



# **Ordinary Meeting of Council**

**23 October 2019**

**SUPPLEMENTARY UNDER  
SEPARATE COVER ATTACHMENTS**



**QUEANBEYAN-PALERANG REGIONAL COUNCIL  
ORDINARY MEETING OF COUNCIL**

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# QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

23 OCTOBER 2019

ITEM 1.1 QUEANBEYAN CIVIC AND CULTURAL PRECINCT

ATTACHMENT 1 QUEANBEYAN HEAD OFFICE - RESOLUTIONS

Meeting	Resolution
23 May 2018	<ol style="list-style-type: none"> <li>1. Give consideration at an early workshop to a third option (Option 3) for Stage 2, providing for:           <ol style="list-style-type: none"> <li>a. Redevelopment of 257 Crawford Street (Site B) for the Queanbeyan Head Office and Smart Hub and/or extra office level, on a slightly narrower footprint to the existing building and similar size footprint as proposed for the 50 Lowe Street site. The proposed redevelopment not include a new council chambers.</li> <li>b. A smart public domain with a narrower Crawford Street frontage and lesser footprint than as proposed in Attachment 2.</li> </ol> </li> <li>2. Note that Option 3, construction of a standalone office 257 Crawford Street:           <ol style="list-style-type: none"> <li>a. Potentially provides for an estimated 6,000m<sup>2</sup> GFA for Council administration office, and 1,000-1,500m<sup>2</sup> GFA additional lettable office space, with 3.5 to 4 floors.</li> <li>b. In close proximity to CBD centre/Monaro Street.</li> <li>c. Achieves desired time frame.</li> <li>d. Retains at grade parking behind the Q Theatre and vehicular access from Lowe Street.</li> <li>e. Recycles part of the Lowe and Morisset carparks into public domain, with the Lowe public domain potentially having a lesser footprint being generally to the front of The Q, thereby retaining further at grade car spaces.</li> <li>f. Resolves the car parking and rear accessibility concerns of Monaro Street businesses associated with Option 1.</li> <li>g. Centralises the office and retail parking through the private sector construction of multilevel smart carpark at Morisset carpark, increasing CBD timed and employee parking spaces overall.</li> <li>h. Connects Morisset to Lowe carparks via reconstructed pedestrian laneways.</li> <li>i. Likely results in lower overall capital costs, debt raising and risk.</li> <li>j. May affect the scale of any redevelopment of the Rutledge Street site due to a degree of overshadowing.</li> </ol> </li> <li>3. Support in principle raising debt for the CBD Stages 2 and 3 nett of capital grants, in the financial plan.</li> <li>4. Not consider a possible special rate variation from 2020/21 to service debt for the Queanbeyan Head Office and additional lettable office space.</li> <li>5. Consider all debt servicing options and scenarios for the civil works components, including the option of a dividend from the water and sewer utilities, and the option of post-merger savings and service reviews.</li> </ol>

27 June 2018	<ol style="list-style-type: none"><li>1. Confirm its position on siting, scale, procurement, public domain, parking and timing of the Queanbeyan Head Office and Smart Hub as follows:<ol style="list-style-type: none"><li>a. Siting:<ul style="list-style-type: none"><li>• at 257 Crawford Street, adjacent to / adjoining the Q and Bicentennial Hall, with integrated foyer to the three buildings.</li></ul></li><li>b. Scale:<ul style="list-style-type: none"><li>• a 5 level 7,000-7,500m<sup>2</sup> GFA building comprising 6,000m<sup>2</sup> office, meeting rooms, public space and smart hub/co-work space (which accommodates 200 staff, plus 10% growth) and includes additional lettable office space (which accommodates 100 tenancy staff and emergency operations centre).</li><li>• the chambers are retained in the 253 Crawford Street heritage building.</li><li>• Consideration be given to a roof-top recreation space.</li></ul></li><li>c. Procurement:<ul style="list-style-type: none"><li>• demolish the building at 257 Crawford St (per current approved tender);</li><li>• commission a design, DA and construct contract;</li><li>• undertake independent DA assessment (by consultant) and determination (by JRPP);</li><li>• deploy smart infrastructure in the public domain and parking;</li><li>• assign a sustainability rating for the building.</li></ul></li><li>d. Public Domain:<ul style="list-style-type: none"><li>• construct 1,850m<sup>2</sup> public domain south of The Q (per Attachment 2, Option 1);</li><li>• work with private developers of the 10-16 Rutledge precinct to attach its private domain to the Council public domain.</li></ul></li><li>e. Parking:<ul style="list-style-type: none"><li>• retain 60 timed and 60 untimed carspaces at Lowe St carpark;</li><li>• transfer nett office parking associated with head office and tenancy to the multi-level Morisset carpark.</li></ul></li><li>f. Timing:<ul style="list-style-type: none"><li>• demolish the building at 257 Crawford St by December 2018;</li><li>• commission design consultancy, determine DA, and tender for construction (FY19);</li><li>• construct office at 257 Crawford St site (FY20-22);</li><li>• seek and determine Morisset multilevel parking EOI options;</li><li>• construct associated public domain south of The Q, in year following office and carparking construction (FY 22).</li></ul></li></ol></li></ol>
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	<p>g. Engagement:</p> <p>Note the community and CBD business will be further engaged through the review of the QCBD masterplan (CBD spatial business plan), carparking strategy and DA designs for the head office</p>
<p>24 October 2018</p>	<ol style="list-style-type: none"> <li>1. Engage Cox Architecture Pty Ltd under exemption of Section 55 of the Local Government Act 1993, as Cox Architecture has considerable experience and knowledge of Council's requirements, having already prepared a concept design for Council's initially proposed head office at 50 Lowe Street (ie within the Lowe carpark precinct)</li> <li>2. Allocate \$480,000 to develop the concept design for the Queanbeyan Head Office (QHJ) and Smart Hub and surrounding public domain.</li> <li>3. Accept Cox Architecture fee proposal for \$399,094 to develop the concept design for the Queanbeyan Head Office and Smart Hub and surrounding public domain</li> </ol>
<p>24 October 2018</p>	<p>That Downtown Q Pty Ltd be advised that the Council agrees to progress the proposal to the next stage in accordance with the Unsolicited Proposals Guidelines and the Heads of Agreement that was entered into by the parties subject to:</p> <ul style="list-style-type: none"> <li>• The proposal includes the sale of sites marked E, Z and D (the heritage properties) for development as proposed.</li> <li>• The proposal is to be developed in three stages being a Serviced Apartment Hotel, repurposed reception and a Restaurant/Café, and development of the residential townhouses.</li> <li>• The sale price of the land shall be agreed between the parties as determined by independent valuation after the development receives the required independent development consent by the JRPP.</li> <li>• A Deed of Agreement (participation agreement) be entered into providing for the following:       <ul style="list-style-type: none"> <li>- construction by DQPL of public domain and other civic works to equivalent value, in accord with themes established with the 2018 QCBD masterplan</li> <li>- dealing with liquidation or administration of the company</li> <li>- timeframes to commence construction from DA and between stages, to expedite the whole project and prevent land banking</li> <li>- process to accommodate the stages of construction</li> <li>- works in kind for public domain and civic works to complement timing of construction for Council's head office</li> <li>- balance of cash to be paid should works in kind be less than the valuation established following development consent</li> <li>- penalties for non-performance or late delivery of the proposal.</li> </ul> </li> </ul>



# QUEANBEYAN-PALERANG REGIONAL COUNCIL

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ITEM 1.1 QUEANBEYAN CIVIC AND CULTURAL PRECINCT

ATTACHMENT 2 BUSINESS CASE - EXECUTIVE SUMMARY

# 1 Executive Summary

The Queanbeyan Central Business District (CBD) has suffered from a lack of economic and retail activity over many years. QPRC seeks to achieve social, economic and cultural outcomes via the renewal of the CBD in line with the adopted Queanbeyan CBD Transformation Strategy.

QPRC has identified the major issues affecting the Queanbeyan CBD which it aims to address by kick-starting the transformation of the CBD:

1. The perception and identity of the Queanbeyan CBD;
2. Escaped expenditure from the Local Government Area;
3. Lack of community spaces within the Queanbeyan CBD;
4. Lack of developable land in the Queanbeyan CBD;
5. Inability to attract conferences, business events and performances due to the limitations of the current spaces; and
6. Inappropriate and inadequate existing staff accommodation facilities.

QPRC has developed a business case for the proposed Queanbeyan Civic and Cultural Precinct (QCCP) project which addresses the needs posed from the above problems.

The Business case has established three strategic options to address the problems identified. They are:

1. Do the absolute minimum, culminating in Option 1. This approach did not attempt to solve any of the identified problems but included what was considered the bare minimum to maintain QPRC's existing operations in short term;
2. Complete a refurbishment and refresh of the existing assets to increase the life span and bring the buildings to a code-compliant standard, culminating in Option 2; and
3. Construction of a new QCCP. Three variants of this strategic option were looked at;
  - i. build all identified functionality (option 3)
  - ii. a reduced building (option 4)
  - iii. a hybrid version with a library. (option 5)

The financial analysis illustrated Option 1 generates the largest positive NPV of \$25.0 million over the first 20 years of the assessment horizon, when the merger savings are included and the smallest negative NPV of \$7.4 million when the merger savings are excluded. Whilst this option presents with the most favourable financial outcomes to QPRC of the five Options, it is noted that Option 1 is a purely theoretical option which is not appropriate to pursue in reality. Accordingly, whilst the financial outcomes have been modelled and presented for completeness, Option 1 is not an option relevant to evaluate or compare further.

Option 2 presents with the least favourable financial outcome to QPRC, as the investment required for the remedial works on the existing 11 buildings consumes the majority of the merger savings, in NPV terms. Excluding the merger savings, this option results in the largest negative NPV value of all the options.

Option 3 presents with a significantly more favourable financial outcome to QPRC compared to Option 2. Option 3 is less favourable, in financial terms, than Options 4 and 5 due to the higher investment cost, despite the higher rental incomes from the larger lettable area included in the Option 3 architectural design.

Option 4 presents with the most favourable financial outcome to QPRC. Option 4 has a lower investment cost than Options 3 and 5. The Option 4 architectural design includes a larger lettable area than Option 5 (as Option 5 includes the Library instead), and therefore Option 4 is marginally more financially favourable than Option 5 over the initial 20 years of the assessment horizon.

Option 5 presents with a marginally less favourable financial outcome to QPRC compared to Option 4, and marginally more favourable compared to Option 3.

After conducting a detailed analysis and financial assessment of each option, Option 5 is recommended as it demonstrates value for money to QPRC and the community.

The Option 5 QCCP building includes:

- A new public library;
- New community gathering and meeting spaces;
- A new roof top garden available for community use;
- New public realm upgrades;
- Integration of the Q and the Bicentennial Hall to create a cultural precinct;
- New QPRC administration and office spaces;
- Basement parking; and
- New lettable space and smart hub (including 5 star Green Star commercial office space that currently does not exist in Queanbeyan)

Option 5 will realise many economic and non-monetary benefits, including:

- Creation of public pride and ownership by creating a civic and cultural precinct in the heart of the CBD;
- Providing new, high quality community facilities;
- Increased diversity in cultural and entertainment offering within the CBD;
- Increasing the working population and foot traffic within the CBD through the introduction of NSW Government offices, new high quality commercial lettable area, smart hub/co working space and additional permanent jobs;
- Increased confidence from the private sector to invest within the CBD;
- Setting a high-quality benchmark for future development;
- Increased opportunity for retail diversity within the CBD and the catalyst to reverse the flow of escaped retail expenditure;
- When factoring in the economic multiplier, the QCCP will contribute to a \$629m economic benefit to the community;
- Consolidating the Queanbeyan based QPRC staff from 11 disparate offices into a centralised centre which will provide a higher level of service to the community; and
- Injecting new car parking within the CBD.
- Creating new commercial 5 star Green Star lettable space to create a new opportunity for new commercial tenant in the CBD.

The capital cost to construct Option 5 is estimated at \$72.5m and will realise a net present value of \$25.8m over the next 30 years. Initial debt will peak at \$70.6m, but is forecast to be reduced to \$50.1m following receipt of funds from government grants and sales of select surplus and redundant properties.

The QCCP is the catalyst the CBD needs to instigate its transformation into a vibrant and active precinct, whilst retaining its 'county living, city benefits' feel.

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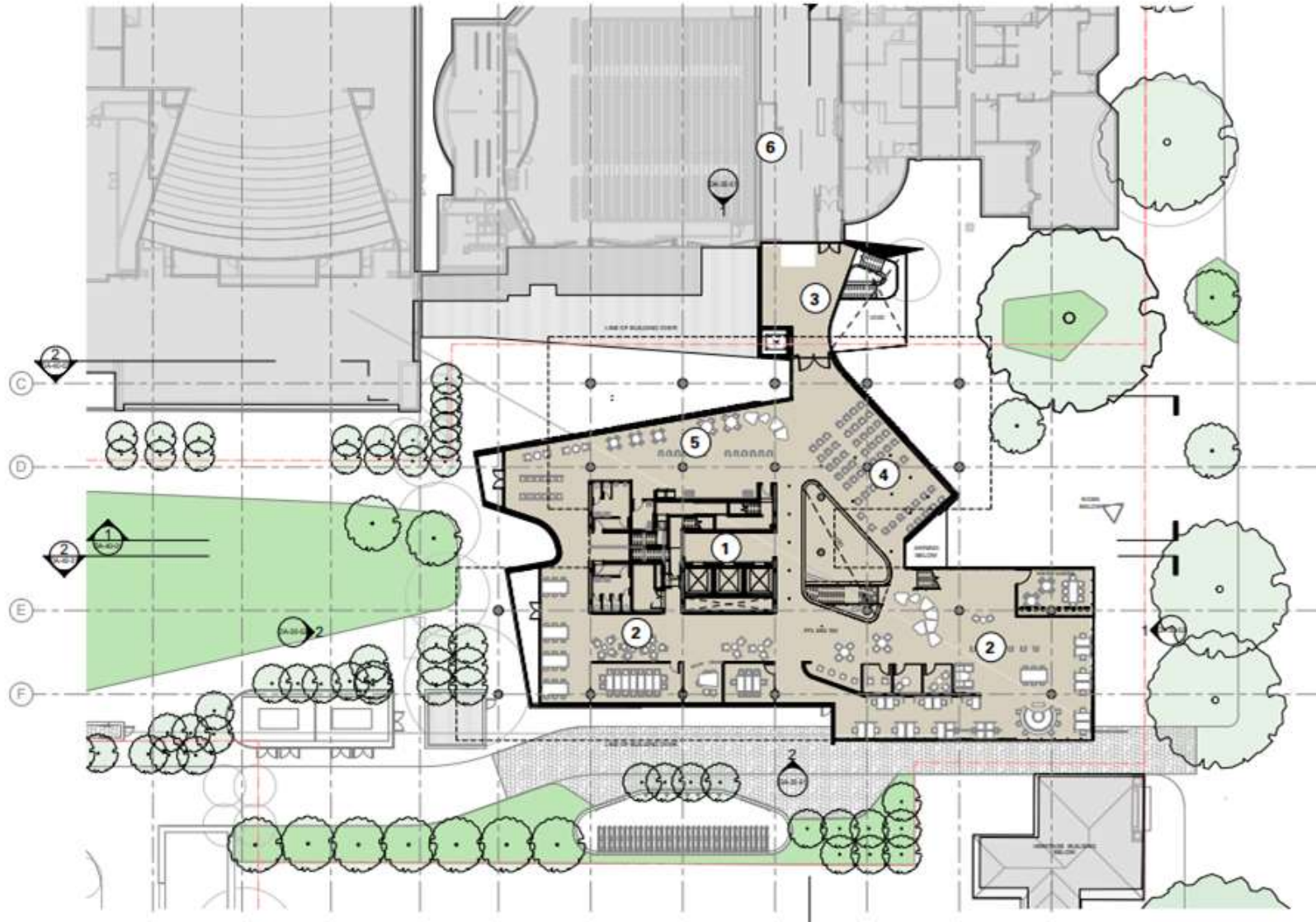
ITEM 1.1 QUEANBEYAN CIVIC AND CULTURAL PRECINCT

ATTACHMENT 3 FLOOR LAYOUT EXAMPLE

## 5.2 Ground Level



### 5.3 Mezzanine



06 Space Typology

Level 2 Spaces

LEGEND

- Potential Offices
- Primary Circulation
- Workstations / Workpoints
- Quiet Workstations
- Workpoints

SCHEDULE

- 139 Workstations
- 3 Potential Offices
- 5 Workpoints





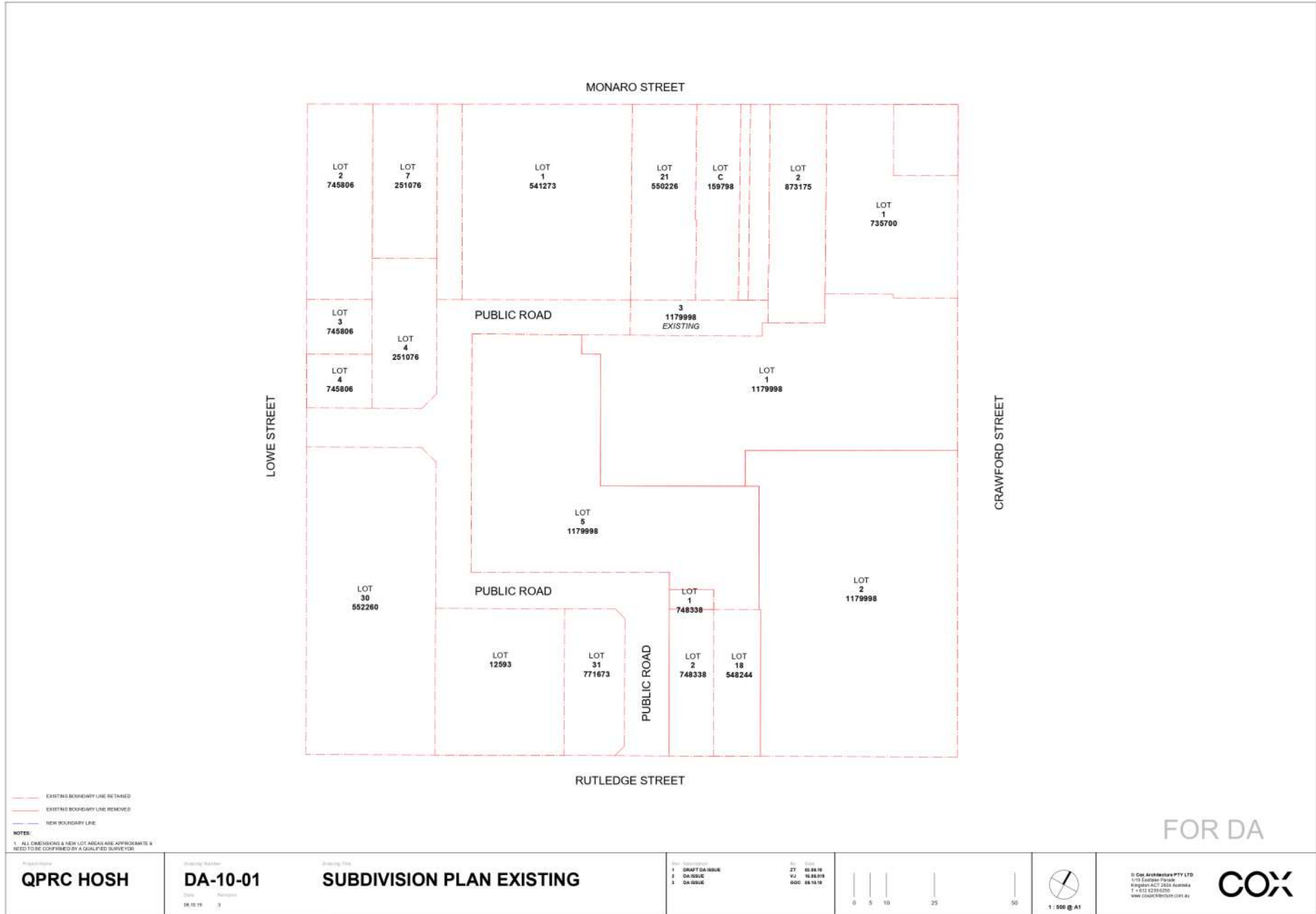
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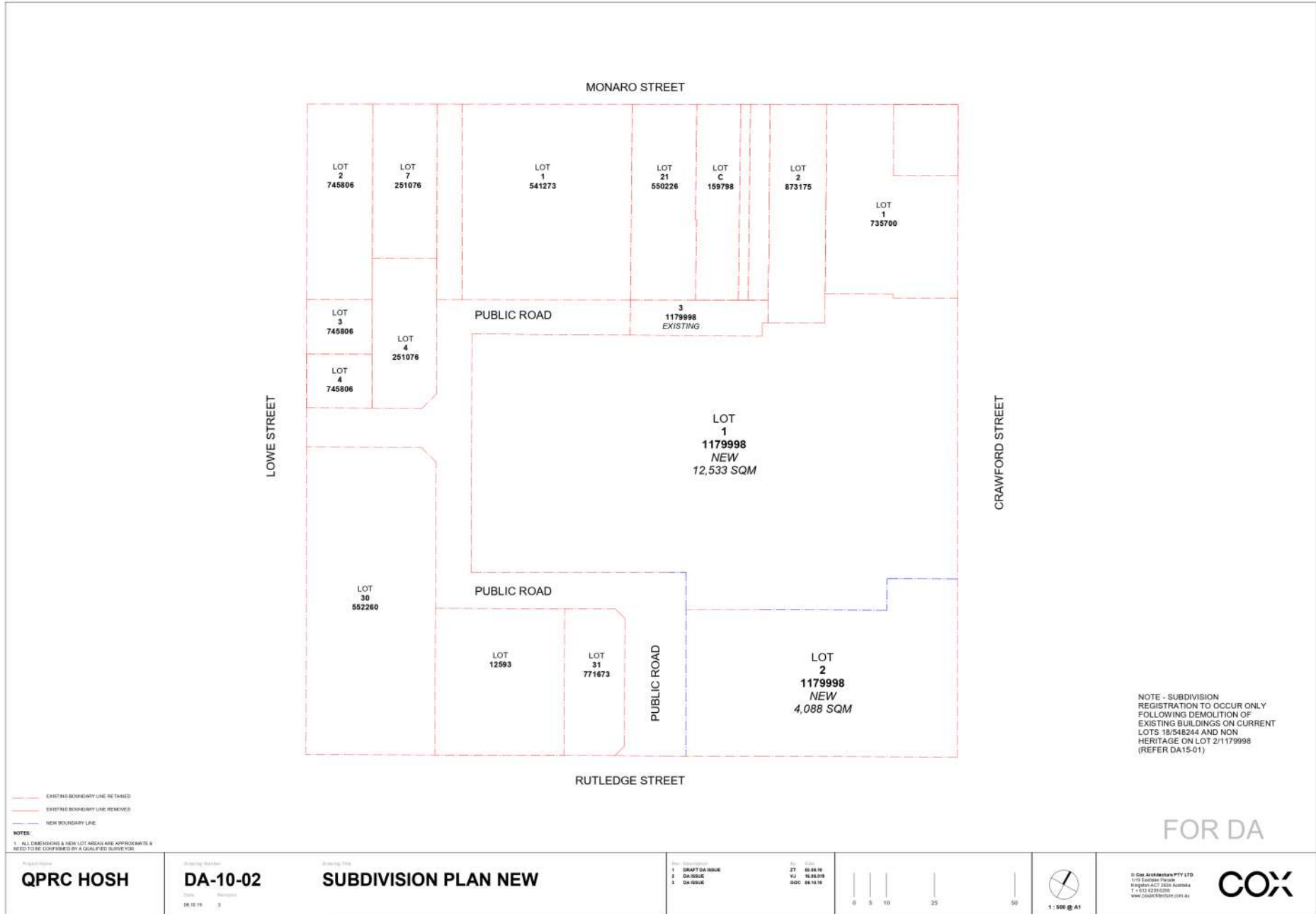
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ITEM 1.1 QUEANBEYAN CIVIC AND CULTURAL PRECINCT

ATTACHMENT 4 PROPOSED SUBDIVISION PLAN FOR QCCP PROJECT







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ITEM 1.1 QUEANBEYAN CIVIC AND CULTURAL PRECINCT

ATTACHMENT 5 BLOCK AND STACK FOR PREFERRED OPTION 5

Block and Stack for preferred option

