

SUPPLEMENTARY ITEMS

COUNCIL MEETING ON 25 JANUARY 2024

- 15. **RECEPTION AND CONSIDERATION OF COMMITTEE REPORTS:**
 - 15.1 Report of Ipswich Central Redevelopment Committee No. 2024(01)
of 23 January 2024 2

- 16. **OFFICERS' REPORTS:**
 - 16.14 Proposed Ripley Road Catalyst Infrastructure Agreement 9

SPECIAL MEETING OF THE IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 2024(01)**23 JANUARY 2024**

REPORT

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

COUNCILLOR'S APOLOGIES: Nil

OFFICERS' ATTENDANCE: Chief Executive Officer (Sonia Cooper), General Manager Corporate Services (Matt Smith), General Manager Environment and Sustainability (Kaye Cavanagh), General Manager Community, Cultural and Economic Development (Ben Pole), General Manager Asset and Infrastructure Services (Matt Anderson), General Manager Planning and Regulatory Services (Brett Davey), Chief Financial Officer (Jeff Keech), Nicholas Street Precinct Director (James Hepburn), Leasing Manager (Melissa Annis), Chief of Staff – Office of the Mayor (Melissa Fitzgerald), Senior Media Officer (Lucy Stone) and Theatre Technician (Harrison Cate)

ACKNOWLEDGEMENT OF COUNTRY

Councillor Marnie Doyle (Chairperson) delivered the Acknowledgement of Country

DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

Nil

OFFICERS' REPORTS**MOVE INTO CLOSED SESSION**

Moved by Councillor Marnie Doyle

That in accordance with section 254J(3)(c, g and i) of the *Local Government Regulation 2012*, the meeting move into closed session to discuss Items 1 to 4 titled Approval of an Agreement for Lease for the following items:

- 2B10 Tulmur Walk (8 Nicholas street)
- Tenancy MM1 venue (37 Nicholas street)

- Tenancy T1 venue (37 Nicholas street)
- Within the Nicholas street car park (11 Nicholas street)

The meeting moved into closed session at 11.03 am.

AFFIRMATIVE	NEGATIVE
Councillors:	Councillors:
Doyle	Nil
Harding	
Kunzelmann	
Milligan	

The motion was put and carried.

MOVE INTO OPEN SESSION

Moved by Councillor Marnie Doyle

Seconded by Councillor Kate Kunzelmann

That the meeting move into open session.

The meeting moved into open session at 11:44 am.

AFFIRMATIVE	NEGATIVE
Councillors:	Councillors:
Doyle	Nil
Harding	
Kunzelmann	
Milligan	

The motion was put and carried.

1. NICHOLAS STREET PRECINCT - APPROVAL OF A LEASE FOR TENANCY 2B10 TULMUR WALK (8 NICHOLAS STREET)

This is a report concerning a lease for council's consideration associated with Tenancy 2B10 within Tulumur Walk at 8 Nicholas Street, Nicholas Street Precinct.

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

RECOMMENDATION

Moved by Councillor Marnie Doyle:

Seconded by Councillor Kate Kunzelmann:

- A. That Council enter into a Lease (and any ancillary documentation) with the proposed lessee of the Tenancy 2B10, Tulumur Walk Building, 8 Nicholas Street (impacting part of Lot 1 RP157021) ("Tenancy 2B10") within the Nicholas Street Precinct (under the commercial terms detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).

- B. That Council note, that in relation to Council’s disposal of its leasehold interest in the Tenancy 2B10 to the proposed lessee, that the Ministerial exemption under s236 1(f) of the Local Government Regulation 2012 applies to the disposal of Council’s interest in Tenancy 2B10 (Ministerial exemption contained in Attachment 1 of this report).
- C. 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 at Recommendation A.
- D. That Council be kept informed as to the progress and outcome of the execution and publication of details.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

NEGATIVE

Councillors:

Nil

The motion was put and carried.

2. NICHOLAS STREET PRECINCT - APPROVAL OF AN AGREEMENT FOR LEASE FOR TENANCY MM1 VENUE (37 NICHOLAS STREET)

This is a report concerning an Agreement for Lease for council’s consideration associated with Tenancy MM1 on the ground level of the Venue building at 37 Nicholas Street, Nicholas Street Precinct.

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

RECOMMENDATION

Moved by Deputy Mayor Russell Milligan:

Seconded by Councillor Kate Kunzelmann:

- A. That Council enter into an Agreement for Lease and associated documentation of the Agreement for Lease with the proposed lessee for Tenancy MM1 in the Venue Building (impacting part of Lot 1 on RP209886) (“Tenancy MM1”) within the Nicholas Street Precinct (under the commercial terms detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).
- B. That conditional upon Council satisfactorily executing the Agreement to Lease with the proposed lessee, (contained in recommendation A of this report),

Council enter into a lease for Tenancy MM1 with the proposed lessee (as detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).

- C. That Council note, that in relation to Council's disposal of its leasehold interest in Tenancy MM1 to the proposed lessee, that the Ministerial exemption under s236 1(f) of the *Local Government Regulation 2012* applies to the disposal of Council's interest in Tenancy MM1 (Ministerial exemption contained in Attachment 1 of 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 decision at Recommendations A and B.
- E. That Council be kept informed as to the progress and outcome of the execution and publication of details.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

NEGATIVE

Councillors:

Nil

The motion was put and carried.

3. NICHOLAS STREET PRECINCT - APPROVAL OF AN AGREEMENT FOR LEASE FOR TENANCY T1 VENUE (37 NICHOLAS STREET)

This is a report concerning an Agreement for Lease for council's consideration associated with Tenancy T1 in the ground level of the Venue building at 37 Nicholas Street, Nicholas Street Precinct.

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

RECOMMENDATION

Moved by Councillor Kate Kunzelmann:

Seconded by Mayor Teresa Harding:

- A. That Council enter into an Agreement for Lease and associated documentation of the Agreement for Lease with the proposed lessee for Tenancy T1 in the Venue Building (impacting part of Lot 1 on RP209886) ("Tenancy T1") within the Nicholas Street Precinct (under the commercial terms detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).

- B. That conditional upon Council satisfactorily executing the Agreement to Lease with the proposed lessee, (contained in recommendation A of this report), Council enter into a lease for Tenancy T1 with the proposed lessee (as detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).
- C. That Council note, that in relation to Council's disposal of its leasehold interest in the Level 1 Tenancy to the proposed lessee, that the Ministerial exemption under s236 (f) of the *Local Government Regulation 2012* applies to the disposal of Council's interest in the Level 1 Tenancy (Ministerial exemption contained in Attachment 1 of 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 decision at Recommendation A.
- E. That Council be kept informed as to the progress and outcome of the execution and publication of details.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

NEGATIVE

Councillors:

Nil

The motion was put and carried.

4. NICHOLAS STREET PRECINCT - APPROVAL OF AN AGREEMENT FOR LEASE WITHIN THE NICHOLAS STREET CAR PARK (11 NICHOLAS STREET)

This is a report concerning an Agreement for Lease for council's consideration located within the Nicholas Street Car Park, 11 Nicholas Street, Nicholas Street Precinct.

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

RECOMMENDATION

Moved by Councillor Marnie Doyle:

Seconded by Deputy Mayor Russell Milligan:

- A. That Council enter into an Agreement for Lease and associated documentation of the Agreement for Lease with the proposed lessee for Tenancy CW (12-16 car parks) within the Nicholas Street Car Park (impacting part of Lot 1 on RP307972)

("Tenancy CW") within the Nicholas Street Precinct (under the commercial terms detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).

- B. That conditional upon Council satisfactorily executing the Agreement to Lease with the proposed lessee, (contained in recommendation A of this report), Council enter into a lease for Tenancy CW with the proposed lessee (as detailed in the confidential report and attachments by the Project Manager dated 16 January 2024).
- C. That Council note, that in relation to Council's disposal of its leasehold interest in the Nicholas Street Car Park to the proposed lessee, that the Ministerial exemption under s236 (f) of the *Local Government Regulation 2012* applies to the disposal of Council's interest in Tenancy CW (Ministerial exemption contained in Attachment 1 of 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 decision at Recommendation A.
- E. That Council be kept informed as to the progress and outcome of the execution and publication of details.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

NEGATIVE

Councillors:

Nil

The motion was put and carried.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 11.01 am.

The meeting closed at 11.52 am.

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This matter has been determined to be of a significant nature and approval has been given to refer this report to the Council as a supplementary item.

ITEM: 16.14

SUBJECT: PROPOSED RIPLEY ROAD CATALYST INFRASTRUCTURE AGREEMENT

AUTHOR: BUSINESS SUPPORT OFFICER

DATE: 19 JANUARY 2024

EXECUTIVE SUMMARY

This is a report concerning the proposed execution of a Catalyst Infrastructure Agreement for the delivery of Ripley Road construction works between the Cunningham Highway and Fischer Road.

RECOMMENDATION/S

- A. That Council authorise the Chief Executive Officer to finalise the negotiations with Economic Development Queensland regarding the proposed Ripley Road Infrastructure Agreement (Ripley Infrastructure Agreement).**
- B. That upon the Chief Executive Officer being satisfied that the negotiations have been finalised in accordance with recommendation A, Council authorise the Chief Executive Officer to finalise and execute the Ripley Infrastructure Agreement on behalf of Council and to do any other acts necessary to implement Council's decision.**
- C. That upon execution of the Ripley Infrastructure Agreement, an updated report be provided to Council at the next available council meeting, outlining all relevant matters contained in the Ripley Infrastructure Agreement.**

RELATED PARTIES

Economic Development Queensland

IFUTURE THEME

Vibrant and Growing

PURPOSE OF REPORT/BACKGROUND

Ripley Valley was declared an Urban Development Area (UDA) by the State Government in October 2010 and transitioned to a Priority Development Area (PDA) in 2013. The UDA was initially managed by the Urban Land Development Authority (ULDA). It transitioned to a PDA

in February 2013. Since then, it has been managed by Economic Development Queensland (EDQ). In September 2013, EDQ delegated the development assessment function for the PDA to Council. However, the State through EDQ maintain responsibility for the infrastructure planning and charging regime within the PDA.

The development of the PDA has been predicated on the principle that new trunk municipal infrastructure required to support the PDA (i.e. Urban Utilities' – trunk water and sewer networks, and Council's - arterial and sub-arterial roads, regional bikeways, local, district and citywide open space and land for community facilities) should be funded by municipal development charges collected from within the PDA, with some key early works required to support development growth funded by EDQ catalyst funding loans.

Most major developers are electing to match their trunk infrastructure works with their infrastructure charges (i.e. building enough trunk infrastructure to match their municipal charges), meaning there are limited funds available for EDQ or Council to fund the emerging trunk municipal infrastructure projects. Consequently, in the short to medium term, the potential for sufficient municipal charges revenue to be collected and invested into lead trunk municipal infrastructure projects is greatly diminished.

2017 Resolution

Further to the above, The Planning, Development and Heritage Committee No. 2017 (12) included a report titled 'Ripley Priority Development Area Trunk Infrastructure Provision' which was later adopted by Council. Recommendation 'B' of the report was:

That for the Ripley Priority Development Area (PDA), until revocation is implemented, all trunk municipal infrastructure should only be delivered and funded from receipted Ripley PDA Municipal charges or a catalyst funding allocation by Economic Development Queensland (EDQ).

The report included an overview of the funding arrangements for trunk municipal infrastructure in the PDA. Specifically, the report identified that:

The EDQ principles concerning the provision of networks is that such infrastructure is funded by the development proponents and then offset against the respective municipal charge. Whilst some catalyst funding has occurred to support the start-up of development in the Ripley Valley PDA, there appears to be no further appetite from EDQ to provide any further catalyst funds or to invest other money into infrastructure delivery in the Ripley Valley. This means that moving forward, funding would principally rely upon the development proponent and offsets or available receipted municipal charges.

The report makes the following conclusions:

(1) Should Council include Ripley Valley infrastructure works in its capital works program, it is considered that this would have a significant impact on other priority

projects elsewhere in the city along with having implications for financial sustainability for the Council.

- (2) It is further considered that this issue would best be resolved within a unified infrastructure charging framework (i.e. that applies consistently and equitably across the whole of the city) and as such is a strong basis to support revocation. Conversely, abandoning the approach would weaken Council's position in seeking revocation of the PDA.*

January 2022 Resolution

At its meeting of 27 January 2022, Council resolved to repeal parts of the 2017 resolution to permit action on the planning, design and construction of infrastructure in the Ripley Valley, with a specific focus on Ripley Road and Fischer Road and arrange of intersections.

November 2022 Resolution

At its meeting of 8 December 2022, Council resolved to commence the process for acquiring land in order to deliver the ultimate road corridor for the purposes of delivering future road upgrades to the Ripley Road Corridor, with a focus on the section of Ripley Road, between Fischer Road and the Centenary Highway.

Actions in response to motions

In response to these motions Council officers commenced a program plan to deliver a coordinated planning, design and upgrade of Ripley Road, Fischer Road and the relevant intersections along this road corridor. In August 2022, EDQ announced a Catalyst Infrastructure Fund.

Catalyst Infrastructure Fund

The Catalyst Infrastructure Fund (CIF) 2022 is a Queensland Government initiative to invest in urban infrastructure that unlocks development, generates construction activity and creates long-term employment.

The CIF 2022 is a loan facility to bring forward delivery of major infrastructure targeting housing supply and affordability in EDQ PDAs, with a particular focus on development in the Ripley Valley and Greater Flagstone (PDAs).

Funding is in the form of a low interest loan, generally repaid through the payment of quarantined catalyst infrastructure charges, secured through legal agreement and other securities to local governments, utility providers and developers.

In September 2023, Council made an application for the catalyst infrastructure fund, and was successful in the first round of selections for access to funding. Progression to the next round has required the negotiation of an Infrastructure Agreement between EDQ and ICC.

Council officers have been in negotiation with EDQ regarding the terms and conditions for an Infrastructure Agreement and have reached a point where the parties are almost in agreement regarding the terms and conditions of the agreement. Subject to the finalisation of a selection of administrative matters, the agreement can be executed.

This negotiation has been protracted. In order to maintain momentum of this matter, Council officers have progressed a number of actions in respect to the delivery of this project in anticipation of the successful completion of infrastructure agreement discussions. These actions include:

1. Commencement of a Project Control Group (PCG) to guide the project
2. High Level Preliminary Concept Design of Ripley Road, between the Centenary Highway and the Cunningham Highway, including consolidation of previous design work complete for discrete parts of Ripley Road
3. Procurement of a Design Partner for the purposes of extending the High Level Preliminary Concept Design to a level of detailed design with which to progress through to procurement of a construction partner
4. Preparation of a community information website, to be launched in January 2024.

The Infrastructure Agreement

The draft Infrastructure Agreement is confidential at this point in time. The draft Infrastructure Agreement is based on a template that has been developed and used for previous catalyst projects in other PDA's including the Ripley PDA. This template was drafted for a funding model where a developer would be responsible for the obligations of the infrastructure delivery rather than a local government.

Noting the confidential nature of the agreement, the core negotiation regarding the agreement has been focussed on the application of the agreement to a Local Government context. The parties have reached agreement on 90% of the Infrastructure Agreement's terms and conditions and those terms which remain outstanding are likely to be settled in the near future. Core matters that have been the subject of negotiations include:

- Timelines and Milestones;
- Project Control;
- Procurement and Tendering;
- Construction Deed;
- Insurance, Risk and Indemnity;
- Funding Process; and
- Land Acquisition and Dedication.

The remaining matters are administrative matters only which are the subject of negotiation presently. These negotiations are almost complete.

Finalisation

It is considered important that this Draft Infrastructure Agreement be finalise and executed as a matter of urgency. It is also considered that this agreement, if possible, should be put to the Council as a recommendation before the commencement of any caretaker period to allow the current Council to finalise this matter, given the links to past resolutions of the Council regarding Ripley Road and PDA matters and the level of importance this project has for the community.

It is therefore recommended that the Council resolve that the Chief Executive Officer finalise negotiations with Economic Development Queensland and, subject to resolution of any outstanding matters, execute the proposed Infrastructure Agreement in respect to accessing Catalyst Infrastructure Funding to assist in the delivery of Ripley Road.

LEGAL IMPLICATIONS

This report and its recommendations are consistent with the following legislative provisions:

Local Government Act 2009

Economic Development Act 2012

POLICY IMPLICATIONS

There are no policy implications associated with this recommendation.

RISK MANAGEMENT IMPLICATIONS

Risks associated with this project are being considered as part of the project delivery and in negotiations with respect to the proposed Ripley Road Infrastructure Agreement (CIF2022).

FINANCIAL/RESOURCE IMPLICATIONS

Financial implications have been considered with previous resolutions on this matter, and will be the subject of future financial considerations as part of budget processes for the 2024/2025 budget.

COMMUNITY AND OTHER CONSULTATION

Future community engagement will be required.

CONCLUSION

The Ripley Road Infrastructure Agreement (CIF2022) is almost at a point of execution, subject to the resolution of a couple of minor matters. On this basis, it is recommended that the Chief Executive Officer finalise negotiation on the proposed Ripley Road Infrastructure Agreement (CIF2022).

Subject to the relevant matters being resolved, it is recommended that the Chief Executive Officer execute the Ripley Road Infrastructure Agreement (CIF2022) and report back to Council upon completion.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS	
OTHER DECISION	
(a) What is the Act/Decision being made?	To finalise and enter into an Infrastructure Agreement for the funding of the construction of part of Ripley Road.
(b) What human rights are affected?	No human rights will be affected by this decision.
(c) How are the human rights limited?	Not applicable.
(d) Is there a good reason for limiting the relevant rights? Is the limitation fair and reasonable?	Not applicable.
(e) Conclusion	The decision is consistent with human rights.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	CONFIDENTIAL Ripley Road Infrastructure agreement (CIF2022) - draft amended 15 January 2023
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Emily Collett
BUSINESS SUPPORT OFFICER

I concur with the recommendations contained in this report.

Brett Davey
GENERAL MANAGER PLANNING AND REGULATORY SERVICES

“Together, we proudly enhance the quality of life for our community”