Special Council Meeting 31 October 2012

- considering future recreation opportunities including:
  - underwater observatory
  - recreational boating infrastructure (including, anchorages, ramps, pontoons etc)
  - sailing course

Transport and Access:

Maintaining the performance of the wider city road and transport network is a core objective. As the scale and mix of uses will be a key factor in defining the required transport and access infrastructure to support the project, a flexible framework is supported to enable innovative responses, subject to the development:

- supporting active travel, walking and cycling
- establishing an appropriate management plan to minimise traffic impact to adjoining areas
- supporting the outcomes and objectives of the Gold Coast Transport Strategy
- providing the base infrastructure upgrades to support potential traffic generation and maintain surrounding road network performance
- ensure development is highly accessible from both the land and water

Infrastructure and Operations:

Maintaining the performance of the wider city service infrastructure networks will be also be a key consideration. The scale and mix of uses will define the level of Local and State Government infrastructure necessary to service the project. A flexible framework is supported to enable innovative responses, subject to the development:

- providing adequate levels of service to new development
- supporting efficient operation and long term protection of assets
- promoting opportunities for innovative infrastructure solutions
- contribute an ongoing income to government to cover infrastructure costs (including land based and marine infrastructure)

Substantial dredging work is anticipated to facilitate navigation access, establish or modify development land, provide recreational foreshore areas and to resolve the hydrodynamic flow issues confronting the Gold Coast Seaway. Beneficial reuse of sand must be prioritised, with any excess sand used to support coastal processes or beach and foreshore nourishment.

Environment:

The development must respect the environmental qualities of the Broadwater and demonstrate a balanced approach to fostering citywide economic opportunity while responsibly managing potential environmental impacts. As the extent of development will be a key factor in determining the potential environmental impacts, a flexible framework is supported to enable innovative responses, subject to the development:

- protecting RAMSAR and Broadwater environmental values by fully mitigating impacts on significant habitat areas (wading bird habitat, sea grass etc.) with local offset priority
in the Broadwater. Development may trigger referral to the Australian Government under the Environmental Protection and Biodiversity Conservation Act 1999

- establishing strict protocols for:
  - cruise ship operations (no discharge into Broadwater)
  - Potential emergencies (e.g. sewerage / oil spill)
- positively addressing environmental considerations and establishing strategies to minimise and mitigate potential impacts
- adopting best practice water management measures (water harvesting and reuse, water sensitive urban design)
TERM SHEET FOR MEMORANDUM OF UNDERSTANDING

This attachment is included in the confidential version of the report.
ITEM 11  ECONOMIC DEVELOPMENT & MAJOR PROJECTS
BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
WF22/76/03/01(P1)
Refer 1 page attachment

1  BASIS FOR CONFIDENTIALITY

Not Applicable.

2  EXECUTIVE SUMMARY

Not Applicable.

3  PURPOSE OF REPORT

The purpose of this document is to provide a budget overview, for consideration in the
September 2012 Budget Review, of the following projects:

1. Broadwater Marine Project - Tender Process for an integrated tourist development
   including a cruise ship terminal in the Southern Broadwater

2. Cruise Ship Transit Terminal 1 - Capital dredging, temporary terminal structure,
   floating pontoon, dolphin system and associated infrastructure at the Muriel
   Henchman Drive/Broadwater boat ramp, Seaworld Drive, The Spit

4  PREVIOUS RESOLUTIONS

For relevant Council resolutions to each matter refer Attachment 1.

5  DISCUSSION

5.1 Background

Council is in the inception phases of two significant projects both interrelated in their delivery,
but subject to differing cost and approval processes.

Council has commenced a pre-feasibility study, navigational and economic assessment for a
ruise ship transit terminal with the outcomes to be provided to Council by November-
December 2012. Council, through the Office of the Mayor, has sought from Carnival Cruise
Lines a commitment to schedule ship visits to the Gold Coast from September 2015. This
would be on the basis that Council can demonstrate to the cruise shipping industry by
September 2013 a commitment and the ability to deliver a transit terminal. Council is still to
approve a number of tasks that were outlined in the June 2012 Cruise Ship Report #1 report
(refer G12.0622.008) to progress this project, which if not progressed immediately will risk
missing the 2015-16 cruise ship season schedule.

As outlined, in the confidential briefing note and presentation (refer G12.0914.041) to the
Councillors at the meeting held 14 September 2012 it is proposed that State Government
and Council will jointly progress an Expression of Interest (EOI) and Request for Proposal
(RFP) process to facilitate the submission of an integrated tourist development and cruise
ship terminal in the southern Broadwater area. It is the intention of Council to progress a
temporary (in the first instance) cruise ship terminal separate, but possibly part funded, from
the Broadwater Marine Project development. The target is to have the vision and planning
document completed by end of October 2012, an EOI released to the market to run six
weeks, short listing, and then a RFP to run 16 weeks ("Tender Process").
ITEM 11 (CONTINUED)
BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
WF22/76/03/01(P1)

Proceeding the above, Council and State Government have commenced a process to:

- agree a letter of intent (Completed)
- formulate and agree a shared vision and planning intent for development in the Broadwater (underway)
- prepare a Memorandum of Understanding (MoU) including governance, probity and funding agreement to undertake a Tender Process
- prepare Tender Process documentation

After the Tender Process is concluded the preferred proponent would then be responsible for approvals; including most likely an Environment Impact Statement under a SDPPC Act Significant Project declaration and EPBC controlled action. The Department of State Development and Infrastructure Planning (DSPIP) has advised this approvals process could be up to three years depending on the location and scale-intensity of the development proposed.

5.2 Broadwater Marine Project – Draft High Level Planning Intent

- An innovation oriented framework is proposed for the project, with a co-operative approach to finding the right outcome. Key activities anticipated for the development include a cruise ship terminal, casino, hotel and marina. Preliminary site planning parameters, subject to future work and agreement between State Government and Council, have been developed to help guide development and ensure key matters of public interest are considered existing City wide land use framework and centre network, and support Southport as a principal activity centre.

5.3 Decision Trigger Points and Budget

To meet the tight timeframes, it is recommended the budget is committed to both projects noting the Council decision points in the following figure. For the Cruise Ship Terminal 1 it is proposed to not commit Council to external spend, beyond what is necessary to do to meet the tight timeframes, until the Navigational and Economic assessments are completed and provided to Council. It is recommended that the concept design of the terminal and mooring facility be commenced to confirm costs, survey and design undertaken at the terminal to inform the arrangements with State Government for lease and tenure and communications commence with the community for the project.

5.3.1 Budget - Broadwater Marine Project

<table>
<thead>
<tr>
<th>Item description</th>
<th>2012-13 budget proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management</td>
<td>Internally resourced, EDMH</td>
</tr>
<tr>
<td>GCCC Internal Technical Advice (Technical Service Providers)</td>
<td></td>
</tr>
<tr>
<td>Vision and Planning</td>
<td></td>
</tr>
<tr>
<td>Shared Understanding Plan including Documented, workshoped and agreed Process Objectives, Wave Break Island Planning Intent and Project Narrative</td>
<td></td>
</tr>
<tr>
<td>Parks / Recreation and Community Infrastructure Services Capacity Baseline Report and Critical Trunk Works cost summary</td>
<td></td>
</tr>
<tr>
<td>Sewer and Water Services Capacity Baseline Report and Critical Trunk Works cost summary</td>
<td></td>
</tr>
<tr>
<td>State Infrastructure Network Reviews</td>
<td></td>
</tr>
<tr>
<td>Education, Health, Emergency Services</td>
<td></td>
</tr>
</tbody>
</table>
### Item 11 (continued)
#### BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
**WF22/76/03/01(P1)**

<table>
<thead>
<tr>
<th>Item description</th>
<th>2012-13 budget proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Transport Infrastructure Network Review</td>
<td></td>
</tr>
<tr>
<td>Traffic and Transport Services Capacity Baseline Report and Critical Trunk Works cost summary (Local and State Networks)</td>
<td></td>
</tr>
<tr>
<td>Hydrodynamic Modelling - proponent costs to run proposals in certified baseline model (output of current MSQGCCC-work)</td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td></td>
</tr>
<tr>
<td>Probity Auditor - Provides Probity Plan, oversees the process</td>
<td></td>
</tr>
<tr>
<td>MCU and Deeds - Council's Legal Representative to review/draft documents as required</td>
<td></td>
</tr>
<tr>
<td>Tender Process (EOI, RFP and contractual finalisation)</td>
<td></td>
</tr>
<tr>
<td>Development feasibility / QA considerations – including brief development, EOI and RFP submission reviews and advice, data room preparation and engagement</td>
<td></td>
</tr>
<tr>
<td>Marketing strategy for Tender Process and Community &amp; Stakeholder engagement</td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
</tr>
<tr>
<td>Contingency (15% of costs)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,293,750</strong></td>
</tr>
</tbody>
</table>

Notes:
- \(^1\) denotes – Council cost
- \(^2\) denotes – State cost
- \(^3\) denotes - Council portion of the cost split 50/50 with State

### 5.3.2 Budget - Cruise Ship Terminal 1 (GCCG Option 3)

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Budget 12/13</th>
<th>Budget 13/14</th>
<th>Budget 14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management</td>
<td>To date Council has progressed this project based on internal resources. Includes pre-feasibility report, option definition, project communications, land use and tenure advice, hydrodynamic assessment.</td>
<td>Internally resourced, EDMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic analysis and Business Case Development and further refinement</td>
<td>The business case is an important component associated with the decision making process. This body of work will again be updated as greater accuracy information becomes available and the cruise shipping industry develops confidence in the proposal.</td>
<td>Internally resourced, EDMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigational Simulations and reporting</td>
<td>Definition of the limiting operational conditions appropriate for a cruise ship navigating through the Steepwater into the Southern Entrance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility/IAS</td>
<td>This component of work will be presented to Council in December prior to recess. It will summarise the findings from the business case development, hydrodynamic modelling and navigational simulation work. A significant body of technical work will also be included.</td>
<td>Internally resourced, EDMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community communications and consultation</td>
<td>In order to negate the significant negative media being generated by the proposal a communications plan will be developed to deliver accurate and positive information to the community. The BIS process will undertake the remaining phases of community consultation and project communications.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ITEM 11 (CONTINUED)
BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
WF227603/01(P1)

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Budget 2012/13</th>
<th>Budget 2013/14</th>
<th>Budget 2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land use and Tenure Planning</td>
<td>This component of work includes survey and the land use planning requirements associated with changing of use from public open space to a cruise terminal function. Land tenure changes will also be required to transfer the ownership of the land to ensure a terminal development. Land on the site is usually leased to proponents with the state generating revenue from the lease. The second block of allocated funds for this component is associated with the reconfiguration of lots and title transfers.</td>
<td>Initial concept design is required to illustrate the potential project and derive a revised project cost. The concept design would be progressed to schematic after testing with the market. Cost estimates produced are level of design.</td>
<td>Ecological assessment – baseline (some sections) flora and fauna sampling</td>
</tr>
</tbody>
</table>

Notes:
1: denotes approved and committed external consultancies underway
2: denotes internal resources and external consultancies recommended for immediate start after approval of the budget in the September 2012 budget review.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Not Applicable.
7 FUNDING AND RESOURCING REQUIREMENTS

Separately to this report, the September 2012 budget review process includes a request for reprovision from 2011-12 uncommitted funds of $548,180 (CC 1005016) from the Gold Coast Broadwater Masterplan, which was put on hold due to the pending formation of the Gold Coast Waterways Authority. Apart from this reprovision it is proposed to fund the initiatives for the 2012-13 Financial Year from the Strategic Priority Reserve as follows:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Description</th>
<th>Budget as at July 2012</th>
<th>Repropriations and transfers requested September 2012 Budget Review 2011-12 and Total 2012-13 Budget</th>
<th>Additional budget 2012-13 requested in September 2012 budget review</th>
<th>Total 2012-13 Budget</th>
<th>Estimated 2013/14 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadwater Marine Project</td>
<td>Broadwater Tender Process for an inter-modal terminal including a cruise ship terminal</td>
<td>$0</td>
<td>$745,570 from the Strategic Priority Reserve</td>
<td>$1,293,750</td>
<td>TBC</td>
<td>1,293,750</td>
</tr>
<tr>
<td>Cruise Ship Transit Terminal 1</td>
<td>Capital dredging, temporary terminal structure, seating, pontoon and associated infrastructure on the Murie Henchman Drive, Broadwater boat ramp, Station Drive, The Spit</td>
<td>$0</td>
<td>$924,500 from the Strategic Priority Reserve</td>
<td>$1,069,500</td>
<td>$2,300,250</td>
<td></td>
</tr>
</tbody>
</table>

For the Broadwater Marine Project it is envisaged that funding will be split as detailed in Section 5.2 of this report between Council and State Government. As part of the yet to be drafted MoU document Council and State Government officers have agreed in principle that should the Tender Process development:

1. proceed that Council is reimbursed its fair costs, or
2. not proceed by a joint decision that Council would be committed for up to half the costs of the Tender Process up to the point of termination.

Council will be provided with future reports that will address any future infrastructure requirements that may be required to facilitate the development, and an agreed Council and State funding plan to fund such infrastructure.

The Gold Coast Cruise Ship Terminal Report #1 (refer G12.0522.008) provided total capital expenditure costs in the order of $64 million to $115 million depending on the adopted option and dredging costs. The Terminal 1 location (GCCC Option 3) was $64 million, including a permanent terminal facility. If Council decided to proceed with a temporary facility in the first instance, then this approach would see a reduction in capital costs. Acceptance of a temporary terminal has not been undertaken with the cruise ship industry.

8 RISK MANAGEMENT

A risk register has been prepared for each project in accordance with the corporate risk processes.

9 STATUTORY MATTERS

Not Applicable.
ITEM 11 (CONTINUED)
BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
WF22/76/03/01(P1)

10 COUNCIL POLICIES
Not Applicable.

11 DELEGATIONS
Not Applicable.

12 COORDINATION & CONSULTATION
Not Applicable.

13 STAKEHOLDER IMPACTS
Both projects have significant impacts to stakeholders requiring future community consultation as part of Council, State and Federal approval processes. A number of issues have been raised in the community, both positive and negative. Progressing a consultation process requires a body of work to be done to inform the process.

14 TIMING

14.1 Broadwater Marine Project
The projects discussed are subject to tight timelines. The minimum timing for the Tender Process and Subsequent Project Stages are:

<table>
<thead>
<tr>
<th>Decision by Council to proceed including Letter of intent and commence Memorandum of Understanding</th>
<th>Vision and Planning documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expression of Interest EOI</td>
<td>Request for Proposals RFP</td>
</tr>
<tr>
<td>Development approvals – Approvals could be up to three years depending on location and scale of development. To be determined with DSDIP and preferred proponent</td>
<td>Temporary Cruise ship terminal 1 (GCCC Option 3) refer below</td>
</tr>
<tr>
<td>Construction - to be determined with preferred proponent</td>
<td></td>
</tr>
</tbody>
</table>

14.2 Cruise Ship Terminal 1 (GCCC Option 3)

<table>
<thead>
<tr>
<th>Complete Navigational and Economic Assessments for Option 3 including</th>
<th>Commenced - Report to Council November-December 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussion and agreement with DSDIP on approvals process</td>
<td>November 2012</td>
</tr>
<tr>
<td>EPBC referral for controlled action</td>
<td>November 2012</td>
</tr>
<tr>
<td>Investigate Operations for Cruise ship terminal including Harbour Master, Pilot and Tug requirements (including State Government and Gold Coast Waterways Authority)</td>
<td>February – June 2013</td>
</tr>
</tbody>
</table>
### ITEM 11 (CONTINUED)
**BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1**

<table>
<thead>
<tr>
<th>Action</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine land use - tenure and preliminary design of Muriel Hinchman Drive Broadwater boat ramp</td>
<td>February – June 2013</td>
</tr>
<tr>
<td>Commence State Government approvals process</td>
<td>July 2013</td>
</tr>
<tr>
<td>Provide Report to Council and liaise Cruise Ship industry on certainty of project</td>
<td>July - August 2013</td>
</tr>
<tr>
<td>Decision By Cruise Ship Industry to schedule Summer season 2014 visits to Gold Coast</td>
<td>September 2013</td>
</tr>
<tr>
<td>Complete approval process, land tenure changes, undertake detailed design and construction, commence dredging, commissioning and operations.</td>
<td>September 2013 – September 2015</td>
</tr>
</tbody>
</table>

### 15 CONCLUSION

Council is in the inception phase of two significant projects that should Council decide to commit to will require immediate budget and resourcing to deliver in accordance with expectations. Council has commenced a number of initiatives to develop a Cruise Ship transit terminal in the Southern Broadwater. The Council and State Government are also progressing a Tender Process for an integrated tourist development including a cruise ship terminal in the Southern Broadwater. The timing of the integrated tourist development does not meet Council requirements to have a functioning cruise ship terminal by September 2015. This report suggests that Council proceed with a temporary terminal in one of the locations as outlined in the June 2012 Cruise Ship Report #1 report (refer G12.0822.008) subject provided the Navigational and business case results are favourable. Funding commitments for both projects as detailed in this report are recommended to be included in the September 2012 budget review process, however, expenditure against the full amount is subject to future Council Reports and agreement with State Government for funding arrangements for the Broadwater Marine Project.

### 16 RECOMMENDATION

It is recommended that Council resolves as follows:

1. That the report/attachments be deemed non-confidential documents except for those parts deemed by the Chief Executive Officer to remain confidential in accordance with sections 171 (3) and 200 (9) of the Local Government Act 2009.
2. That budget funding to continue investigation and consultation for the proposed tender process ($745,570) and option 3 ($924,500) as described in section 7 of the report, be funded from the Strategic Priority Reserve, and these entries be included as part of the September 2012 Budget Review.
3. That Council notes that of the $745,570 approximately $300,000, and of the $924,500 approximately $100,000 is anticipated to be expended before the end of 2012.
4. That the navigation and economic study reports are expected to be brought back to Council in December 2012, at which time, Council will further evaluate its position to make informed decisions.
ITEM 11 (CONTINUED)
BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
WF22/76/03/01(P1)

Author: Darren Stewart
Manager Major Projects

2 October 2012
TRACKS REF: #37485831

Authorised by: Darren Scott
Director Economic Development and Major Projects
ITEM 11 (CONTINUED)
BROAD WATER MARINE PROJECT AND CRUISE SHIP TERMINAL 1
WF22/75/03/01(P1)

ATTACHMENT 1

RESOLUTION G12.0914.041  Moved Cr Gates  Seconded Cr Gilmore

1  That the briefing note and attachments be deemed non confidential except for those parts deemed by the Chief Executive Officer to remain confidential in accordance with sections 171(3) and 200(9) of the Local Government Act 2009.
2  That the Mayor be provided Delegated Authority for the period of the Council Regime to negotiate and sign a Letter of Intent for the purposes as outlined in this briefing note.

A division was called.

For  13  Cr Gates, Cr Owen-Jones, Cr Caldwell, Cr Gilmore, Cr Crichlow, Cr Le Castela, Cr Tozer, Cr Taylor, Cr Grew, Cr Betts, Cr McDonald, Cr Robb, Cr Tate

Against  1  Cr Bell

Abstained  1  Cr Grummott

Absent  0

CARRIED

CHANGED AT COUNCIL 22 JUNE 2012
RESOLUTION G12.0622.008  Moved Cr Taylor  Seconded Cr Tate

1  That the report/attachment be deemed non confidential except for those parts deemed by the Chief Executive Officer to remain confidential in accordance with sections 171(3) and 200(9) of the Local Government Act 2009.
2  That Council note the report details pertaining to the expected growth of the Cruise Shipping Industry and the potential Gold Coast has as a transit port.
3  That Council proceed as outlined in Sections 5.10 and 7 of this report to progress the project, except as modified by 4 below.
4  That Council investigate Option 1 and 3 and the western foreshore (north of Southport) of the Broadwater as locations for a cruise ship terminal.
5  That the Director Economic Development and Major Projects report back to Council prior to any external consultancy reports being required.
6  That the Mayor write to the Queensland Premier Campbell Newman MP requesting that the proposed Gold Coast Waterways Authority, as one of its first activities, consider the location and delivery of a Gold Coast cruise ship terminal.

CARRIED
There being no further business, the meeting was declared closed at 4.04pm.
I hereby certify that these pages Numbered 1 to 44 constitute

The Minutes of the Special Meeting

of the Council of the City of Gold Coast

held Wednesday, 31 October 2012.

.................................................................

MAYOR