

BRIEFING BULLETIN 8

22 APRIL 2014

THIS BULLETIN PROVIDES THE FOLLOWING WORK-IN-PROGRESS UPDATES:

1. **Council's Resolution 76/13 Part B of 3 June 2013**

- A. Communication
- B. CapEx Review by DLG
- C. DA and JRPP
- D. Due Diligence
- E. Tender
- F. Timeline

2. **MANLY2015 Northern Quarter**

PART 1

A COMMUNICATION

- www.manly.nsw.gov.au and www.manly2015.com.au websites have been refreshed
- The fly-through video has attracted 6,442 unique views on YouTube
- Short Street works notified on Council's website, Manly2015 website and in the Manly Daily 'Works in Your Street'
- Local Area Manly2015 promotion: News Local ticker, Weekly Council News banner, flyover video on display in Customer Service Area Town Hall and Manly Library, Bus Shelter posters.
- Short Street Re-Opening Ceremony being planned for May 2014.

B CAPEX REVIEW

Council lodged a Capital Expenditure (CapEx) Review with the Office of Local Government in late December 2013. The business case as submitted drew upon numerous background and supporting reports and detail in its preparation, including:

- Full detail of the project proposed
- The community engagement process that has been undertaken as the project has been developed and progressed
- Detailed financials for the project for its construction and ongoing operational costs
- The detail behind the costings that Council has planned
- Evidence supporting the key assumptions behind the business case needs to be provided in this case, sensitivity analysis, due diligence studies by KPMG, Hill PDA, Bitzios Consulting Quantity Surveyor Reports, Geotechnical and hydrological studies
- A Risk Management Plan, and
- Detail of Council's capacity to manage the implementation of the project and its ongoing management and maintenance.

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Subsequently, the Office of Local Government has sought clarifications from Council on the following seven issues which the OLG would like Council to respond to for the Review:

Issue	Response
1. Underground Risk	Referred the OLG to the original submission and provided additional information.
2. Full Lifecycle Cost	Referred the OLG to the original submission and provided additional information.
3. Sale of Whistler Street Car Park Site	Referred the OLG to scenarios in the original submission and to the KMPG's further advice on IRR for 'Sale' and 'No Sale' cases that was provided to the OLG in February 2014.
4. Interest Rate Risk	Advised the OLG that Council will take up fixed rate long term loans contracts in addition to selling Whistler Street Carpark site to reduce borrowings for the Oval Carpark.
5. Community Concern	Referred the OLG to Council's 2012/13 and 2013/14 CSP and the outcome from Council's Community Engagement process.
6. Project Management	Referred the OLG to the original submission and confirmed that Council will use external resources and consultants to deliver the Oval carpark.
7. The asset condition of the existing Whistler Street Car Park relative to the BCA work that is needed	Referred the OLG to the original submission and provided additional information related to the 1997 consent to undertake life and fire safety works and the 2013 BCA reports

A final assessment response is anticipated over the coming month from the NSW Office of Local Government.

The outcome from the CapEx Review will then direct the below processes.

C Obtaining Development Approval

As Manly2015 moves into the detailed planning phase, the Manly Oval Car Park and "Village Centre" sites will be the subject of formal development approval. It is expected that this will occur via the Joint Regional Planning Panel. Plans will be exhibited and appropriate conditions imposed as with any planning approval process.

D Governance

Once Council has completed its capital expenditure requirements with the NSW Office of Local Government and has a "live project", a formal Project Control Group with the relevant industry and technical expertise will be established with responsibility for implementing the Manly2015 Project.

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E Tendering

Major works contracts will be subject to quotations, Expressions of Interest & tendering processes as appropriate. The current planning is to look at design and construct fixed price tenders and contractual arrangements for the major building aspects of the project. However, the best value option will be assessed tender by tender as each is evaluated by Council's Project Control Group.

F ESTIMATED TIMELINE as at 13 January 2014

1	Cost plan for Oval Carpark**	Provided to KPMG
3	Retail Centre Study**	Provided to KPMG
4	Parking Demand Study**	Provided to KPMG
6	Independent Due Diligence Advice by KPMG	Published
6	Lodgement of CapEx to DLG	Provided to the DLG
7	Lodgement of DA to JRPP*	Mid-year
8	Tender for Oval Carpark*	After mid-year

*Contingent on Condition Precedents

**Prepared by independent expert consultants

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Part 2 – Northern Quarter

A SHORT STREET PLAZA

The redevelopment of Short Street Plaza is nearing completion. All 'on the ground' items will be completed by mid April.



Short Street Plaza

B RAGLAN STEET

CHROFI Architects has been requested to provide concept plans.

C HENRIETTA LANE

Ongoing discussions are being held with adjoining property owners on private domain works that adjoin the public domain.

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