

KINGSTON PARK IMPLEMENTATION REPORT October 2022



This report is regularly updated and released for public information

1. INTRODUCTION

This report has been prepared as a quarterly update on the progress of the Kingston Park project. It is Council's way of regularly reporting to the Kingborough community. Such reports have been produced since August 2017.

Although this project has been underway for several years, it was not until early 2018, that significant construction commenced on the site. It is important that a reporting mechanism such as this explains what this construction entails and what will happen in the future. It is also important that the financial status of the project is described – bearing in mind that, although large up-front costs are necessary to provide the initial public infrastructure, these are more than outweighed by the subsequent direct and indirect economic and social benefits for Kingborough.

Council is providing this report every three months for general public information. Within it there is a description of the background to the project (2) – as there will always be many people who are not aware as to why it is so critically important for Kingborough. The subsequent sections describe the main construction projects (3) that are being managed by Council – these currently are Goshawk Way Road stage 2, the Public Open Space stage 2 and Wetlands. Following this there is a section on the land release strategy (4) for the site – how land is to be subdivided and developed overtime. There is then a financial report (5) consisting of the expenditure to date, the amount of project borrowings and future short-term expenditure. The section on communications (6) reports on the latest news about the project and how this has been or will be more broadly communicated and the final section deals with project governance (7) and administration.

The main updates each quarter will be made to sections (1), (3) and (5). It is these sections that should be focused on by those who have been regularly reading these reports and following the project's ongoing progress. An Appendix to this report also includes a timeline that briefly summarises what has been achieved to date.

Council is interested in obtaining any comments or thoughts about the project. There is an opportunity to do this by emailing the Kingston Park Project Team at: kingstonpark@kingborough.tas.gov.au There will of course be many good ideas that could be incorporated within the project as people become more informed and enthusiastic about it. The detailed aspects of the Kingston Park Development Plan continue to evolve, and it is important that everyone has an open mind to future opportunities.

2. PROJECT BACKGROUND

Kingston Park is the former Kingston High School site and is located immediately to the north of the Kingston Central Business District. The redevelopment of this site constitutes the most important development opportunity within Kingston and how it is developed will be critical in determining the future viability of the whole Kingston CBD. It is the most critical single project for the economic future of the Kingborough municipality. The subject land is shown in the figure below.



Figure 1 – Site Boundaries

The future development of the 11.3ha Kingston Park site can only be considered within the context of this CBD. Its primary objective is to encourage and complement the future sustainable development of the whole of central Kingston and Kingborough more generally. A great deal more private and public investment will occur within Kingston if the whole central area is progressively developed in a cohesive and attractive manner.

Development that occurs on the site will provide local recreational and cultural attractions and fill gaps in the services that the local community needs. If Kingston is to be the main commercial centre south of Hobart, then this will depend on how this Kingston Park site is developed. It has been often stated that this is a once in a lifetime opportunity for

Kingborough, in that its development will really improve the public amenity and facilities within central Kingston. It is a truly unique development opportunity and care must be taken to obtain the optimum result.

Kingborough has, for the last 20 to 30 years, had a greater increase in population than any other municipality in Tasmania and this is expected to continue to grow at a similar rate in the next few decades. Kingborough's close proximity to Hobart, the availability of suitable land, good transport routes and the area's inherent natural attractions as a coastal municipality have all been major drawcards for new residents. However, 60% of all Kingborough's employed people travel north to Hobart or beyond to work. There should be many more local services and employment opportunities to reduce this daily traffic out of Kingborough – making it more convenient for local residents and reducing travel times and congestion in Hobart. It is within this context that building a strong, sustainable CBD is so important.

A Development Plan for the Kingston Park site was prepared during 2012-2013 and it described the proposed development that is to occur on the site. It contains an urban design framework that enables new forms of development and the planned delivery of infrastructure to support that development. There is to be a mix of commercial and residential uses, together with public open space and community and cultural facilities. About one-third of the site's area is utilised by each of these generic land uses – that is, one third is to be sold for residential or commercial use, one third is retained for public open space and one third is for community uses and public infrastructure.

Although a great deal has occurred since that Development Plan was prepared, it still forms the basis for most of the current and future site development that is occurring.

For Council, this project also needs to be economically feasible. The brief for the original Development Plan required that a proposal be developed that addressed local land use needs, was well designed and broke-even financially. This is a stand-alone project that is not being implemented at the expense of other scheduled public infrastructure projects in the municipality. Land is to be sold (for purposes that will further activate the CBD) so that there is revenue to pay for the public and community facilities that are to be provided on the same site.

The urban design provides for a vehicular 'boulevard' (Goshawk Way) that passes through the site – from the former school's entrance through to a new junction with Huon Highway/Beach Road. A pedestrianised 'promenade' (Fantail Parade) extends from Channel Court, through the existing Council parking area on John Street, past the new Kingston Health Centre.

Following the junction with Goshawk Way the road becomes trafficable (Pardalote Parade) past the Community Hub through to the playground perimeter path and on to the Whitewater Creek pathway under the Southern Outlet.

Figure 2 below provides an overview of what is proposed. Apart from a few detailed design changes, this layout is essentially still consistent with what was proposed in the original Development Plan.



Figure 2 – Site Development Plan

Council has previously commissioned independent economic assessments of this project and they have determined that the project will make a significant contribution to the Kingborough economy. The economic benefits of the project were found to be during both the construction phase and on an ongoing basis within Kingborough. During construction, many jobs will be created – then determined to be about 67 jobs per year over a 10-year construction period (worth almost \$80M per annum) – and \$90M worth of development will occur on site (generating \$205M worth of multiplier impacts). The eventual redevelopment of the site will generate well in excess of 600 new jobs and increase the ongoing retail expenditure by about \$3.7M per annum within Kingston.

It is worth noting that these figures were determined in 2015, and the current Project Development Agreement (with the contracted private developer) predicts that about three times as much future development will in fact occur on this site, with commensurate increases in economic benefits. It is envisaged that a more up to date independent economic assessment (or cost-benefit study) will be commissioned in the near future.

While these economic benefits are significant, there will also be a stimulation of additional investment on other nearby private properties within central Kingston. An early investment by Council will build local confidence – and there is some recent evidence that this is in fact occurring. It is also worth noting that there will be future increased rate revenue benefits from this project for Council, within both the Kingston Park site and central Kingston more generally. Some of this additional revenue to Council will need to cover the future costs

associated with the ongoing management and maintenance of the playground, parklands, streetscape and maintaining the Community Hub facility. It is proposed that the project (including the private development on site) will be fully completed within about 10 years.

The economic benefits for Kingston are complemented and enhanced by the many social and community benefits that this proposed site development will provide. The future growth in demand for services is inevitable (as a consequence of an increasing population) and this project is primarily about preparing the Kingborough community for this growth. Future generations will judge us on how well we have taken the opportunity to utilise this land to develop a truly sustainable and viable central business district.

The social benefits of the project include the availability of a new and expanded Kingston Health Centre; a new multi-purpose Community Hub facility that will provide spaces for a variety of community and cultural activities (the future “heart” of central Kingston); a large area of public open space with a children’s playground and other landscaped features and spaces for outdoor events; the inclusion of higher density residential areas that will bring increased activity into central Kingston, making it a safer and more attractive place to visit; and the potential for commercial entertainment and more things to do that encourage social interaction and community well-being.

A high quality of urban design is also an important component of this project. It is intended that Kingston Park will be a showpiece and an example for other private developments throughout the municipality. It will provide attractions that are creative and innovative to generate increased visitor levels and community pride – and so help to sustain the long-term future of central Kingston and the Kingborough municipality.

3. PROJECT DEVELOPMENT COMPONENTS

3.1 Goshawk Way

Goshawk Way is to be the main through road within Kingston Park and will provide vehicular access to all the main parts of the site. Its first stage of construction has initiated the site development and enabled the inclusion of the Community Hub and the State Government’s Kingston Health Centre (both now constructed) – and will then facilitate the further subdivision and development of the rest of the site. An important aspect of this road construction is that the main reticulated services and other related infrastructure are being provided to facilitate the overall redevelopment – such as stormwater, water, sewerage, power and telecommunications.

This through road provides an additional traffic option that will assist in taking the pressure off other roads such as John Street and the Channel Highway. This will have an impact on the final design and upgrade of the part of the Channel Highway that runs between John and Hutchins streets. Its relationship with these other roads is shown in Figure 3 below.

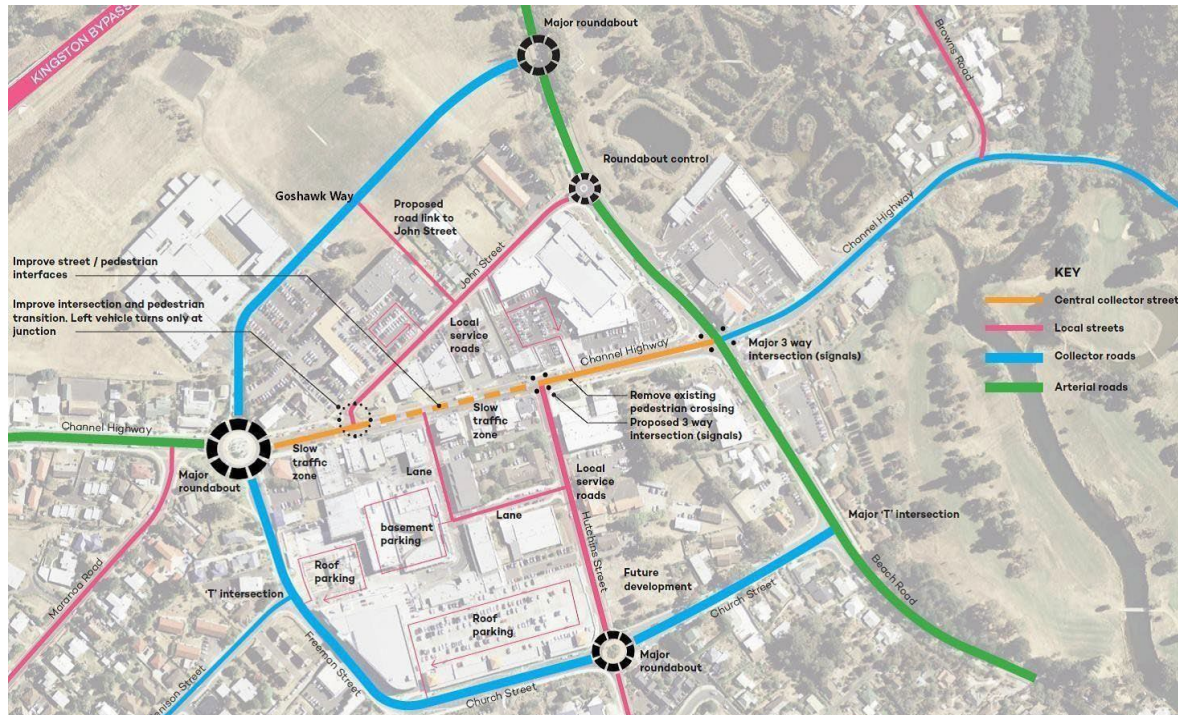


Figure 3 – Future traffic management within central Kingston

It should be noted that decisions are yet to be made regarding some of the detailed proposals shown in this figure. Council commissioned GHD consultants to undertake a major traffic study of the central Kingston area (completed in 2019). Traffic impacts across the whole of the CBD (and beyond) were considered and recommendations made for the necessary road and junction upgrades to ensure efficient traffic flow and public safety. This has informed the design of roadworks around the periphery of Kingston Park and a future works program for road upgrades across the whole CBD. Council also obtained further traffic modelling advice in late 2020 that will assist in upgrading a number of road intersections within the CBD (improving traffic flow and making them safer for pedestrians). Further consideration from a pedestrian perspective has also been provided within the Kingston Place Strategy 2020-2050 prepared by Place Score consultants.

The completed construction of the first stage of Goshawk Way is consistent with the alignment shown within the original Site Development Plan. It involved the construction of the road from the Freeman Street roundabout through to just beyond the northern corner of the Health Centre site, as well as the link road through to John Street (Skipper Lane). This provides the necessary access to adjoining properties, facilitating their future development. The road was widened by a few metres to accommodate some roadside parking and wider footpaths. Goshawk Way will extend through to the Huon Highway where a new roundabout will be constructed. Figure 4 below shows the extent of the proposed roadworks (together with draft Channel Highway and John Street upgrades – the latter having been completed at the beginning of 2020).



Figure 4 – Road construction within Kingston Park and proposed upgrade of Channel Highway

The second stage of construction is now almost complete and has involved the completion of Goshawk Way through to, and including, the new Huon Highway roundabout (the Huon Highway commences just after the John Street roundabout on Beach Road). A pedestrian underpass linking Kingston Park to the Wetlands has also been constructed. The aerial photographs below show the current situation on site.



Figure 5 – Site progress as of October 2022



Figure 6 – Site progress as of October 2022

3.2 Community Hub

The Community Hub provides for a variety of community uses and will encourage increased social interaction in Kingston. It will be complemented by the adjoining landscaped areas, public open space and children’s playground. Following the completion of an architectural design competition, March Studio Architects were appointed project architects. A detailed design of the facility was then completed, and a planning permit issued.

In 2017 Council was successful in obtaining a grant of \$2.8M for the construction of the Community Hub under the Australian Government’s Building Better Regions Fund and this grant was more than matched by Council funds. Tenders were called for its construction and a contract awarded to Hutchinson Builders. Construction commenced in early April 2018 and was completed in March 2019 with a formal opening occurring at that time.

During 2019, Council transitioned the Hub to its full capacity and reviewed the future operational requirements that are needed to ensure the facility is fully operational.



Figure 7 – Community Hub front entrance

The following is a description of what the Community Hub includes. Upon entering the proposed building there is an internal corridor that takes the visitor past a **reception area** (with Council staff there during normal business hours). **Public amenities and storage** within such a facility are obviously essential and their locations are indicated in the floor plan in Figure 8 below.

The **Auditorium** provides a larger indoor space to be hired or generally used for displays, presentations, performances, workshops, exhibitions etc. The **Terrace** is the break-out public space from the multi-purpose hall – separated by a large door that is lowered from the ceiling and to which a cinema screen is attached. It is an area where other functions can be held – either in conjunction with the hall or separately. The design provides for all-abilities access, good acoustics, the incorporation of audio technology, power for community events, free Wi-Fi, solar water heating and security.

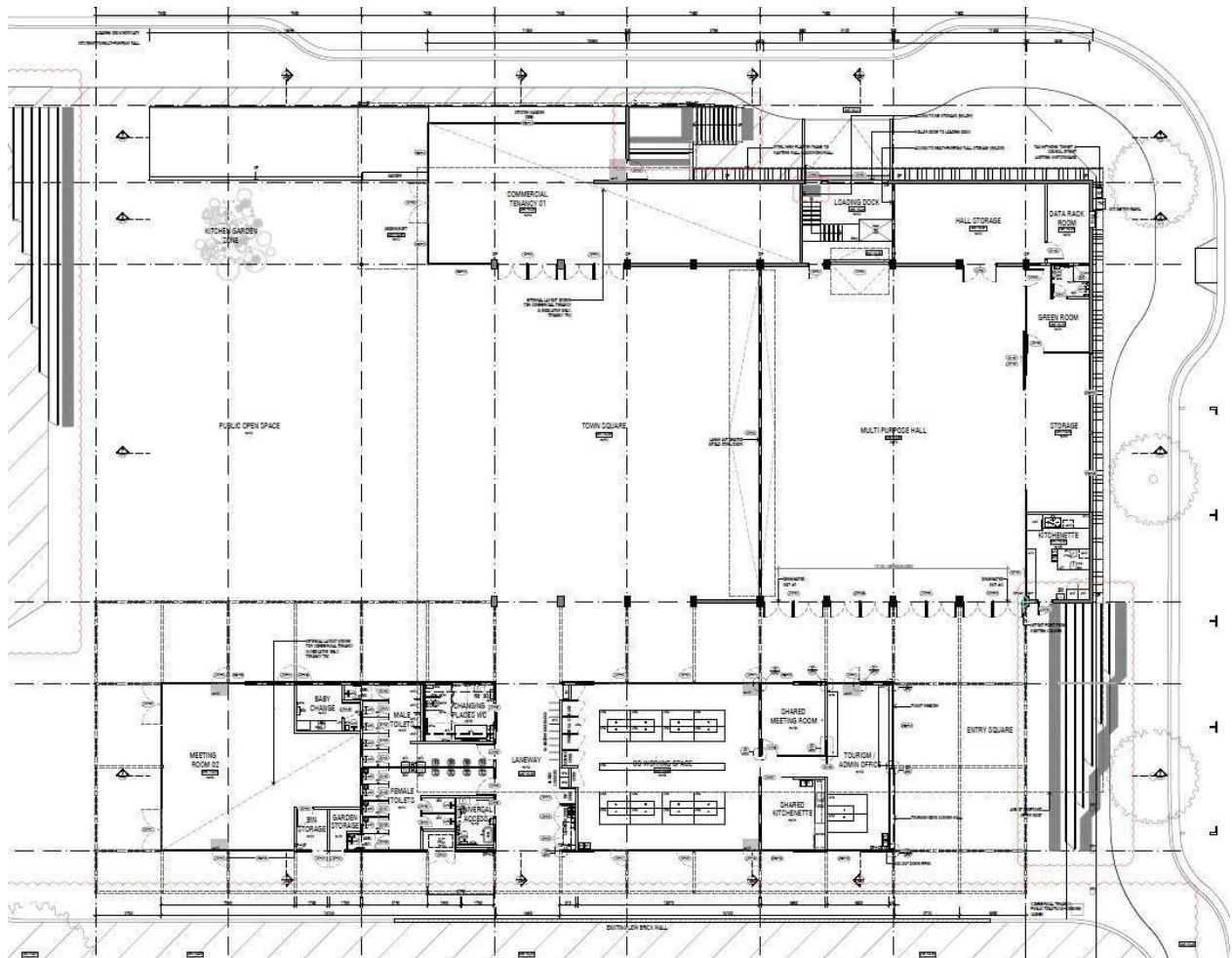


Figure 8 – Community Hub floor plan

A **café** will be located alongside the town square, and this will be leased out by Council. Before a tenant is sourced for this purpose, the Kingston Park private developers (Traders in Purple) have leased this area as their sales office for a short term – including a small public coffee bar that opened to the public in early 2021. At the conclusion of the tenancy agreement with Traders in Purple, a lessee for the café will be obtained via an EOI process and it will be fully fitted out for commercial use.

There is a room that was originally provided as a designated **co-working space** plus a larger **meeting room**. The use of this room as a co-working space was reviewed, post the COVID-19 pandemic, and it was determined to be more suitable as a meeting room for local groups, training, or small conferences. There is the capacity to add future modules and features to the building, plus there is a good connection to the **adjoining public open spaces** – particularly in relation to the children’s playground and outdoor spaces for community events.

In the last half of 2020 rectification work occurred at the Community Hub and the affected areas were closed to the general public. Some of the large concrete slabs were replaced. The work was done entirely at the contractor’s cost. Council has now resumed full community access and usage of the Hub.

Figures 9a & 9b - Photos below are courtesy of Alex Beem



3.4 Public Open Space

The design of the public open space area is an important stage in the future development of the overall site. The original Site Development Plan delivered a basic description of what would be provided, and this has been used as the starting point for the current design – see Figure 11 below.



Figure 11 – Public Open Space concept design by Playstreet

The Playstreet design work commenced at the end of 2018 and the main design components were completed by late 2019. The consultants conducted an extensive public engagement program as part of this process and Council subsequently consulted further (during June 2019) on how the construction might be financed. Strong public support for both the proposed design and the taking out of interest-free loans was obtained.

The broader public open space area will include a wide range of recreational components in addition to the children's playground – such as BBQ shelters, spaces for public events and performances, pedestrian and bike trails (including a learn-to-ride track for children and a beginner's pumptrack), exercise nodes, grassed areas for general play, scattered seats and benches, trees for shade and gardens for aesthetic appeal, natural areas, and quiet rest areas. Designated parking is to be provided in certain locations and on adjoining roadsides. Construction commenced on the second stage of the public open space in October 2021 and is anticipated to be completed towards the end of 2022.

Figures 12a & 12b – site progress on P.O.S stage 2 - October 2022



For many people, Kingston Park will be best known for the recreational attractions it offers and the spaces for community events and family gatherings. The exciting and unique nature-based playground is located immediately to the west and north of the Community Hub – encouraging creative and inventive play for all children. Construction of the playground commenced in February 2020 and was opened to the public in March 2021.

With the playground now completed, Kingston Park will become a much more popular destination – particularly for families with small children. This will also help in activating the Community Hub and improving the viability of its component parts. This will be a significant milestone for the Kingston Park project and prepare it for the next stages of development.

Figures 13a & 13b – Kingston Park Playground on Opening Day – March 2021





3.5 Public Parking

Public parking is currently provided within Kingston Park. This is on a temporary basis while construction is occurring, although it is not expected that such free all-day public parking will be provided within the eventual development. Council is not obliged to provide expensive public land for people to park their cars all day at no cost within a CBD. It is a very inefficient use of land, particularly when the lost opportunities for alternative uses are considered. As the whole community is subsidising a benefit being gained by a few individuals, a user-pays system is ultimately the only fair option. It is proposed that an appropriate regime for all-day public parking within the CBD will be implemented once sufficient alternative park-and-ride facilities are available elsewhere.

Sparrowhawk Street was opened at the same time as the playground and provides 66 x 3hr limited parking spaces. This road runs off Goshawk Way and provides entry to the playground. The previous temporary parking area (on the school's old concrete slab) has been replaced by a new parking area just north of Skipper Lane – as from late February 2020. The former parking area is now being developed as part of a new residential precinct (stages 1 and 2) within Kingston Park. The Skipper Lane parking facility will have a life of about 5 years before this land too is developed.

New public parking areas will be provided to meet the internal needs of Kingston Park. In a general sense, it is proposed that there be a total of 150 spaces within Kingston Park – 80 of which are required for the Community Hub (its planning permit requires 77), about 30 spaces for the users of the public open space and 40 spaces made available to replace that lost from the existing John Street car park. Private developments will need to provide parking for their own needs.

It is acknowledged that, with the further development of the CBD, the demand for all-day parking will increase. This has been witnessed in recent years by the rapid take-up of the temporary parking that was provided within Kingston Park. It will however still be important not to duplicate the recent experience where community expectations have been raised by providing what is an excessive amount of all-day parking within the CBD. This discourages a change in behaviour with people travelling by car into the centre of Kingston rather than using other travel alternatives or parking on the fringes.

It is particularly important that there are good bus services (both into Kingston and Hobart), in order that people will choose to catch the bus rather than drive their car. This is particularly the case for those people that work in Kingston, who will in future find it increasingly difficult to find a convenient all-day parking space. Good bus services into Kingston enable residents to shop and visit other services, as well as reducing traffic and parking needs more easily. A new bus interchange is to be constructed as part of the Channel Highway upgrade. A convenient and good quality bus service will be an important part in ensuring a sustainable and viable CBD.

More Hobart commuters should also be catching the bus closer to their residences – but this will require more frequent bus services within suburban areas. Those commuters that currently park at Kingston Park may in future need to utilise park-and-ride facilities dispersed around the greater Kingston area (such as at the Huntingfield roundabout with express routes into Hobart). Council is working closely with the Department of State Growth in facilitating these changes and this is being done in conjunction with a range of other initiatives associated with the Hobart City Deal and funding allocated to the Kingston Congestion Package.

During 2019 Council commissioned GHD consultants to prepare a Parking Plan for central Kingston to identify the actual parking needs, future works programs and as a basis for assessing future development applications that generate the need for additional parking. It builds on the previous work done in 2016 when a Central Kingston Parking Strategy was prepared (copies of both the Parking Strategy and Parking Plan are on Council's website).

4. LAND DISPOSAL

The future development of land within Kingston Park for private residential and commercial purposes is based on a Land Release Strategy that ensures revenue is obtained to pay for the public infrastructure and facilities that Council must provide. The future disposal of land will essentially stay true to the original Site Development Plan – acknowledging that it will need to be adapted to take advantage of favourable development opportunities. It was important that the land release process is attractive for potential investors, while also meeting other needs such as preventing land banking and meeting community expectations.

In 2017, the consultancy firm NAVIRE was appointed as Council's Principal Property Advisor. A Land Release Strategy was subsequently prepared, and this was supported by detailed financial modelling that forecasted all the project's costs and revenue. The complexities of such urban renewal as this are acknowledged – "it is full of challenges and takes time – time that typically traverses political and property market cycles".

Council does have an opportunity to effectively create a new market for a higher density of residential development within Kingston Park. This is the most viable financial option for Council (based on local market analysis) and will also help in reinvigorating central Kingston. New residents will be attracted by being so close to the CBD and the services on offer (health centre, community hub, cafes, public open space, playground etc).

Council's guiding principles for urban renewal at Kingston Park are:

- (1) Developing a shared vision
- (2) Delivering supportive infrastructure
- (3) Facilitating seed/catalyst projects
- (4) Having land control
- (5) Managing market conditions

These principles are embedded within the Kingston Park project – by way of providing the essential public infrastructure and some early catalyst developments (e.g., Community Hub, Health Centre, playground) – rather than relying on future private developers to do this. This was an early decision of Council and was supported by expert property advice.

The Land Release Strategy produced by NAVIRE provided the necessary blueprint for Council to follow in staging the sale of land within Kingston Park. It strikes an appropriate balance between low risk/low return options, compared to high risk/high return options. It is based on a 'post pre-sales' approach, where land is only sold after both a planning permit for the proposed development and pre-sale commitments are obtained. This should enable the land to be sold for a higher amount (increasing revenue to Council), without imposing unacceptable risks. To achieve this, it was necessary for Council (with the assistance of NAVIRE) to convince prospective developers of the value and unique opportunity that Kingston Park represents.

The land parcels that were identified as being potentially suitable for private development (in accordance with the original Site Development Plan) are shown in Figure 14.

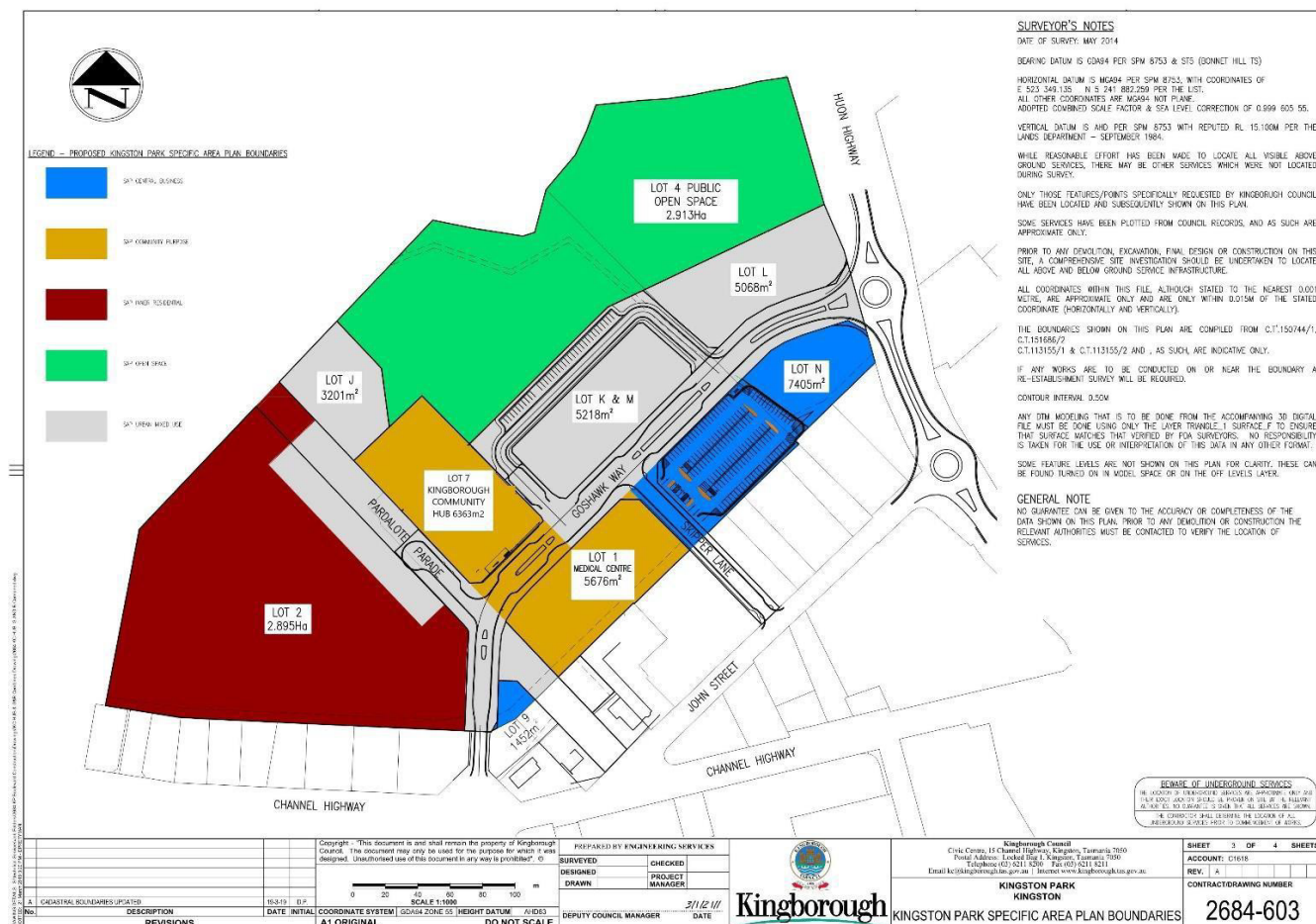


Figure 14 – Shown in red, grey and blue are parcels of land potentially available for private development

An Expression of Interest package was released in March 2018 and responses obtained from potential developers in May 2018. This provided an indication of the level of interest that exists and informed Council of the type of development that is most viable and for which the highest return can be obtained. The potential developers were then shortlisted and were provided with a 'Request for Proposal' brief. More detailed submissions were received in August 2018, after which a preferred developer was selected, and a Project Delivery Agreement negotiated (and signed by both parties).

In November 2018, it was announced that Traders in Purple (TiP) would be the developer for the entire site (except for lots 1, 4, 7 & 7a) shown in Figure 14 above). Traders in Purple have completed 60 projects in the Sutherland, Illawarra and Moreton Bay regions over nearly 40 years. They have also purchased and are developing two major properties in northern Tasmania. Their proposed development is shown by the early concept diagram in Figure 15 below. It consists of a mix of residential types (small lots, townhouses and apartments), retail, other commercial uses, cinema and parking.

The southern precinct is to be developed as the first stage and is to consist of 80 townhouse style residences within a strata development that will also contain a small local community club facility. The subsequent stages will include residential apartments (Lot J) and apartment blocks with ground floor commercial and internal private parking (lots K and M). The later stages include the commercial components (lot N) and additional apartment blocks (lot L).

The initial proposal from Traders in Purple flagged the potential for an Aged Care Facility on Lot J. However, discussions with a number of aged care operators did not result in a viable proposition for this particular style of development. TiP subsequently engaged Knight Frank to undertake an Expression of Interest process for all of the retail and commercial components of the site, including retirement living and aged care. This process also failed to produce a feasible proposal for an aged care development on the site. As a result, TiP considered alternate uses for Lot J and settled upon residential apartments as the most suitable alternative. The development of aged care facilities may still be considered in the later stages of the project providing there is sufficient market demand, and it is financially viable.



Figure 15 – Traders in Purple Masterplan

The residential components provide for a total of almost 400 dwellings. The whole project is anticipated to be implemented over a period of about 8-10 years and will evolve and change slightly over time. The future commercial development aims to maximise employment opportunities (e.g., office development) and to provide for local entertainment attractions.

It is also important that the planning scheme requirements for Kingston Park align with the proposed development of the site. The current planning scheme includes specific provisions that facilitate the implementation of the Development Plan, as well as reducing developer risk and community uncertainty. This existing Specific Area Plan (SAP) within the planning scheme has been reviewed and a final draft prepared so that an updated version can be included within the planning scheme (following the normal statutory assessment and approval process). The new SAP was advertised and consequently approved in January 2021. It was necessary to amend the scheme (by way of the new SAP) to ensure that future property boundaries align accurately with Zone boundaries. The proposed subdivision of the whole site is shown in Figure 16.

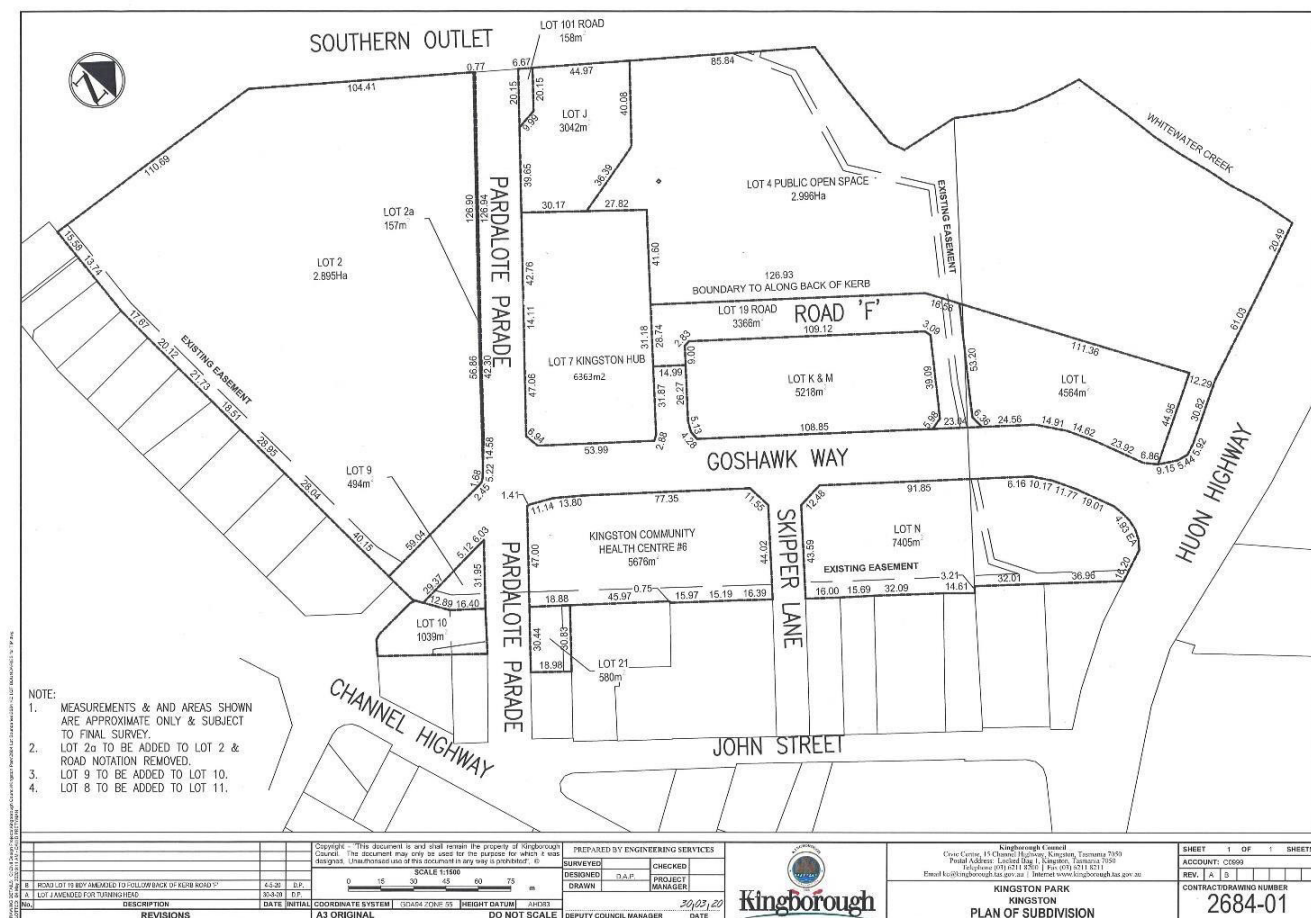


Figure 16 – Proposed land subdivision

In future years, there will inevitably be risks associated with any normal market driven process. Market conditions will fluctuate over time, and this will require a degree of flexibility and for Council (and Traders in Purple) to take the best opportunities as they arise. There is a risk that unexpected issues will get raised and proposals put forward that will test Council's resolve. However, there is also a good possibility that the private components are more successful and popular than expected and Council is able to achieve outcomes and land prices that are beyond what is currently anticipated (the contract with the developer guarantees a minimum price for the purchases of the respective land parcels).

This private development that is to occur within Kingston Park is particularly critical in revitalising the central Kingston area and addressing the need for additional community services and employment opportunities within the municipality.

5. FINANCIAL MANAGEMENT

5.1 Financial Situation

Council is closely monitoring all the financial affairs relating to this project. All actual costs are attributed to the project – including project management, internal loan repayments and staff time/costs. Council now has more information on the revenue expectations now that a Project Delivery agreement has been signed with the contracted developer. This will become even clearer once the project evolves further and private development stages are delivered.

A series of financial scenarios based on many different assumptions has been developed. Council has chosen the most likely and most advantageous scenario as being the basis for moving forward. This took into account:

- the economic and market reality over the long term;
- catalyst project and infrastructure delivery timing;
- Council's peak debt (borrowing facility) capacity;
- Council's final net financial position; and
- the proposed land uses described in the Development Plan (accommodating some relatively minor changes).

This chosen scenario is being constantly updated as further expenditure occurs and tender information becomes available. The current (and initial) expectation is that the final net result, by the end of the project (say, by about 2028), is that Council is likely to incur a financial loss of about \$5M. Such a loss however needs to be seen in the context of it having provided for the revitalisation of the Kingston CBD, a new Community Hub facility, a major playground, extensively landscaped public open space and increased rate revenue for Council over the longer term.

As noted above, the project expenditure also includes the amount of staff time and other related project costs (including an interest charge for internal borrowings) on top of the actual construction costs for each component. Additional income is expected from the future land sales, and this is to be received from the end of 2019 onwards.

The following table indicates the project expenditure and income that has been incurred to date (up until 30 September 2022).

KINGSTON PARK

Consolidation of Expenditure

OPERATIONAL

Operational Expenditure

CAPITAL

Expenditure 2013/14 Year	Expenditure 2014/15 Year	Expenditure 2015/16 Year	Expenditure 2016/17 Year	Expenditure 2017/18 Year	Expenditure 2018/19 Year	Expenditure 2019/20 Year	Expenditure 2020/21 Year	Expenditure 2021/22 Year	Expenditure 2022/23 Year	Total Expenditure To Date	Budget	Variance
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	9,522	8,516	989	-	-	-	-	-	-	19,027	-	-
72,653	37,119	31,734	-	-	-	-	-	-	-	431,471	431,000	(471)
144,000	-	-	-	-	-	1,324,012	-	-	-	1,468,012	1,494,000	25,988
39,811	10,089	4,072	-	-	-	-	-	-	-	53,972	(53,972)	(1,970)
7,009	1,065,269	81,370	60,323	-	-	-	-	-	-	1,213,970	1,212,000	(1,970)
-	-	-	-	18,993	22,621	6,809	-	-	-	48,423	(48,423)	27,829
-	-	39,254	169,554	184,358	29,006	-	5,409	6,068	-	422,171	450,000	27,829
-	-	-	-	-	195,179	-	2,058	330,551	-	419,517	247,000	(172,517)
-	-	-	12,051	1,529,299	1,438,122	30,377	2,058	330,551	-	3,342,458	3,220,479	(121,979)
-	-	-	57,281	131,911	109,361	36,655	104,412	41,356	3,912	484,888	411,000	(73,888)
-	-	-	5,390	38,837	118,261	158,460	179,859	130,739	39,389	670,935	628,000	(42,935)
-	-	-	-	1,579,097	6,074,672	136,666	74,576	8,387	-	7,873,398	6,000,000	(1,873,398)
-	-	-	-	-	218,343	19,246	1,870	-	-	239,459	(239,459)	587,991
-	-	-	-	-	37,897	1,240,366	3,301,608	384,845	293	4,965,009	5,553,000	587,991
-	-	-	-	-	-	7,826	1,975	414,506	25,000	449,307	420,795	(28,512)
-	-	-	-	-	390,764	-	446	4,237	-	395,447	400,000	4,553
-	-	-	-	-	-	385,145	6,297	-	-	391,442	300,000	(91,442)
-	-	-	-	-	-	-	362,183	360,317	-	722,500	-	(722,500)
-	-	-	-	-	-	2,430	43,934	36,152	138,155	220,671	400,000	179,329
-	-	-	-	-	-	-	5,354	1,435,363	2,457,297	3,898,014	1,374,000	(2,524,014)
-	-	-	-	-	-	-	-	9,470	-	9,470	-	947,000
-	-	-	-	-	-	-	-	-	4,760	-	700,000	389,628
263,473	1,131,519	173,462	306,577	3,482,495	8,634,226	3,560,853	4,167,166	6,022,004	2,841,980	30,868,960	27,688,274	3,180,686

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Govt Funding	
DHHS Funding	
Fed Govt Funding - Community Hub	
Govt Funding - Grant (POS Stage 2)	
Govt Funding - Grant (Goshawk stage 2)	
Land Sales	
Total Revenue	
Net Cost	

Borrowings - 1	
Borrowings - 2	
Borrowings - 3	
Borrowings - 4	
Borrowings - 5	

Total Borrowings

Total Expenditure less borrowings

AS AT 30 Sept 2022

Month

3

Interest @ 2.0%

Total Interest (@2.0%)

Total Project Cost. (Adjusted for Govt Funding)

10,763	46,700	53,669	54,438	162,003	128,573	50,282	50,104	558,281	13,492,298
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Most of the costs to date can be attributed to the construction of the Community Hub, the Playground, Public Open Space Stage 2 and Goshawk Way, the demolition of the old school buildings and the land purchase from the Crown (which was finalised in 2019). The cost to construct the Community Hub exceeded expectations. This was mainly due to the challenges of the architectural design and the subsequent contractual variations that resulted, together with external assessments of these variation requests.

Now that the land is owned by Council, it will be further subdivided into lots that are to be retained and sold. The original land value was significantly reduced to account for the fact that the land will be developed in accordance with the Development Plan – that is, almost half of the total area would be developed for public or community-based purposes (compared to what might have been the case if the land had been sold to a private developer with no obligations to provide such community facilities). An initial subdivision application has been lodged over the Council owned property and is currently under assessment.

5.2 Borrowings

Up until June 2018, all borrowings for the project have been internal loans – against Council's existing cash reserves. These loans (plus interest) will be repaid by the project to Council. Since then, expenditure has reached a point where external loans are required to fund the project.

Council has an approval from Treasury to borrow \$10M as part of the Local Government Loan Council Allocation. Council has now borrowed \$2.8M (of this \$10M) to help fund the construction of the Community Hub. This matched the grant from the Australian Government (under the Building Better Regions Fund) for the same amount.

As well as this, the State Government will provide an additional interest free loan of \$6M (which will need to be repaid within 5 years). This is being provided under the State Government's accelerated local government capital program (ALGCP) and is on the basis that a number of construction projects are brought forward – these being the Pardalote footpath/road, the stages 2 & 3 of the public open space and the second stage of the Goshawk Road construction. This will enable a higher priority to be given to the construction of these roads and services, so that the Kingston Park project can generate income from land sales and repay these loans. It is expected that the interest free loan will be repaid from the settlement of the first stage of the land sales in 2022/23.

Borrowings of \$2.7M and \$1.2M under the ALGCP have been previously drawn to fund some of the current works. Recent consideration has been given to taking out an interest free loan to fully fund the construction of the playground. Of the abovementioned \$6M interest free loan, \$2.1M was allocated for this playground and a loan has now been taken out for this amount – meaning that the full \$6M allocation from the ALGCP has now been borrowed.

The full cost of this playground is estimated to be in the order of \$5M. An additional \$2.9M in interest free loans would be required to fully fund this work. Public consultation was conducted in this regard and there was a very strong level of support for Council to borrow the additional money for this purpose. Council has subsequently approved that additional \$2.9 million be borrowed from the ALGCP (over and above the existing \$6 million) to fully fund

the construction of the proposed Kingston Park playground. State government approval has been granted for this additional loan. It will need to be added to the table in the previous section.

The impact of the additional borrowings is that Council will finish the project with around \$8 million in borrowings that would be repaid over a ten-year period. The additional interest expense on the \$2.9 million loan, would be approximately \$100K from 2025/26 onwards. This can be comfortably accommodated within Council's Long-Term Financial Plan.

5.3 Anticipated Expenditure in 2022/23

During the 2022/23 financial year it is anticipated that the following Council related activities (and estimated total expenditure, including in-house Council costs) will occur:

PROJECT NAME	BUDGET	WORKS
GOSHAWK WAY JOHN STREET	\$3.1m	Complete construction the final stage of Goshawk Way including the roundabout on the Huon Highway and pedestrian underpass.
STORMWATER TREATMENT	\$0.4m	Design of stormwater disposal alongside the Kingston Wetlands and prepare everything ready for its staged construction.
PUBLIC OPEN SPACE	\$0.8m	Finish construction of the second stage of the Public Open Space.
LAND SUBDIVISION	0.05m	Finalise the subdivision of the balance of the Kingston Park site.
OTHER COSTS	\$0.1m	In-house project management, public engagement, liaison with private developer and advice from principal property consultant.
TOTAL	\$4.45m	

The list above provides an indication of what is now proposed to be done this year. All of this expenditure will be paid for from the abovementioned borrowings.

6. PUBLIC COMMUNICATIONS

To date, public information about the project has been provided by way of the following:

Public surveys and seeking public comment – preparing the Development Plan, the naming competition, input into the public open space design and comments on the proposed borrowings for the playground construction.

- Public exhibition of draft documents – including master plans, Development Plan, proposed community hub design and proposed playground and open space designs.
- Displays of proposals at the Civic Centre.
- Advertised development applications for proposed site works.
- Newspaper articles, media releases and information on Council's Facebook page.
- Copies of relevant documents placed on Council's website.

A Communications and Community Engagement Strategy was prepared for Kingston Park a few years ago and is still relevant as it is consistent with Council's recently approved Communications and Engagement Framework 2020. The objectives of this Strategy are:

1. To provide information about the project and to seek input and suggestions as the project is being delivered.
2. To facilitate a broad understanding about the social and economic benefits that this project will deliver to the Kingborough community.
3. To enhance Kingborough Council's reputation as a council committed to providing accurate and up-to-date information, as well as consulting with and meeting the expectations of the Kingborough community.
4. To proactively identify and manage media interest in this project so that key messages are broadcasted to the public and other stakeholders.
5. To promptly respond to concerns about the project and to address any issue that requires clarification or immediate action.
6. To provide for an effective two-way dialogue that will achieve positive community and developer feedback and will enhance the overall delivery of the project.

The key messages within the Strategy are that:

- Council is committed to informing and consulting with the community regarding the future development of the Kingston Park site.
- Council is acting in the best long-term interests of the municipality in the way it is managing the future development of this site. This project will improve the liveability of central Kingston and enable the creation of a sustainable central business district that can support the local needs of the Kingborough community.
- This is a particularly complex project with several on-ground components being delivered in a concurrent manner at different stages – including design, negotiation, approval, construction and maintenance phases. Each component supports the delivery of others and is being managed in a coordinated way.
- This project is self-funding in that the community facilities are to be funded from the sale of land within Kingston Park (with a Land Release Strategy to maximise revenue) and external grants. Loans will be taken out to fund project management and

construction, and these will be repaid from external sources to the maximum extent possible with any Council 'subsidy' kept to a minimum.

- Council has already carried out many investigations – in regard to previous public consultation, economic feasibility studies, the Site Development Plan, Land Release Strategy, engineering designs etc – and these will continue to be refined and new ones done as the project progresses.

The delivery mechanisms include:

- Regular and established Council media releases – quarterly Council News and monthly Snapshots.
- The Kingborough Council website providing up-to-date information and background documents that detail particular aspects of the project – <https://www.kingborough.tas.gov.au/development/kingston-park/>
- Media releases – for all southern Tasmanian media.
- Digital and social media – information on Facebook, Twitter, Instagram and YouTube.
- Paid Advertising – mainly in print media but also potentially on local radio/television.
- Signage and branding – the project has been 'branded' (see below) and signage has been placed at the entrance to the future pedestrian section of Pardalote Parade.
- Meetings – briefings and consultation with stakeholders, State and Federal politicians, developers, interested groups and individuals.
- Public displays – provided as needed in the Civic Centre or other public places.
- Public information – by way of public forums (open two-way dialogue) or as written information (brochures, reports and correspondence).

The brand that has been developed represents a lively and dynamic representation of what the proposed development of Kingston Park represents. It is used (for example) on the information sign on John Street – shown below:



7. PROJECT GOVERNANCE

The implementation of the Development Plan is Council's responsibility. As previously indicated, Council has decided to retain direct control of the site development – including the initial provision of the core public infrastructure (Goshawk Way, Pardalote Parade, Community Hub, Playground and Public Open Space) and the subsequent subdivision process that will enable the release of land parcels to the private developer.

The benefits of this more direct approach are that it allows Council to exert a greater control over the desired site development; ensure there is consistency in the standard of public infrastructure construction (e.g., high quality streetscapes); achieve an optimum revenue stream and to facilitate the site development as early as possible (without land banking).

This requires a more hands-on management style within Council. An internal steering committee has been established to closely monitor the project and it meets monthly. This is an extremely complex project that has many different dimensions and requires many different specialist skills. There is a full-time Project Manager appointed to oversee the implementation of the on-ground works and support staff includes a part time Project Officer and Project Administrator. A Probity Advisor from the consultancy firm Wise Lord & Ferguson is an observer on the steering committee and provides procurement and governance advice. Reports to Council are provided whenever major decisions must be made and to provide regular updates on general progress.

Council is conscious of a perception that it may have a conflict of interest – in that Council is effectively both the developer (to a certain extent) and the regulator for this site. However, the mitigating factors in this regard are that this dual role is already provided for in the legislation; the existing Kingston Park Specific Area Plan within the planning scheme leaves Council with little discretion; Council's construction work that would require planning permits is limited to public infrastructure and facilities; the underlying objective of the Development Plan is to support and encourage other commercial developments in central Kingston; and that this project is so important to the Kingborough community that its management cannot be delegated to any other body.

Bearing in mind the above points, the project will continue to be overseen by Council and the existing internal steering committee. This Implementation Report will form the main communication mechanism for updating the general community on the project's progress.

The internal Project Plan for Kingston Park considers governance and strategic requirements, project benefits, reviews and reporting, project definition and objectives, success criteria, constraints and assumptions, stakeholder impacts, implementation timeframes, project cost and revenue (both to date and in the future), communications, functionality, risk management and project completion.

A formal relationship exists with Traders in Purple as the sole private developer for Kingston Park. A partnership arrangement is defined by a Project Delivery Agreement. This is a legal document that protects the interests of Council and guarantees a minimum revenue from the

sale of land (with the potential for increased amounts). Formal Project Control Group meetings are held every two months and other fortnightly meetings are held with the Traders in Purple local project manager. This arrangement has been operating smoothly for the last few years.

The main contact officers for this project are:

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You may also contact the Kingston Park Project Team at the following email address:

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APPENDIX

KINGSTON PARK TIMELINE

DATE	ACTIVITY
July 2007	Heads of Agreement between Council and the Tasmanian Government to relocate the Kingston High School.
June 2008	Completion of Kingston Central Area Master Plan and Heads of Agreement between Council and the Government for cooperative implementation.
January 2011	Kingston High School vacates the site.
July 2011	Public consultation completed on future use of site – strong community pressure to create a place that will be the future “heart” of Kingborough.
September 2011	Council expresses an interest to Government in purchasing the land – subsequent investigations by Treasury on disposal options and briefing of Council.
October 2011	Temporary public parking provided on the old school parking area.
December 2011	Council applies for Liveable Cities grant from Australian Government to conduct investigations into the best use of the site and grant (\$200K) approved for Site Development Plan in April 2012.
May 2012	Sale offer of \$8.3M made by Government but rejected by Council with deferment sought until after a Site Development Plan was completed.
July 2012	Appointment of consultants (following open tendering process) to prepare Site Development Plan. Subsequent public consultation and preparation of several interim reports.
May 2013	Site Development Plan completed and subsequently endorsed by Council in July 2013.
December 2013	Government decision to sell land to Council at reduced price (based on the implementation of the adopted Site Development Plan). Council decides to purchase and Sale Agreement and Licence to Occupy site issued, with 10% deposit on land paid. July
July 2014	Council decision to directly manage the future development and disposal of the site itself
September 2014	Approvals obtained and tenders called for demolition of former high school buildings, with demolition commencing in February 2015
November 2014	Project steering committee formed (including external probity advisor) and has met every month since.
October 2015	Demolition of former high school buildings completed (except for gymnasium as it was retained for likely inclusion within future community hub facility)
October 2015	Council decision to conduct architectural design competition for Community Hub
May 2016	Central Kingston Parking Strategy completed by consultants and endorsed by Council

June 2016	Completion of Community Hub architectural design competition – winning entry from March Studio architects
July 2016	Conclusion of public naming competition with successful “Kingston Park” entry
October 2017	Building Better Regions Fund grant of \$2.8M obtained for construction of Community Hub
November 2017	Appointment of NAVIRE consultants to develop a Land Release Strategy and to advise Council on its subsequent implementation
December 2017	Appointment of Spectran contractors to construct Goshawk Way stage 1 and subsequent commencement of construction
January 2018	Council adopts Land Release Strategy, market process and associated governance arrangements
March 2018	Expressions of Interest sought from prospective developers (closed May 2018). Requests for final proposals closed in August 2018.
April 2018	Community Hub construction commences (following approvals and tender process)
September 2018	Council decision to award contract to Traders in Purple with final Project Delivery Agreement signed in November 2018.
October 2018	Playstreet consultants appointed to design public open space, including Pardalote Parade and children’s playground and subsequent public consultation on the design (over the following six months)
February 2019	Kingston Health Centre opens
March 2019	Community Hub construction completed, and official opening held
October 2019	Playground design finalised and subsequent planning permit granted in January 2020
November 2019	Planning permit granted for stage 1 residential development to Traders in Purple
December 2019	Balance of land (former high school site) transferred into Council’s Ownership
February 2020	Parking area (150 spaces) constructed and closure of temporary parking to enable proposed residential development
February 2020	Playground construction commences and due to be completed by March 2021
May 2020	Final Kingston Place Strategy 2020-2050 from Place Score consultants endorsed by Council
November 2020	Construction commences of the road servicing the playground including parking spaces and due to be completed by February 2021.
March 2021	The Kingston Park playground is opened and construction of Sparrowhawk Street (the road servicing the playground) is completed.
March 2021	Design work commences for Stage 2 of the Public Open Space
July 2021	Construction of the second stage of Pardalote Parade
October 2021	Construction commences of Stage 2 of the Public Open Space
April 2022	Construction commences of Stage 2 Goshawk Way
June 2022 to March 2023	Design and Upgrades to Kingston Wetlands