

8.4 Epiq - Community and Sporting Facility Infrastructure

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Delivery Program Strategic Planning

Objective To seek direction from Council on the approach to the delivery of community and sporting facility infrastructure within the Epiq development at Lennox Head.

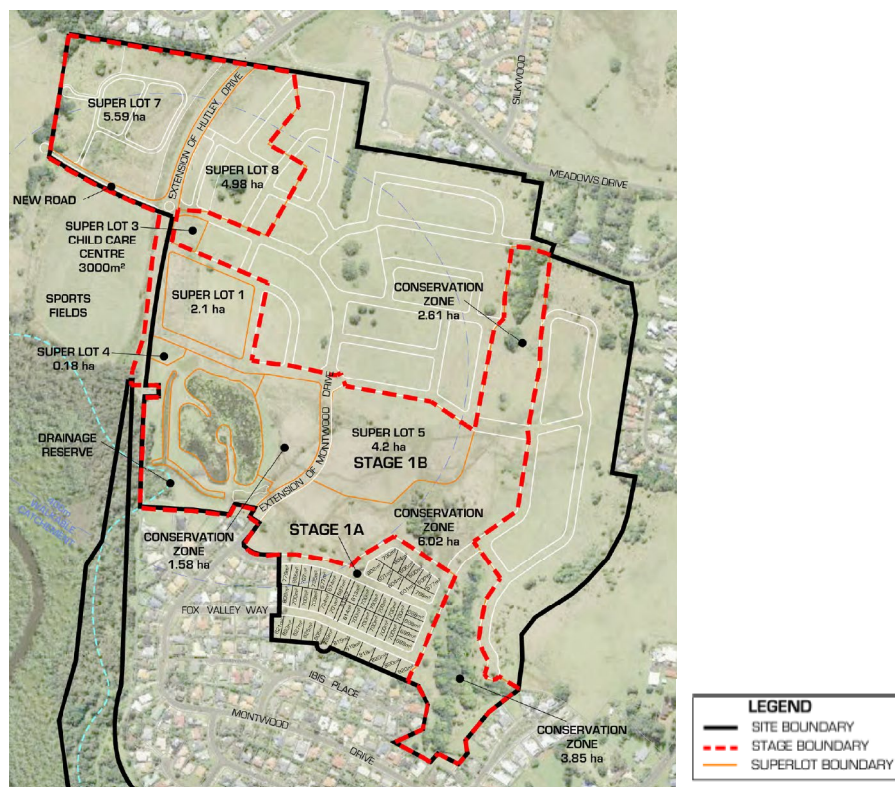
Background

Epiq at Lennox Head (formerly known as Pacific Pines) is a greenfield urban release area that incorporates residential development, a commercial area and community infrastructure including sporting fields and road works.

The development is being undertaken by Clarence Property.

The location of the land and the overall layout of the development is shown in Figure 1.

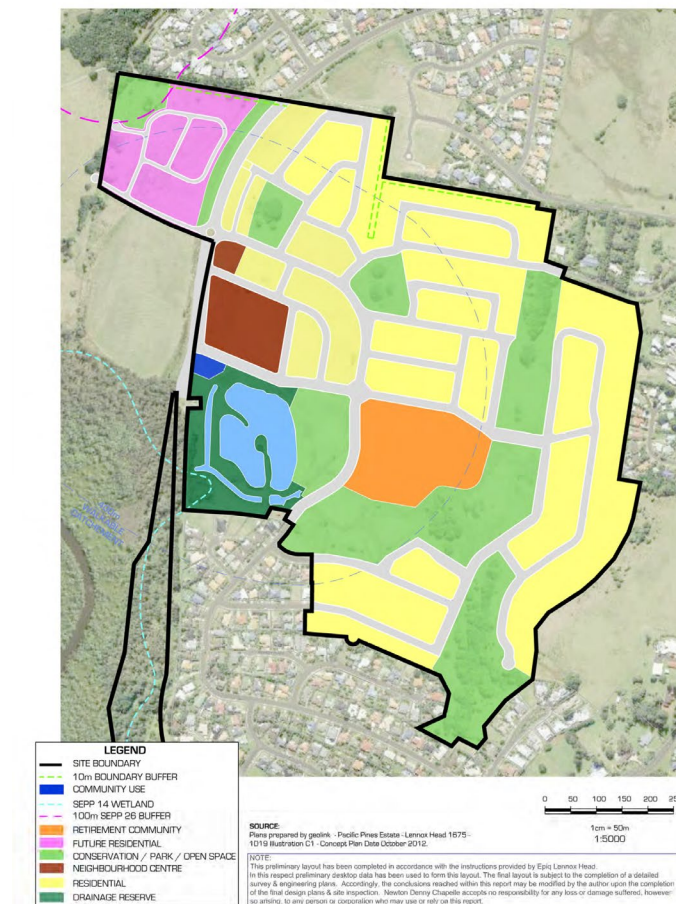
Figure 1 – Epiq Development Lennox Head (Source: Newton Denny Chapelle)



Epiq is subject to a Concept Approval (MP 07_0026 MOD 5) and a Project Approval issued by the NSW Department of Planning.

The concept plan layout for Epiq is shown in Figure 2.

Figure 2 – Epiq Approved Concept Plan (Source: Newton Denny Chapelle)



The concept approval provides the overall context for the development, and the development of the land must be carried out in a manner consistent with this approval.

The existing project approval and subsequent development approvals relate to the delivery of project stages and incorporate a greater level of detail.

The current Concept Approval for Epiq provides for several key elements within the development to be delivered in stages as follows:

- Residential subdivision to create a variety of lot types and sizes
- A neighbourhood shopping centre including a supermarket and specialty shops
- A multi-purpose community hall with a floor space of 300m²
- Medium density housing
- An open space network including water quality control, conservation and general open space areas
- Road network (including extensions to Montwood Drive and Hutley Drive)
- Other associated infrastructure (including playing fields and sporting amenities).

Stage 1A of the development, being for 51 residential lots, has been subdivided and constructed with the majority of the lots now containing

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dwellings that are complete or nearing completion. Stage 1A also included construction of the Epiq playing fields, which are complete and have been handed over to Council.

Stage 1B of the development has been subdivided and constructed.

This stage included the creation of super lots, the construction of Main Street, construction of an extension to Hutley Drive within the Epiq site and provision of various other internal roads.

Stages 2 and 3, both being predominately for residential development (83 lots and 122 lots respectively), have now been constructed and subdivided and it is expected that housing construction will commence in the near future.

Stages 4 and 5 are also progressing, with substantial construction work for stage 5 currently in progress.

The neighbourhood commercial centre was granted development consent by the Northern Regional Planning Panel on 17 October 2018.

A modification to that approval that seeks to alter the configuration of the commercial floor space is scheduled for the consideration of the Northern Regional Planning Panel on 20 June 2019.

This application is likely to have been determined prior to publication of this agenda.

Community and Sporting Infrastructure Background

In December 2017, Council received a report regarding the community and sporting infrastructure planned within the Epiq development.

The purpose of that report was to provide Council with an overview of the community infrastructure planned for the Epiq development and seek direction from the Council with respect to the provision of this infrastructure as the development proceeds.

Alternative approaches to infrastructure provision were outlined with Council resolving to endorse a change to the planned infrastructure outcome as follows:

1. *That Council authorises the General Manager (or delegate) to negotiate with Clarence Property for an alternate community infrastructure outcome at the Epiq development site based on the following principles:*
 - *That Council works with Clarence Property to determine an agreed value for the community infrastructure works required under the current Concept Approval.*
 - *That the negotiation be based on the application of the value of the required community infrastructure works to Council's preferred infrastructure outcomes.*
 - *That Council negotiates for an enhanced amenities building at the playing fields inclusive of toilets, change rooms, a canteen space, storage areas and a meeting space.*
 - *That Council negotiates for piece of land in a future development stage suitable for the siting of a community preschool and/or community facility.*

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- *That if the above items are secured and any funding remains, that Council negotiates for such monies to be applied to the lighting of the Epiq playing fields.*
 - *That the requirement for cricket practice wickets (nets) is to be determined following consultation with stakeholders.*
2. *That a further report on the outcomes of the negotiations be presented to the Council prior to the formalisation of an alternative community infrastructure outcome.*
 3. *That Council prepares an infrastructure plan to document the outcomes associated with points one and two where an alternative community infrastructure outcome is agreed between the parties.*

This report sets out the outcomes of the negotiations with Clarence Property and seeks direction from Council on the approach to infrastructure delivery in the Epiq development.

Key Issue

- Provision of community infrastructure within the Epiq development site
- Reasonable balance and future planning

Information

Under the current Concept Approval for the Epiq development, the developer has an obligation to provide various items of community infrastructure at different points in the progress of the development.

The infrastructure items and their status are outlined in Table 1 as follows.

In reviewing Table 1 it is important to recognise that the developer, Clarence Property, has met all obligations and requirements to date as set out by the approval and Council with respect to the infrastructure.

Table 1: Epiq Community Infrastructure Status Summary

Infrastructure Item	Status
Epiq playing fields and car parking	Complete and handed over to Council.
Sporting infrastructure – cricket nets	Item bonded. Provision subject to determination of preferred approach to community infrastructure provision.
Sporting infrastructure – tennis courts	Item bonded. Provision subject to determination of preferred approach to community infrastructure provision.
Playing field amenities	Item bonded. Provision subject to determination of preferred approach to community infrastructure provision.
Community facility (community hall)	Item bonded. Provision subject to determination of preferred approach to community infrastructure provision.

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Council is currently holding bonds for a number of infrastructure items on the basis that there is opportunity to reconfigure the approach to the infrastructure.

By pausing to consider the type of infrastructure provided, alternatives to achieve a better long-term outcome for the community that is responsive to needs (noting the original approval for the Epiq development dates to 2008) have been examined in conjunction with Clarence Property.

The idea here is for Council to consider the best infrastructure outcome drawing on the value of the developer's community infrastructure obligations.

That is, what is the optimal way to spend the funds the developer is required to apply to community infrastructure.

Clarence Property has willingly engaged with Council in this regard.

The current status of the development offers an opportunity for Council to consider whether the proposed facilities represent the best outcome for the community, or whether there are alternative outcomes that may be more beneficial, especially in the long term.

This report seeks direction from Council in relation to enabling staff to continue to negotiate with Clarence Property with respect to a preferred community infrastructure outcome.

To assist in the consideration of this, the infrastructure items listed in Table 1 not yet built are addressed in further detail as follows.

Infrastructure Item Summaries (Existing Concept Approval)

Cricket Nets

The current approval requires that cricket practice nets are provided on the playing fields site. Given that Council already has practice nets on Williams Reserve and at the Skennars Head playing fields, it may not be necessary to provide further infrastructure of this type at Epiq.

The 2017 report recommended that the provision of cricket practice nets should be considered in consultation with the end users of the playing fields. However, this report recommends the allocation of the funds associated with the nets to a different outcome which favours known higher priority outcomes.

If it is ultimately determined that cricket nets are appropriate at the site, their provision can be considered through Council's annual budget processes at the appropriate point in the future.

Tennis Courts

The current approval requires that two tennis courts are provided on the site of the playing fields. The staff view is that tennis courts are not required in Lennox Head and that further tennis infrastructure in the Shire is best consolidated at Hampton Park in Ballina. Such consolidation provides the optimal opportunity for the management of such infrastructure and is most cost effective for Council.

Further, the playing fields have been reconfigured to improve their layout, and in particular, bring the amenities and car parking closer to Hutley Drive.

This has resulted in limited space (on an already small area relative to the infrastructure to be provided) for the provision of tennis courts on the site.

That is, placing tennis courts on the land would be problematic from a space perspective, especially if an enhanced amenities facility is provided (see below).

Having regard for the above, it is recommended that Council negotiates with Clarence Property to redistribute the value associated with the tennis courts into other community infrastructure.

Sporting Amenities

The current approval for Epiq requires that the developer provides a modest amenities building comprised of toilets, small storage areas and an awning area.

There is an opportunity to provide for a significantly improved amenities outcome on the land in the form of a facility that includes change rooms, a canteen space and possibly a meeting space. This outcome requires the redirection of funds from the infrastructure the developer is required to provide and/or additional funding from Council.

Council staff have been in negotiation with Clarence Property to facilitate an improved amenities building at the Epiq playing fields inclusive of toilets, change rooms, a canteen space, storage areas and a meeting space.

Community Facility

The Statement of Commitments under the Concept Approval requires the developer to provide a 300m² community facility within the Epiq site. This facility was originally envisaged on the land shown as super lot 4 in Figure 1.

Although a new community facility appears beneficial at first consideration, this may not be the best spend of available funds at this time.

Council's developer contributions plan for community facilities plans for a second community facility in Lennox Head over the next 20 years.

However, there is little evidence that a second community facility is required in Lennox Head at present (in particular, there is capacity for the existing community centre in Mackney Lane to accommodate additional use).

Further, bringing a new facility on line too early also means that Council will incur maintenance and management costs and may also lead to a loss of use at the existing community centre.

Council also has options with respect to the provision of additional community facility space in Lennox Head as the current developer contributions plan does not nominate a site or the form of the facility.

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For example, Council could augment the Mackney Lane facility or incorporate the facility into a new surf club development in the future.

Not proceeding with the construction of the community facility on Lot 4 also provides Council with a potential commercial opportunity as super lot 4 is zoned B1 Neighbourhood centre (commercial). Lot 4 has been dedicated to Council as part of the development and is categorised as operational land.

Further, a community facility of a size consistent with Council's typical requirements for such infrastructure does not fit well on Lot 4 and so pursuit of this site would require compromises in design and/or use of additional public land adjoining the site. This is not recommended as the need for the facility in this location is not evident.

Having regard for the above, it is recommended that Council continues to negotiate with Clarence Property to redistribute the value of the Epiq community facility to enable other community infrastructure.

Other Community Infrastructure Options

The recommendation to negotiate with the Epiq developer is based on the knowledge that there is a variety of community infrastructure needs in Lennox Head, as well as the potential to obtain an improved sporting amenities building.

Some of these items as relevant to the Epiq development were canvassed in the 2017 report.

These items are addressed below relative to the current circumstances:

- Provision of land and accommodation for the Lennox Head Rural Fire Service (relocation from the current site in the village centre).

The current preferred approach for the fire service is to locate new infrastructure on the Council property at 9 Byron Bay Road.

- Provision of land for a second community preschool in Lennox Head.

The current Council position for the provision of a second community preschool is to locate a new facility on the Council property at 9 Byron Bay Road.

- Provision of lighting at the Epiq sporting fields.

Lighting for the Epiq playing fields has not yet been resolved, with this infrastructure being important to maximising the use of the fields.

- Construction of Hutley Drive North.

Council has advanced the planning for this infrastructure, including purchase of land at 9 Byron Bay Road. This infrastructure is being funded through developer contributions.

Overall, this report recommends that Council authorises the General Manager (or delegate) to finalise negotiations with Clarence Property to apply the value of the community facility infrastructure at Epiq (that is yet to be developed) to achieve the following outcomes:

- An enhanced amenities building at the playing fields inclusive of toilets, change rooms, a canteen space, storage areas and a meeting space.

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- Provision of lighting at the Epiq playing fields suitable for a variety of night time sporting activities.

The above approach means that Council would be deferring the construction of a second community facility in Lennox Head for an undefined period and that tennis courts will not be built within the Epiq development.

A decision on cricket nets would be a matter for future consideration.

Overall, what is possible is dependent on the valuation of the required community and sporting infrastructure. Since December 2017, Council has been in negotiation with Clarence Property with the aim of agreeing on the value of the infrastructure and an approach to the application of this value.

Valuation of Planned Facilities

Council and Clarence Property have worked collaboratively to agree a method for the costing of the currently required infrastructure and the preferred infrastructure.

Most recently, Council and Clarence Property engaged Peter Turner and Associates to provide building design plans for the purposes of costing.

PEP Solutions was then engaged jointly to provide cost estimates for a community facility, sporting amenities and a combined sporting and community facility building (sports amenities with a meeting space).

Plans for the facilities costed are shown in figures 1, 2 and 3.

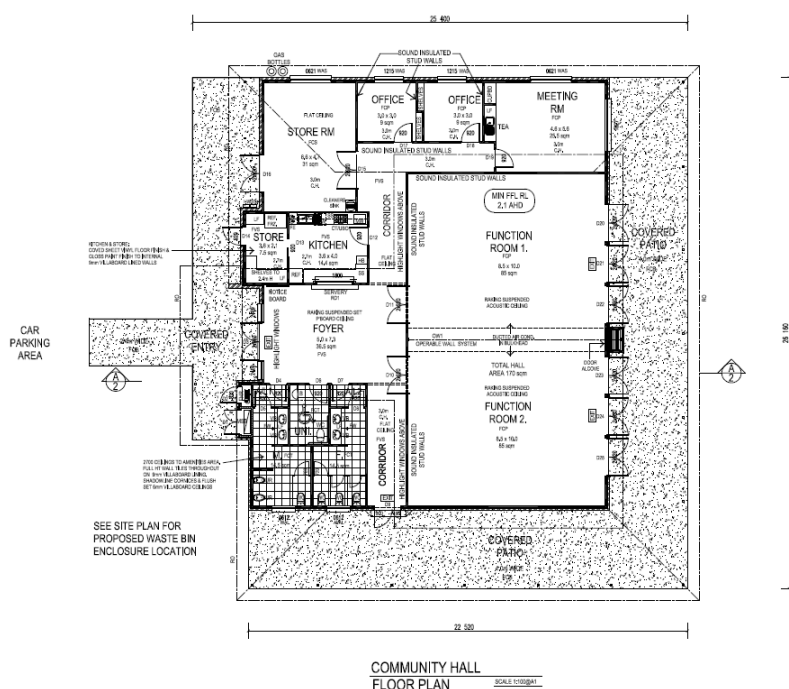


Figure 1: Indicative Community Facility (Hall) Floor Plan

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Figure 2: Indicative Sporting Amenities Floor Plan

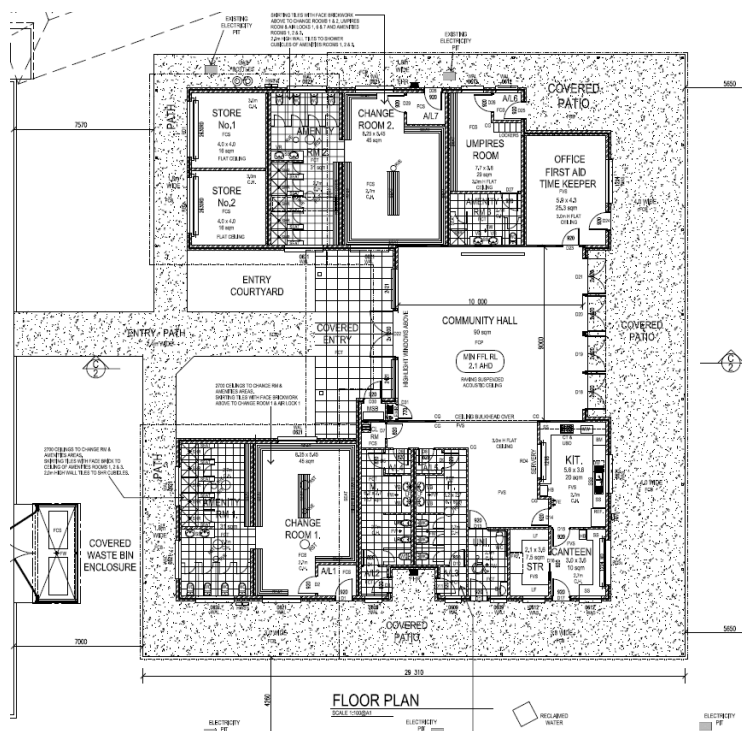


Figure 3: Indicative Combined Sporting Amenities and Community Facility Floor Plan

The costings obtained from PEP Solutions, along with costs previously agreed with Clarence Property are set out in Table 2. The table also includes an allowance for site preparation and car parking which was not costed by PEP Solutions. Council's estimate is based on works undertaken for the Ballina Indoor Sports Centre and is indicative only.

The estimates do not include development application fees or design costs.

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Table 2: Cost Estimates – Currently Required Infrastructure

Infrastructure Item	Cost Estimate (excluding GST)
Sporting infrastructure – cricket nets	\$41,987 (previously agreed)
Sporting infrastructure – tennis courts	\$89,765 (previously agreed)
Playing field amenities	\$852,000 (PEP Solutions)
Playing field temporary amenities	\$10,000 (previously agreed)
Community facility (community hall)	\$900,000 (PEP Solutions)
Community facility (community hall) – car parking and site preparation	~\$105,000
Total	\$1,998,752

It is important to recognise that there are several factors that warrant consideration in relation to the cost estimates.

Some of the inclusions in the community facility and sporting amenities are additional to the minimum requirements for the developer, so it is appropriate that Council discounts this cost from the agreed cost for the building that has been designed.

The reason for these inclusions in the design was to provide Council with a template for future facility designs.

The PEP Solutions cost estimate also relied on a floor area greater than what has been agreed between Council staff and Clarence Property for the community centre building.

The developer has willingly agreed to enter into negotiations for an improved infrastructure outcome.

As such, there is likely to have been some cost escalation beyond what the developer would have expected to incur as a result of the time associated with the negotiations.

The costings in Table 2 have been adjusted to reflect the following factors:

- Cost escalation based on 1 year using CPI index of 1.9% for 2018.
- The community building having a total under roof area of 589m².
- Council having additional floor area in the community building design equating to 9.25% of the floor area.
- Council having additional floor area in the sporting amenities building design equating to 5.8% of the floor area.
- No changes in the value assigned to previously agreed infrastructure values (on the basis that these could have been built at the agreed value by the developer in the absence of the negotiations that have occurred).

This adjustment is reflected in Table 3.

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Table 3: Adjusted Cost Estimates – Currently Required Infrastructure

Infrastructure Item	Cost Estimate (excluding GST)
Sporting infrastructure – cricket nets	\$41,987 (previously agreed)
Sporting infrastructure – tennis courts	\$89,765 (previously agreed)
Playing field amenities	\$787,335
Playing field temporary amenities	\$10,000 (previously agreed)
Community facility (community hall)	\$756,291
Community facility (community hall) – car parking and site preparation	~\$103,005
Total	\$1,788,383

The costing for the combined sporting amenities and community building design as provided by PEP Solutions is \$1,168,000 (exclusive of GST)

In summary, based on the costing process undertaken, the estimated value of the infrastructure works currently required of Clarence Property is \$1,788,383 (based on Table 3).

The value of the currently preferred infrastructure (being a higher standard sporting amenities building) is estimated at \$1,168,000.

This leaves \$620,383 in funds that can be redirected to other projects via an agreement with Clarence Property based on this calculation.

Importantly these figures have not been agreed to by Clarence Property, at this time. This is not unreasonable as there is often substantial variation in the costing for infrastructure of the type required.

As a guide, the most recent cost estimates for the infrastructure, obtained by Clarence Property independent of Council in 2017, valued the community building at \$585,600 and the sporting amenities at \$751,000.

If Council accepts the adjustments underpinning Table 3, the community facility building is where the key difference lies (the difference being \$170,691).

In addition, Clarence Property is also of the view that the combined sporting amenities and community building would likely cost more than the PEP Solutions estimate.

Clarence Property estimate this cost to be around \$1,536,000 although this is indicative rather than an accurate costing at this stage.

On a hypothetical basis, if the estimated value as calculated by Council in Table 3 is further discounted to meet the Clarence Property estimate for the community facility, this values the required infrastructure at \$1,617,692.

Even in a scenario where the lowest figures are adopted for the value of the required infrastructure and the higher figure as estimated by Clarence Property is adopted for the combined facility building, the estimates indicate there is sufficient funding to construct the preferred combined building.

On this basis, it is recommended that Council agrees to a change to the planned infrastructure delivery at Epiq to deliver the combined sporting amenities and community facility building on the site of the Epiq playing fields (and not require the stand alone amenities or stand alone community hall building).

This is preferred as it allows Clarence Property to proceed to lodge a development application based on the preferred sporting facility building design and (upon approval) proceed to construct it without further delay.

An adjustment would also be necessary to the overall State Government planning approval for Epiq to reflect the changed outcome (removing the obligations to build the stand alone amenities and hall buildings). It is suggested that this change be considered once approval for the preferred sporting facility has been obtained.

It is also recommended that Clarence Property be asked to include the preferred lighting outcome in the development application for the sporting facility to facilitate the delivery of the lighting.

Council staff will continue to negotiate with Clarence Property to seek to agree on a final value for the required infrastructure with any funds beyond those required for the enhanced sporting facility to be allocated to construction of the lighting.

It is recommended that this approach be embodied within a voluntary planning agreement (should the developer wish to propose one) so that the agreed outcomes and steps in the process are properly documented in the public domain.

A VPA addressing this could be concurrently exhibited with the development application for the combined sporting and community building.

Sustainability Considerations

- **Environment**
Not Applicable.
- **Social**
The approach proposed in this report seeks to achieve optimal outcomes to meet community infrastructure needs.
- **Economic**
The approach proposed in this report seeks to achieve optimal use of available funds to meet community infrastructure needs.

Legal / Resource / Financial Implications

A negotiation of this type needs to be mindful of the need for probity and transparency.

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It is also important to recognise that any change to the nature of the community infrastructure provided will require a modification to the existing Concept Approval (which in turns requires agreement from Clarence Property).

It is recommended that the approach agreed with Clarence Property be documented in a Voluntary Planning Agreement.

Financial implications associated with negotiation outcomes will be the subject of a future report to the Council.

The negotiation can be attended to within existing resources.

Consultation

The infrastructure planning in this report has been compiled in consultation with Clarence Property.

Options

Council has the following options available in relation to the content of this report.

1. Take no further action and require Clarence Property to deliver the infrastructure required under the current approval (see Table 1 and the associated discussion).

This approach is not recommended as there is an opportunity to improve the community infrastructure outcomes associated with the Epiq development.

The recommendation is to explore the options available with Clarence Property and then report the matter to Council for further consideration.

2. Authorise the General Manager (or delegate) to continue to negotiate with Clarence Property for an alternative community infrastructure outcome and progress an associated voluntary planning agreement (should one be offered).

The negotiations would be progressed on the basis of the following principles

- Clarence Property to proceed to lodge a development application for an enhanced amenities building at the playing fields inclusive of toilets, change rooms, a canteen space, storage areas and a meeting space, generally in accordance with the design plan shown in Figure 3.
- Clarence Property to construct the enhanced sporting amenities building.
- Council and Clarence Property to determine final costings based on builders estimates or as otherwise agreed.
- Any funds beyond the builders estimate for the combined sporting facility relative to the value of the required infrastructure is to be directed to the provision of lighting at the Epiq playing fields.

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- That the agreed values and approach to deliver of the infrastructure be outlined in a voluntary planning agreement (should Clarence Property wish to offer such an agreement).

Under this approach Council would receive further reporting in relation to the voluntary planning agreement prior to its exhibition.

This is where the final outcomes of the negotiation process would be documented.

The recommendation for this approach also includes preparation of an infrastructure plan for the locality to reflect the ultimate outcomes, consistent with Council's December 2017 resolution on this matter.

3. Defer the matter to seek additional information.

Council may defer its consideration of this matter to obtain additional information.

If this approach is preferred, it is recommended that a Councillor briefing be held.

Deferral is not recommended on the basis that continuing the negotiation will enable staff to finalise costing details and enable Clarence Property to progress planning for the combined facility (being the preferred infrastructure outcome).

Clarence Property are very keen to see the sports field infrastructure delivered, as is Council, to allow the fields to commence operating.

Option 2 allows the delivery of this infrastructure to move forward.

RECOMMENDATIONS

1. That Council authorises the General Manager (or delegate) to continue to negotiate with Clarence Property for an alternative community infrastructure outcome and progress an associated voluntary planning agreement (should one be offered) based on the following principles:
 - Clarence Property to proceed to lodge a development application for an enhanced amenities building at the playing fields inclusive of toilets, change rooms, a canteen space, storage areas and a meeting space generally in accordance with the design plan shown in Figure 3.
 - Clarence Property to construct the enhanced sporting amenities building.
 - Council and Clarence Property to determine final costings based on builders estimates or as otherwise agreed.
 - Any funds beyond the builders estimate for the combined sporting facility relative to the value of the required infrastructure is to be directed to the provision of lighting at the Epiq playing fields.
 - That the agreed values and approach to deliver of the infrastructure be outlined in a voluntary planning agreement (should Clarence Property wish to offer such an agreement).

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2. That a further report on the outcomes of the negotiations be presented to the Council either in association with a proposed voluntary planning agreement or otherwise prior to the formalisation of the negotiation outcomes.
3. That Council prepares an infrastructure plan to document the outcomes associated with points one and two inclusive of the planning for Council's property at 9 Byron Bay Road.

Attachment(s)

Nil