

ADDITIONAL ITEM

Item No: 3.2
Title: Gosford Regional Library
Department: Community and Recreation Services



8 February 2021 Ordinary Council Meeting

Reference: CPA/2804 - D14468964
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Report purpose

To seek formal approval to submit the Development Application for Gosford Regional Library to the Department of Planning and to commence and complete demolition of the existing building on 123A Donnison Street, Gosford.

The report will also seek approval to include identified Developer Contributions for the Gosford Regional Library from the Section 7.12 contributions plan as an alternate funding source for this project.

Executive Summary

In August 2020 Council approved to proceed with the development of design documentation for Gosford Regional Library for the purposes of submission to the Department of Planning for development consent. This documentation is now ready for submission and documentation is ready to call for tenders for the demolition of the existing building located on the site at 123A Donnison Street, Gosford; which is the location for the new Regional Library.

This represents the next stage of this formally gated project and hence approval is needed to progress to the next stages, being Development Application (DA) submission, complete demolition and commence construction documentation.

The current approved budget of \$27.7 million for this project is made up from the following funding sources:

Table 1: Current Approved Funding Sources

| Type | Amount |
|--|---------------------|
| Council Special Rate Variation | \$8,100,000 |
| Federal Government Grant | \$7,000,000 |
| Sale Proceeds – 136-146 Donnison Street, Gosford ('Kibbleplex' building) | \$12,600,000 |
| Total | \$27,700,000 |

3.2 Gosford Regional Library (contd)

A review of available Developer Contributions has identified that Gosford Regional Library is part of the Section 7.12 contributions plan with an additional \$8.5m available for use for this project.

Approval is also being sought to change the funding sources to include the Developer Contributions into the project and reduce the need to use the restrictions identified from the sale proceeds of Kibbleplex.

Community and Recreation Services Recommendation

- 1 *That Council provide approval for the submission of the required documentation to the Department of Planning to obtain Development Consent for Gosford Regional Library.*
- 2 *That Council approve the demolition of the existing building on 123A Donnison Street, Gosford following the tender process and engagement of the successful contractor.*
- 3 *That Council approve the commencement and finalisation of the development of full construction documentation suitable for calling of construction tenders for the Regional Library.*
- 4 *That a further report be provided to Council prior to the commencement of the construction phase of the project, including tender documentation.*
- 5 *That Council approve \$8.5 million Developer Contributions from Section 7.12 of the contribution plan be included as an alternate funding source for the Gosford Regional Library project.*
- 6 *That Council resolve, for the purposes of s.11(3) of the Local Government Act 1993, that Attachment 1 is to be treated and remain as confidential because this document relates to s10A(2)(c) and contains information that would, if disclosed confer a commercial advantage on a person with whom Council is conducting (or proposing to conduct) business and because consideration of the matter in open Council would on balance be contrary to the public interest as it would affect Councils ability to obtain value for money services for the Central Coast community.*

Background

Council at its Ordinary meeting on 8 October 2019, finalised the site for the Regional Library by tabling an urgency motion which concluded that the site at 123A Donnison Street, Gosford 'Parkside' would be the preferred Regional Library & Innovation Hub site.

The following was resolved part thereof;

3.2 Gosford Regional Library (contd)

984/19 That Council approve the preferred site location for the Regional Library & Innovation Hub as the Parkside building (Lot 100 Deposited Plan 711850) Located at 123A Donnison Street, Gosford.

There have been a number of subsequent Council meetings; 9 December 2019, 13 July 2020, 24 August 2020 which have all supported the project to proceed with the development of the design for the Library, preparation of full documentation for a DA and calling for tenders for demolition of the current Parkside building. The last Council resolution for this project was adopted on 24 August 2020 with the following resolution, in part:

893/20 That Council direct the Chief Executive Officer to proceed with design works and prepare submissions to the Department of Planning for Development Consent.

894/20 That Council direct the Chief Executive Officer to call Tenders for the demolition of 123A Donnison Street Gosford; site of the future Gosford Regional Library.

Current Status

The project is currently at a stage where the design work has been completed by the lead design consultants: Lahz Nimmo Architects, and full documentation has been prepared ready to submit to the Department of Planning for Development Consent.

The designs have been evaluated by external quantity surveyors who have valued the construction works. (Attachment 1 – Confidential) Construction, demolition and fit out are within the allocated budget for the project.

The Regional Library design includes dedicated library space, Council customer service centre, library administration, meeting rooms, flexible function spaces, maker/creator spaces and collaboration and innovation spaces for the community over four levels, incorporating the current functions of the existing Smart Work Hub. The flexible design of the building allows for the capacity for Council meetings/civic functions to be held within the function space which may be required when the Gosford administration building is sold.

Libraries play a fundamental role in our community which has evolved over time. Traditionally libraries were viewed as institutions for collections and information, today they play a more contemporary role, offering not only the traditional functions but also a community space where people can meet, access technology, share and learn.

Documentation to call for tenders for the demolition of the existing structure on 123A Donnison Street, Gosford has been completed and is ready to proceed. The tenants that were occupying the Parkside site have now vacated the site providing vacant possession of the site.

3.2 Gosford Regional Library (contd)

A review of Developer Contribution Funds has been undertaken which identified that Gosford Regional Library is part of the Section 7.12 contributions plan and that in fact there is an additional \$8.5m in Developer Contributions that can be used for the purposes of the Regional Library. These funds can be incorporated into the project cashflow modelling, reducing the need to access the full amount from the sale of 136-146 Donnison Street, Gosford ('Kibbleplex' building).

Therefore, the new breakdown of funding sources would be as follows:

Table 2: New Breakdown of Funding Sources

| Type | Amount |
|--|---------------------|
| Council Special Rate Variation | \$8,100,000 |
| Federal Government Grant | \$7,000,000 |
| Developer Contributions | \$8,500,000 |
| Sale Proceeds – 136-146 Donnison Street, Gosford ('Kibbleplex' building) | \$4,100,000 |
| Total | \$27,700,000 |

Consultation

Recent consultation has included two briefing sessions with Councillors regarding the design for the Gosford Regional Library; 6 July 2020, 17 August 2020 and preliminary meetings have been held with the lead consultant, Council Planners and the Department of Planning in preparation for the submission of the DA.

An internal working group comprising of staff from Libraries, Innovation, IM&T, Community Partnerships, Planning, Energy & Customer Services was formed and have been consulted as part of the design process to ensure the Library design will meet the current and future user needs.

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

There will be no financial or cash impact to complete the next phase of the project; DA submission and demolition and construction documentation as this can be covered by the Federal funding that has already been received to date.

Due to the current financial situation facing Council, a further report will be required at the next stage to ensure adequate cashflow exists to complete the future stages of the project.

Link to Community Strategic Plan

Theme 5: Liveable

Goal L: Healthy lifestyle for a growing community

L-L3: Cultivate a love of learning and knowledge by providing facilities to support lifelong learning.

Risk Management

The Regional Library project has been in planning for many years and has a high level of community interest and expectations to deliver. The project has incurred delays to the original timeline and as a result a revised timeline has been developed in order to still meet the milestones of the funding agreement (Attachment 2 – Revised Program Timeline). The DA will need to be submitted by the end of February to avoid any further revisions of the timeline and possible impacts on delivery of required milestones for Federal funding.

The project is being managed by a formal gated Council approval process which requires formal approval before commencing each phase of the project.

Options

- 1 That Council continue progress with the Gosford Regional Library project as this will provide the community with important public infrastructure and meet the commitment for funding from the Federal Government and collected Special Rate Levy monies and approve a change to the funding sources to include use of Developer Contributions from Section 7.12 of the contributions plan.
This option is recommended by staff.

- 2 Not to proceed with Gosford Regional Library project will result in a high need community asset not being delivered to the community after Special Rate Levy has been collected for this purpose and the return of Federal funding. Additionally, Council has engaged Architects Lahz Nimmo for \$1.3m and cancellation would result in considerable financial loss.
This option is not recommended by staff.

Critical Dates or Timeframes

In order to comply with the requirements of the Federal Grant Funding, it is imperative that Council proceed with the submission of a DA for the Gosford Regional Library and tender the contract immediately to complete the demolition process.

3.2 Gosford Regional Library (contd)

In accordance with the original Program timeline; DA was to be submitted by the end of 2020 and tenders for demolition of the existing building were planned for November 2020 with demolition to commence in February 2021. The project is now running behind schedule and any further delays will impact the ability to meet the Federal grant milestone obligations and the planned completion for October 2023.

Attachments

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| 1 | Confidential Attachment - Gosford Library Cost Review - | D14116791 |
| 2 | Gosford Regional Library Revised Program Timeline | D14468952 |

