOI will likely be a single stage EOI with a focus on built form partners and will subsequently be completed by November 2018 to inform refinement of the project Business Case.

- 4.12 Traffic investigations and design work have been undertaken through GTA traffic consultants to inform the EOI document, relating to the design of the proposed new road intersection with Hissar Avenue and how to best address the potential impact of school drop off/pick up traffic peaks upon the proposed development, and vice versa. The final intersection solution will be finalised for presentation to Council as part of the Business Case following completion of the EOI.

Hoyle Green, O'Grady Drive, Para Hills

- 4.13 Negotiations with the Catholic Church Endowment Society who own land adjacent to Hoyle Green have commenced, to investigate potential land swaps prior to completion of the project Business Case. These discussions are being progressed in conjunction with the Property and Buildings Division. This additional negotiation step and resource availability has impacted the forecast delivery phasing for the project, with the Business Case now planned for presentation to Council in late 2018.
- 4.14 An appropriate land swap could improve both the residential outcomes of the project and also deliver significant benefits to the usability and function of the adjacent Church site. Accordingly it is appropriate that this option be fully explored as part of and before finalisation of the Business Case for this project.

Timing and Financial Implications

- 4.15 As outlined above, a combination of factors, but particularly the resourcing required to be devoted to the Salisbury Community Hub by the Strategic Development Projects Division, has resulted in the original time-lines for these projects being extended. Should Council note and endorse this update report, the revised time lines will need to be reflected in the next update of relevant business plans and in reporting on the status of projects through the CEO Review Committee.
- 4.16 The primary impact of the revised timing for these projects relates to delay in receipt of income from these projects. Accordingly the revised time lines for the above projects has the potential to impact on annual cash flows within Council's Long Term Financial Plan and budget but overall projected returns has not changed. However it is important to note that the Strategic Property Development Projects pipeline is long term, and the base income generating asset – land – does not diminish in value over time, and nor does the development opportunity diminish.
- 4.17 The resourcing demands upon the Strategic Development Projects Division related to the Salisbury Community Hub project are expected to continue for the balance of the 2018 calendar year. In the interim, to address the continued need for delivery of Strategic Property Projects it is proposed to engage contract and consultant resources to assist in the preparation of EOIs, business cases and procurement plans for these projects to ensure revised time lines outlined in this report are met, and to minimise the potential for further delays and identify where there may be opportunities to gain time in project delivery. This will enable a continued focus on the delivery of the Community Hub project and progressively apply additional resources from the Strategic Development Projects Division freed up as a consequence of the Hub project progression to be applied to the current Strategic Property Development projects

5. CONCLUSION / PROPOSAL

- 5.1 Whilst work is progressing on the Tranche 2 and Salisbury Oval projects outlined in this report, there have been delays against the original project programs. This is in large part due to the strong focus on the delivery of the Salisbury Community Hub project reflecting its critical importance to the community and Council, and the need to manage risks related to the delivery of that project as a priority over the balance of the Strategic Property Development Projects.
- 5.2 Actions will be implemented across the balance of the 2018 calendar year to achieve the revised project milestone timelines outlined in this report, and the status of projects will be reported as part of regular reporting to the SPDSC.

CO-ORDINATION

Officer: EXECUTIVE GROUP

Date: 04.07.18