

ITEM 7. PROPOSED WORKS DEPOT, ALEXANDRA CANAL – PROJECT SCOPE**FILE NO: S072651****SUMMARY**

This report seeks Council's endorsement of the functional scope and concept design for the construction of the proposed southern area depot.

The proposed southern area depot will be located on City-owned land fronting the Alexandra Canal, which was acquired in 2012. The development site comprises portion of land at 67A Bourke Road and 6B Huntley Street, Alexandria.

The new facility will accommodate 140 staff and house the fleet services, garbage services, civil maintenance, construction services and cleansing services sections of the City.

The City's Depot Strategy recommends the consolidation of three works depots in the southern part of the City of Sydney Local Government Area (LGA), being Epsom Road, Zetland, Marian Street, Redfern and Gerard Street, Alexandria. Amalgamation of these services to one depot site will result in greater service efficiency and enable the redevelopment of the three existing sites, in particular the City's current major southern Epsom Road Depot. This depot is within the Green Square and Epsom Park urban renewal areas, and must be relocated to enable the major trunk drainage improvement works and Gunyama Park to be constructed.

The Strategy also nominates the consolidation of a number of depots in the northern part of the City LGA into an upgraded Bay Street Depot at Ultimo, which would be part of a future report to Council.

RECOMMENDATION

It is resolved that:

- (A) Council endorse the project scope for the Alexandra Canal Depot, as described in the subject report and shown at Attachment A to the subject report, and endorse the calling of a design and construction tender for the delivery of the works;
- (B) Council note the estimated development costs and financial implications as outlined in confidential Attachment C to the subject report;
- (C) authority be delegated to the Chief Executive Officer to grant owner's consent to the lodgement of a development application for the project in accordance with the subject report; and
- (D) Council note that the granting of owner's consent does not fetter the City's discretion in relation to the assessment of the application under the Environmental Planning and Assessment Act 1979 (NSW), the Local Government Act 1993 (NSW) or any other legislation.

ATTACHMENTS

Attachment A: Project Scope

Attachment B: Location Plan and Concept Plans

Attachment C: Financial Implications (Confidential)

(As Attachment C is confidential, it will be circulated separately from the Agenda Paper and to Councillors and relevant senior staff only).

BACKGROUND

1. The City of Sydney has a substantial commitment to the Green Square Urban Renewal Area and the surrounding southern suburbs, in terms of the current and future development of these precincts.
2. In order to facilitate the delivery of the Green Square Town Centre and surrounding infrastructure and public recreation areas, the City recognised the need to identify an alternate location for the City's Epsom Road Depot and to collaborate with Waverley Council in co-ordinating their relocation from the Green Square Town Centre.
3. Due to the development of Green Square infrastructure requirements (including drainage amplification and the creation of Gunyama Park next to the future aquatic centre), the City's depot operations need to be consolidated and operational within the new facility by early February 2017.
4. A new multi-purpose operational depot in the southern part of the City LGA will enable the consolidation of operations from three existing depot sites, namely:
 - (a) Epsom Road, Zetland – Fleet Services, Garbage Services and Civil Maintenance;
 - (b) Gerard Street, Alexandria – Construction Services; and
 - (c) Marian Street, Redfern – Cleansing Services.
5. The consolidation enables the co-location of several complementary works and maintenance functions, which presently serve the southern areas of the City LGA from multiple locations.

Development Site

6. The Depot Strategy recognised that a location with relative isolation from lands currently zoned residential or that would allow future residential development, whilst maintaining accessibility to the City's service area, is fundamental to an efficient long term depot operation.
7. The City investigated several property opportunities throughout 2011 and 2012, and identified industrial development lots at 67A Bourke Road, Alexandria that would satisfy these two principal criteria.
8. On 30 July 2012, Council resolved to acquire 23,000 square metres of vacant land at 67A Bourke Road, Alexandria for its southern depot operations.
9. The site is surrounded by industrial uses and well removed from residential areas.
10. Council also endorsed the acquisition of 14,000 square metres of land at 6B Huntley Street, fronting Alexandra Canal and adjoining the City-owned land at 67 Bourke Road, Alexandria. The purpose of this acquisition was to either facilitate relocations from the East West Relief Route within Green Square Town Centre, including potential land swaps, or provision of future open space and built form for active recreation, or other use.

Proposed Concept

11. The concept plan for the Alexandra Canal Depot captures the key objectives of the strategic depot review as follows:
 - (a) optimise operational efficiency, effectiveness, environmental performance and safety;
 - (b) inform annual capital works programs to improve operational depot facilities;
 - (c) guide the tenancy of operational depots to promote resource sharing and operational synergies; and
 - (d) actively engage staff through the provision of best practice work environments.
12. Concept plans for development of the multi-purpose Alexandra Canal Depot have been widely consulted and now meet the needs of all City operational units. They provide the agreed basis for commencement of detailed design and construction contracts, development application approval and construction programming, all of which satisfies the Epsom Road Depot redevelopment deadline.
13. The proposed facility will utilise approximately 20,500 square metres of land, comprising development lots 67C to 67K Bourke Road (17,760 square metres) and a portion of the City's adjoining 6B Huntley Street site.
14. The new facility will accommodate 140 staff and house the fleet services, garbage services, civil maintenance, construction services and cleansing services sections of the City.
15. The concept design will be developed to maximise details of function, flexibility and cost effectiveness. The proposed concept design facilitates any future change and growth. It comprises large 8m high clear span internal volumes allowing flexible re-arrangement if expansion or contraction of service delivery levels or service delivery types is required in the future, for any reason.

Childcare

16. In respect of 6B Huntley Street, a 3,500 square metre portion of land toward the northern boundary of the subject site is proposed for the provision of fast track childcare. This was the subject of a report to the Corporate, Finance, Properties and Tenders Committee on 15 September 2014.

Affordable Housing

17. An extract from Council's Resolution of 16 May 2011 in relation to the future use of the Marian Street property is as follows:

"It is resolved that:

(A) Council endorse in principle the disposal of 9-11 Gibbons Street and 5-7 Marian Street, Redfern (the Redfern Property) for the provision of affordable housing;"

18. Council's Resolution for Affordable Housing on Marian Street cannot be enacted until the new depot is in place and the services are transferred.

Organisational Impact

19. It is intended to use the physical change to enhance the work culture in the following ways:
 - (a) Productivity – improved efficiency and effectiveness;
 - (b) Resource sharing – flexible resources and processes in a collaborative and complementary work environment;
 - (c) Capability – enhanced knowledge and work skills;
 - (d) Safety – a well embedded safety culture to prevent incidents and injuries;
 - (e) Wellbeing – a healthy workplace with reduced absenteeism;
 - (f) Access and Security – a knowledge and control of who is on site and why;
 - (g) Compliance – enhanced ability to meet core requirements and compliance obligations; and
 - (h) Environment – greater staff environmental awareness through being in a 5 Green Star rated building.

Risks

20. Site risks have been minimised by the previous owner by treating and capping the land to ensure it is suitable for use. The City has now examined contamination reports, researched and forecast flood levels, and commissioned Geotechnical, Civil Engineering and a further contamination report to guide the construction process.
21. The site is subject to the interpretation of heritage requirements in Sydney Development Control Plan (DCP) 2012, in particular the old wool sheds that have since been demolished. The risk has been mitigated by researching the meaning in the DCP and accommodating this in the design.
22. The construction of the new depot must be completed prior to vacating the three existing depots to avoid interruptions in service levels. This risk has been mitigated by programming the early completion of the new depot.
23. There is considerable workshop equipment to move and recommission. This risk has been mitigated by carrying out condition surveys of all workshop equipment and obtaining early quotations for its removal and re-installation.
24. Risks to workshop operation safety have been mitigated by a safety survey conducted on existing equipment, with a further safety review to be undertaken in the detail design phase.

Environmental

25. The facility is proposed to be 5 Green Star rated.

26. The following items are included in the design to achieve the 5 Green Star rating:
- (a) natural ventilation and lighting;
 - (b) roof water collection and re-use in the facility;
 - (c) solar power;
 - (d) energy efficient appliances and equipment;
 - (e) localised heating and task lighting;
 - (f) water efficient appliances and equipment;
 - (g) monitoring and controlling energy use with a Building Management Control System;
 - (h) shading of windows; and
 - (i) the use of locally-produced products.

Economic

27. The release of the Epsom Road site will further stimulate redevelopment of sites adjoining the City's future Gunyama Park and aquatic centre.

BUDGET IMPLICATIONS

28. The current cost estimates and financial implications are presented in confidential Attachment C, which identifies the need for additional funds in the 2015/16 and 2016/17 capital works budgets to complete the project by the required due date.
29. Plant and Asset and Operational funds will also be required in 2016/17 as detailed in confidential Attachment C.
30. City staff and the Consultant Team will continue to evaluate potential cost savings and risk mitigation opportunities throughout the development of the project.

RELEVANT LEGISLATION

31. The development application will be prepared in accordance with relevant planning instruments including the Sydney Local Environmental Plan 2012 and Development Control Plan 2012.
32. The development application will be independently assessed under the Environmental Planning and Assessment Act 1979.
33. Attachment C contains confidential information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

34. The current schedule aims to have the three depots consolidated to the new facility by late 2016 to allow for any delays.
35. This schedule ensures that the proposed augmentation of the trunk drainage through Epsom Park, which affects accessibility to the Epsom Road Depot, can proceed in February 2017 without costly temporary alternate access arrangements and temporary structures for some areas of the current operation.

OPTIONS

36. Council could decide to review the functional design; however the proposed concept plan has been developed in consultation with operational staff and will fulfil the agreed objectives of the Depot Strategy for the southern half of the City LGA, which has been the subject of significant internal consultation and external review.
37. Revisions to this functional plan would delay the delivery of the proposed southern depot and consolidation of the three current depot operations, continuing to place pressure on these ageing facilities, and potentially impact the development of Green Square and the Epsom Park urban renewal areas.

PUBLIC CONSULTATION

38. All surrounding land uses are non-residential and public consultation is not required for operational facilities.
39. The City has however already had ongoing discussions with adjoining land owners, including Waverley Council, Ausgrid and a private owner at 6A Huntley Street. In due course, other neighbours will also be notified and a development application lodged.

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