

Council Meeting

Meeting Date 23/07/2003

Item Number: ORD13
Subject: COOKS COVE PROJECT
File Number: T17/0137
Report by: Manager - Leisure Services (John Brandenburg) and Director - Planning & Development (Karl Mezgailis)

Financial Implications :

Precis:

This report considers the outcomes of the negotiations with Sydney Harbour Foreshore Authority (SHFA) undertaken by an independent consultant retained by the Council to consider issues relating to the Cook Cove Project

Council Resolution :

MOTION moved by Councillors Bryant & Peacock

1. That the report by the Manager - Leisure Services and the Director - Planning & Development on the 'Cooks Cove Project' be received and noted.
2. That Council acknowledges that substantial benefits will accrue to the City and its residents and reaffirm its decision to transfer land under its ownership to facilitate the Cooks Cove Project .
3. That subject to the adoption of the Masterplan and Regional Environmental Plan , a further report be prepared on an open space improvement strategy using the profits from the Profit Share Agreement.
4. That Council's Solicitor be instructed to ensure that conditions , including those that protect the Council's interest in regard to the sale and transfer of land and the relocation of sporting clubs , are included in the Project Delivery Agreement.

AMENDMENT moved by Councillors Johns & Edwards

That the matter be deferred to a Council Meeting to be held on Wednesday 6 August, 2003 at 7.00 pm.


The AMENDMENT was carried and as the MOTION was adopted.

Committee Recommendation :

Officer Recommendation :

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Report Background

The Council at its meeting held on the 11 December, 2002 considered a report  on profit sharing arrangements in the Cooks Cove Project and resolved as follows:

- "1. That the Mayor and General Manager engage and brief a professional negotiator on Council's expectations.*
- 2. That an independent consultant be retained to prepare a report on the strengths and weaknesses of the proposal.*
- 3. That Council consider the report in Item 2 and determine any further issues for negotiation.*
- 4. That Rockdale City Council's negotiator enter into negotiations with SHFA regarding Council's concerns on open space and wetland as expressed in Council's submission on the Draft Cooks Cove REP and Masterplan. In particular the issues relating to the reduction of publicly accessible open space and the non accessibility of wetlands be addressed in the negotiations."*

Mr Michael Whelan of M W Consult Pty Ltd was appointed on the 24 April, 2003 as the Council's independent negotiator. Mr Whelan was provided with access to all of the relevant files and documents and has held several meetings with Sydney Harbour Foreshore Authority (SHFA) representatives. He has already presented an outline of his investigations to the Councillors at a Study Group and at briefing meetings.

STRENGTHS AND WEAKNESSES

The Council's independent negotiator provided a verbal report to Councillors at a Study Group and briefing meetings on the benefits that may accrue to the Rockdale community as a result of the Cooks Cove Project being undertaken. Those benefits are contained in various reports and documents held on Council's files and in the annual report for the Cooks Cove Development Corporation, 30 June 2002. The key points include the following:

- Council's involvement in a major development project and share in the potential profit without exposure to day-to-day management or financial risk of capital expenditure
- Wetlands and public open space significantly improved and new open space facilities provided.
- Estimated annual rate income on completion, in the vicinity of \$900,000
- Significant additional rate revenue generated from redevelopment of the area surrounding the Cooks Cove Project site
- 10,000 operational jobs created and 5,000 construction jobs generated
- Other like scale investment in the City of Rockdale likely to occur
- Remediation of contaminated land undertaken by others
- Proposal defines the extent of the existing F6 motorway corridor
- Blocks expansion of Sydney Airport into the Rockdale LGA
- Rockdale and the State Government are partners in the Project
- Funds received from the sale of Council owned land reinvested in the City, with funds from land held under trust retained by Council
- Cooks River frontage opened up for public use with pedestrians and cycle pathways along the river frontage and with links to the Homebush/Botany Bay cycleway
- Management plans prepared for open space and wetlands to ensure coordinated management of environmentally sensitive areas. Innovative stormwater management implemented
- The St George Soccer Stadium remains in its present location and continues to provide opportunities for field sports
- Potential return of \$180 million in economic benefits to the people of New South Wales
- New international standard golf course and clubhouse with security of tenure
- Preservation and continued cultivation of heritage market gardens
- Potential future pedestrian and public transport access to Sydney Airport.

In regard to weaknesses:

- The construction phase of the site may restrict some public access for up to 10 years
- Additional rate revenue will only be achieved following the sale of the individual sites for

construction of buildings

- Approximately 20ha of open space land will be taken up by buildings and infrastructure works
- Access to one wetland still restricted
- Additional traffic on main roads and surrounding residential streets
- Noise, dust, inconvenience etc during construction and other general matters raised in Council's submission on the draft REP and Masterplan
- Access restrictions over public open space areas that are required for the relocation of sporting clubs.

KEY COMPONENTS

The key components relating to this project are:

1. Relocation of Sporting Clubs

The Council on the 14 April, 2001 adopted a strategy for the relocation of sporting clubs to accommodate the Cooks Cove Project. There was a subsequent amendment in regard to the development of Bicentennial Park, adopted on the 23 April, 2003, however, in summary the strategy involves:

- Rockdale Linden Senior teams relocated to Bicentennial Park with a new training and junior fields established on the undeveloped RTA road reservation. The RTA has indicated that it would support this proposal. An additional 2.6ha of land will then be developed and become available for community use. A new amenities building would be constructed for the Seniors at Bicentennial Park and a small building constructed off O'Neill Street for the Juniors.
- The Bicentennial Park picnic and play facilities redeveloped to contemporary standards. The Amendment to the Community Land Plan of Management to include Bicentennial Park, adopted 23 April 2003 sets out the strategies for the development of the site.
- Arncliffe Scots Baseball and St George Baseball Association relocating to Scarborough Park adjacent to Margaret Street and the link road. The existing amenities building would be modified for use and new toilets and additional storerooms built.
- Rugby League fields relocated to Production Avenue. Two (2) new fields and a new amenities building would be constructed on this undeveloped site. An additional 4.7ha of land will then become available for community use.
- Arncliffe Scots playing fields relocated to Scarborough Park north off Barton Street. A new amenities building would be constructed for this use.
- Arncliffe Scots Sports and Social Club (rugby league) to Cahill Park. The Club has now obtained a Licence to enable it to fund improvement works to the canteen, floodlighting, car parking and the installation of spectator stands.

Council's strategy for the relocation of sporting fields generally relates to a new overlay of playing fields over existing open space, although four (4) new fields will be constructed on undeveloped sites. A winter overlay at the field off Monterey Street will also provide for the soccer teams currently using Bicentennial Park. The increased usage at the site will require a new small amenities building to be constructed adjoining the Monterey Street field.

New and/or significantly upgraded facilities will also become available. New amenities blocks, which will include showers, toilets, changing rooms and kiosks built to contemporary standards will be provided. Although cost estimates are available, based on existing facilities and conditions, the new buildings have not been designed and locations are yet to be determined. Most of the existing facilities at Riverine Park and Barton Park are of a standard that their relocation is impractical, however, items such as goal posts will be reused. The design and siting of the new buildings will be subject to Development Consent. New leases or licences will be subject to the standard conditions that apply, including those relating to public advertising and Ministerial consent.

The Council's strategy requires that Clubs receive facilities at no less a standard than those that they

currently occupy. The three most affected clubs have entered into formal Agreements with the Council to surrender current leases and relocate:

- St George Baseball Association Inc signed on 6 December 2001
- Arncliffe Scots Sports and Social Club Limited signed on 30 May 2002
- Rockdale Illinden Soccer Club signed on 19 July 2002.

In 2001 the Council's Quantity Surveyor, Mitchell Brandtman, was engaged to study all sites affected by the relocation and to create an inventory of all amenities and site improvements evident on those sites. The Company was also required to value the existing facilities and site works and provide an estimate of construction costs involved in the relocation. Following an assessment of the Quantity Surveyor's report and other calculations undertaken by quantity surveyors assisting SHFA, the relocations referred to above have been estimated at \$6,440,104.

SHFA and the Council's Solicitor have now been advised that this amount is to be included in the Project Delivery Agreement (PDA) to pay for the relocation of sporting clubs. The PDA will be required to state that the funds required also need to be indexed to CPI, annually or part thereof, as at the 26 June, 2001 when they are due and payable.

Notes on the Proposed Relocation Sites

Plans of the relocation sites have previously been circulated, however, they are attached to this document for reference.

- The attachments marked Scarborough Park 1 and Scarborough Park 2 indicate the current summer and winter usage. Some sporting fields have been marked with dimensions to indicate the current layout for soccer and rugby league. Clubs often mark out mini or midi sized grounds additional to the current layout to accommodate junior teams.
- The attachments marked Scarborough Park 3 and Scarborough Park 4, indicate the proposed overlay for summer and winter.
- The attachment marked Scarborough Park 3, indicates the new cricket pitches to be installed at Production Avenue and baseball diamonds off Margaret Street for the summer season.
- The attachment marked Scarborough Park 4, indicates sporting fields and a new pavilion off Barton Street for Arncliffe Scots. Also indicated are the new overlay for winter sport and the new amenities building off Monterey Street, the baseball diamonds off Margaret Street required for the winter season, and the new rugby league grounds to be constructed at Production Avenue.
- The attachment marked RTA land developed for Illinden Juniors, indicates an indicative layout for training and junior fields and the siting of a new small amenities building off O'Neill Street. Two pitches for Junior cricket are also possible. This layout provides an opportunity to link the new fields with the sporting area at Brighton Memorial Playing Fields to better integrate active sport at this location.
- The attachment marked Council land developed for Seniors, indicates hatched red, the area to be leased to the Rockdale Illinden Soccer Club. However, there is no intention to erect fencing on the boundaries of the leased area.

2. Open Space

SHFA has also provided plans of the site showing the "existing" open space/wetlands arrangements and the "proposed" arrangements with the Development Zone. These plans are attached. Larger versions will be available at the meeting.

The Council's initial submission on the draft REP and Masterplan supported the provision of significantly upgraded open space, pedestrian and cycle links and a foreshore access zone. No doubt other submissions have been received on these issues. At this stage, the Council needs to await the adoption of the Masterplan to be fully informed on the exact location and nature of the open space and wetland areas. Once the REP has been made, other conditions in relation to

management of the wetlands and open space areas will be known. The final decisions rest with the Department of Infrastructure Planning and Natural Resources.

The Council has an interest to ensure that access to the wetlands is maintained and enhanced. The plans provided with this report indicate that three (3) wetlands will be publicly accessible. The wetland known as the "landing lights wetland" will be within the boundaries of the new golf course. Public access will be available to this wetland, however, it will need to be managed. The managed access will be similar to that which currently exists at the ponds and wetlands within the current Kogarah Golf Course.

The site has now been surveyed. The total area of land required by the Cooks Cove Development Corporation is 92.06 hectares. The area of Council owned land required for the Project is 33.971 hectares or 37% of the total land required. Land ownerships are shown on a plan attached numbered 8421B.

3. Project Delivery Agreement and Transfer of Land

The negotiation agreement converts the earlier scenarios to a framework for a Project Delivery Agreement, which will also incorporate Council's land commitment in the Agreement. The Council's Solicitor will be engaged to ensure that conditions are included to protect the Council's interest.

4. Proposed Profit Share Agreement

SHFA has provided Council with a proposed profit share agreement containing details about those arrangements and likely funds that will become available for reinvestment within the City. This is the subject of a separate report as it refers to commercial information of a confidential nature that would, if disclosed, prejudice the Council's position in regard to the sale and transfer of the land.

SUMMARY

By engaging an independent negotiator, Council has:

- maintained good working relationship with SHFA
- demonstrated goodwill
- reinforced the concept of the partnership
- enlisted a more favourable commercial offer as opposed to the earlier scenarios of 21 October 2002
- further define the success fee percentage
- had SHFA acknowledge that Council has incurred project management costs associated with community liaison, including the project management for the relocation of sporting fields
- obtained a commitment that funds received following the sale of Council land held under trust will be retained by the Council and will be available for purchase and improvement of open space within the Rockdale LGA as opposed to some other area in Metropolitan Sydney
- confirmed that the NSW Government is anxious to proceed with the development; and
- confirmed that the Regional Environmental Plan (REP) should be made and the Masterplan finalised in the near future.