

## 16 PERFORMANCE

### 16.1 GOVERNMENT SERVICES BUILDING

#### RESOLUTION 332/2023

Moved: Cr Blair Briggs

Seconded: Cr Hilton Gibbs

**That Council note this report, including that the requested further financial analysis, options assessment, sensitivity testing and examination on the planned Government Services Building confirms:**

1. **The proposal to construct a four storey Government Services Building (with lettable space) at the corner of Colden Street and Corbett Lane, provides the best financial outcome for the community.**
  - a) **Construction comes at no cost to ratepayers over the life of the building and does not require either a special rate variation or a reduction in funding for roads, community projects or council services.**
  - b) **The forecast investment of \$48.3M (inclusive of contingency) provides for a net development profit of \$5.8M over the life of the building (estimated at 50 years) and a payback duration of 48 years.**
  - c) **It remains the optimal financial outcome for the community following sensitivity analysis including higher interest rates, higher outgoings and vacancy rates for the commercial lettable space and higher project cost.**
  - d) **Straightforward contingency options are available for this model that enable delivery without requiring either a special rate variation or a reduction in funding for roads, community projects or council services.**
2. ***That a report be brought to Council quarterly on the status of the Government Services Building construction, simple in design and language and one or two pages maximum, that includes but is not limited to the following information:***
  - a) ***Risk, including WHS, Contactors, any potential adverse exposure.***
  - b) ***Budget V actual including variables any changes to financial modelling & explanations.***
  - c) ***Project delivery time lines, variables/explanations.***
  - d) ***A one paragraph summary from our internal project lead.***
3. **The ARIC reached a consensus view that:**
  - a) **A very thorough and professional approach, with sound methodology, was applied by Council Officers to developing and reviewing the various aspects on the business case.**
  - b) **The options explored appear to be relevant and appropriate.**
  - c) **The underlying assumptions appear to be relevant and appropriate.**
  - d) **The sensitivity analyses appear to be relevant and appropriate.**
  - e) **The conclusions reached via the analyses are supportable and pass the “reasonableness test”.**
4. **Independent legal and planning advice concludes that approval of the GSB would not set any relevant precedent allowing other buildings of similar scale to be built within Picton or other towns and villages within Wollondilly.**

5. Council has the ability to borrow sufficient funding, with the incorporation of this investment in Council's Long-Term Financial Plan demonstrating it is affordable as it meets the financial ratio requirements of Councils borrowings policy and the Office of Local Government financial ratios.
6. The parking plan provides sufficient parking under the proposed model, with 57 spaces to be provided by project commencement and a further 74 by project completion in addition to the 80 parking spaces provided in the building itself.
7. *That Council include a key principle in its property strategy (currently under development) that any consideration of a potential asset sale or recycling to support the Government Services Building delivery or ongoing management only be a contingency triggered should construction budget or income variations exceed +15%.*

On being put to the meeting the motion was declared **CARRIED 5/3**

In Favour: Crs Suzy Brandstater, Blair Briggs, Matthew Deeth, Hilton Gibbs and Matthew Gould

Against: Crs Michael Banasik, Paul Rogers and Beverley Spearpoint

#### **EXTENSION TO SPEECHES**

##### **RESOLUTION 333/2023**

Moved: Cr Paul Rogers

Seconded: Cr Matthew Deeth

**That Councillor Banasik be allowed to speak for an additional one minute.**

On being put to the meeting the motion was declared **CARRIED 8/0**

In Favour: Crs Michael Banasik, Suzy Brandstater, Blair Briggs, Matthew Deeth, Hilton Gibbs, Matthew Gould, Paul Rogers and Beverley Spearpoint

Against: Nil

#### **EXTENSION TO SPEECHES**

##### **RESOLUTION 334/2023**

Moved: Cr Matthew Deeth

Seconded: Cr Paul Rogers

**That Councillor Brandstater be allowed to speak for an additional one minute.**

On being put to the meeting the motion was declared **CARRIED 8/0**

In Favour: Crs Michael Banasik, Suzy Brandstater, Blair Briggs, Matthew Deeth, Hilton Gibbs, Matthew Gould, Paul Rogers and Beverley Spearpoint

Against: Nil