

IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 2022(07)

11 AUGUST 2022

REPORT

COUNCILLORS' ATTENDANCE: Councillor Marnie Doyle (Chairperson); Councillors Mayor Teresa Harding, Kate Kunzelmann, Russell Milligan and Nicole Jonic (Deputy Chairperson)

COUNCILLOR'S APOLOGIES: Nil

OFFICERS' ATTENDANCE: Chief Executive Officer (Sonia Cooper), General Manager Planning and Regulatory Services (Peter Tabulo), General Manager Corporate Services (Matt Smith), General Manager Infrastructure and Environment (Sean Madigan), General Manager Economic and Industry Development (Ben Pole), Chief Financial Officer (Jeff Keech), Chair – Retail Sub-Project Sub Committee (James Hepburn), Project Manager (Greg Thomas), Manager, Procurement (Richard White), Senior Policy and Communications Officer (David Shaw), Senior Digital Media and Content Officer (Jodie Richter) and Theatre Technician (Harrison Cate)

WELCOME TO COUNTRY/ACKNOWLEDGEMENT OF COUNTRY

Councillor Marnie Doyle (Chairperson) delivered the Acknowledgement of Country.

DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

Nil

BUSINESS OUTSTANDING

Nil

CONFIRMATION OF MINUTES

1. **CONFIRMATION OF MINUTES OF THE IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 2022(06) OF 14 JULY 2022**

RECOMMENDATION

Moved by Councillor Marnie Doyle:

Seconded by Councillor Russell Milligan:

That the Minutes of the Ipswich Central Redevelopment Committee held on 14 July 2022 be confirmed.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

OFFICERS' REPORTS

2. **NICHOLAS STREET PRECINCT - RETAIL SUB-PROJECT STEERING COMMITTEE JULY 2022**

This is a report concerning the July 2022 report from the Retail Sub-Project Steering Committee on the status of the leasing program and associated developments with the retail component of the Nicholas Street Precinct redevelopment.

RECOMMENDATION

Moved by Councillor Kate Kunzelmann:

Seconded by Mayor Teresa Harding:

That the July 2022 Retail Sub-Project Steering Committee Report be received and the contents noted.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

3. NICHOLAS STREET PRECINCT - COMMUNICATIONS, ENGAGEMENT AND EVENTS REPORT JULY 2022

This is a report concerning the communications, engagement and events activity undertaken and planned for the Nicholas Street Precinct in July 2022.

RECOMMENDATION

Moved by Councillor Russell Milligan:
Seconded by Mayor Teresa Harding:

That the Nicholas Street Precinct Communications, Engagement and Events Monthly Report be received and the contents noted.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

MOVE INTO CLOSED SESSION

Moved by Councillor Marnie Doyle:
Seconded by Mayor Teresa Harding:

That in accordance with section 254J(3)(g) of the *Local Government Regulation 2012*, the meeting move into closed session to discuss Items 4 to 6 in relation to the Nicholas Street Precinct.

The meeting moved into closed session at 11.57 am.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

MOVE INTO OPEN SESSION

Moved by Councillor Marnie Doyle:

Seconded by Councillor Russell Milligan:

That the meeting move into open session.

The meeting moved into open session at 1.11 pm.

AFFIRMATIVE

NEGATIVE

Councillors:

Councillors:

Doyle

Nil

Harding

Kunzelmann

Milligan

Jonic

The motion was put and carried.

Items 4 to 6 were referred to the Special Council Meeting of 11 August 2022 for consideration and formal adoption.

4. NICHOLAS STREET PRECINCT - INVESTMENT STRATEGY

This is a report concerning the investment strategy for the Nicholas Street Precinct redevelopment as it relates specifically to the Venue Building and the Commonwealth Hotel. These two assets are key anchor tenants and critical to achieving an enduring and activate civic heart for the people of Ipswich.

The Venue and the Commonwealth Hotel are the next stages of the Nicholas Street Precinct Redevelopment and are subject of further reports presented to this committee which are a lease agreement for the cinema operator and the construction costs for the Venue Building and the historic Commonwealth Hotel.

As a result of cost escalations associated with the extensively publicised inflationary and supply chain issues the amount of Council funds required to be invested to complete the development of the Venue building and the Commonwealth Hotel have increased which will require an additional \$21.553 million in the 23-24 Financial Year.

This report is to confirm that Council is still supportive of the investment strategy for the key anchor assets of the Venue building and Commonwealth Hotel, given the cost increases incurred due to the current economic conditions being experienced in the construction industry nationally.

“The attachment/s to this report are confidential in accordance with section 254J(3)(g) of the *Local Government Regulation 2012*.”

RECOMMENDATION

- A. That Council endorse the investment strategy to proceed with the development of the Venue Building and Commonwealth Hotel.
- B. That the investment strategy as detailed in this report as it relates to the development of the Venue Building and the Commonwealth Hotel be funded through a future Council budget amendment.

Councillor Marnie Doyle proposed a variation to the motion with the addition of Recommendations C and D as follows:

- C. That a reporting requirement be established whereby notification is given to the Ipswich Central Redevelopment Committee in the form of, but not limited to, a report detailing the incentive budgets for retail tenancies and updated for any movements or changes as negotiations progress.
- D. That officers provide the details of any changes to incentive budgets and leasing provisions to the council in the form of a briefing note as soon as practical.

RECOMMENDATION

Moved by Mayor Teresa Harding:

Seconded by Councillor Russell Milligan:

- A. That Council endorse the investment strategy to proceed with the development of the Venue Building and Commonwealth Hotel.**
- B. That the investment strategy as detailed in this report as it relates to the development of the Venue Building and the Commonwealth Hotel be funded through a future Council budget amendment.**
- C. That a reporting requirement be established whereby notification is given to the Ipswich Central Redevelopment Committee in the form of, but not limited to, a report detailing the incentive budgets for retail tenancies and updated for any movements or changes as negotiations progress.**
- D. That officers provide the details of any changes to incentive budgets and leasing provisions to the council in the form of a briefing note as soon as practical.**

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

NEGATIVE

Councillors:

Nil

Jonic

The motion was put and carried.

5. PROCUREMENT - VENUE CINEMA TENANCY

This is a report concerning the procurement and recommendation of a lessee to operate a Cinema in 'The Venue', located at 163 Brisbane Street, Ipswich QLD 4305, Lot 1 on RP209886.

"The attachment/s to this report are confidential in accordance with section 254J(3)(g) and (e) of the *Local Government Regulation 2012*."

RECOMMENDATION

Moved by Mayor Teresa Harding:

Seconded by Councillor Russell Milligan:

- A. **That pursuant to Section 228 of the *Local Government Regulation 2012* (Regulation), Council award Tender number 16041 for the disposal of interest in land at 163 Brisbane Street, Ipswich QLD 4305 more particularly described as part of Lot 1 and Plan RP209886 (Cinema Tenancy), to the proposed Lessee, for the permitted use of a Cinema.**
- B. **That Council enter into an Agreement for Lease and associated documents of the Agreement for Lease with the proposed lessee for the Cinema Tenancy under the commercial terms detailed in the confidential attachments to this report.**
- C. **That conditional upon Council satisfactorily executing the Agreement for Lease with the proposed Lessee, Council will enter into a Lease for the Cinema Tenancy with the proposed Lessee as detailed in the confidential attachments to this report.**
- D. **That pursuant to Section 257(1)(b) of the *Local Government Act 2009*, Council resolve to delegate to the Chief Executive Officer the power to take "contractual action" pursuant to section 238 of the Regulation, in order to implement Council's decisions at Recommendations A, B and C.**
- E. **That Council be kept informed as to the progress and outcome of the execution and publication of details.**

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

NEGATIVE

Councillors:

Nil

Milligan
Jonic

The motion was put and carried.

Item 6 was updated in line with Recommendation E below to correct a transposition error.

6. PROCUREMENT: TENDER CONSIDERATION PLAN TO VARY CONTRACT 13254
IPSWICH CENTRAL CIVIC PROJECT

This is a report concerning the redevelopment of Council owned retail assets which form part of the Ipswich Central Civil Project within the Nicholas Street Precinct. Information detailed within this report shall provide clarity and justification for adoption of a Tender Consideration Plan by Council to vary the existing contractual arrangement between Council and J. Hutchinson Pty Ltd.

“The attachment/s to this report are confidential in accordance with section 254J(3)(g) of the *Local Government Regulation 2012*.”

RECOMMENDATION

- A. That pursuant to Section 230(1)(a) of the *Local Government Regulation 2012* (Regulation), Council resolve to prepare Tender Consideration Plan to vary contractual arrangement 13254 Ipswich Central Civic Project – Design & Construction of Administration Building, Civic Precinct, Library and Carpark Upgrade with J. Hutchinson Pty Ltd.
- B. That pursuant to Section 230(1)(b) of the *Local Government Regulation 2012* (Regulation), Council resolve to adopt Tender Consideration Plan that has been prepared to vary contractual arrangement 13254 Ipswich Central Civic Project – Design & Construction of Administration Building, Civic Precinct, Library and Carpark Upgrade with J. Hutchinson Pty Ltd.
- C. That in accordance with the Tender Consideration Plan, Council contractual arrangement 13254 Ipswich Central Civic Project – Design & Construction of Administration Building, Civic Precinct, Library and Carpark Upgrade with J. Hutchinson Pty Ltd for an approximate purchase price of \$36,544,959 excluding GST, aggregated as follows:
- (a) Venue – \$28,413,314
 - (b) Commonwealth Hotel – \$8,031,645
- D. That pursuant to Section 257(1)(b) of the *Local Government Act 2009*, Council resolve to delegate to the Chief Executive Officer the power to take “*contractual action*” pursuant to section 238 of the Regulation, in order to implement Council’s decision.

Councillor Marnie Doyle proposed a variation to the motion by the addition of Recommendation E as follows to correct a transposition error:

- E. That the Contract number 13245 stated in the heading, Recommendations A, B and C and throughout the report and attachments be changed to 13254.

RECOMMENDATION

Moved by Mayor Teresa Harding:

Seconded by Councillor Russell Milligan:

- A. That pursuant to Section 230(1)(a) of the *Local Government Regulation 2012* (Regulation), Council resolve to prepare Tender Consideration Plan to vary contractual arrangement 13254 Ipswich Central Civic Project – Design & Construction of Administration Building, Civic Precinct, Library and Carpark Upgrade with J. Hutchinson Pty Ltd.**
- B. That pursuant to Section 230(1)(b) of the *Local Government Regulation 2012* (Regulation), Council resolve to adopt Tender Consideration Plan that has been prepared to vary contractual arrangement 13254 Ipswich Central Civic Project – Design & Construction of Administration Building, Civic Precinct, Library and Carpark Upgrade with J. Hutchinson Pty Ltd.**
- C. That in accordance with the Tender Consideration Plan, Council contractual arrangement 13254 Ipswich Central Civic Project – Design & Construction of Administration Building, Civic Precinct, Library and Carpark Upgrade with J. Hutchinson Pty Ltd for an approximate purchase price of \$36,544,959 excluding GST, aggregated as follows:**
- (a) Venue – \$28,413,314**
- (b) Commonwealth Hotel – \$8,031,645**
- D. That pursuant to Section 257(1)(b) of the *Local Government Act 2009*, Council resolve to delegate to the Chief Executive Officer the power to take “*contractual action*” pursuant to section 238 of the Regulation, in order to implement Council’s decision.**
- E. That the Contract number 13245 stated in the heading, Recommendations A, B and C and throughout the report and attachments be changed to 13254.**

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

NOTICES OF MOTION

Nil

MATTERS ARISING

Nil

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 11.51 am.

The meeting closed at 1.19 pm.
