

**1. Frankston Safe Boat harbour – Progress Report**

*This report is in Closed Council because it deals with commercial-in-confidence issues under discussion with the State Government.*

(A387994) (KvB:GMD)

**Purpose**

The purpose of this report is to provide an update on the progress made so far with the Safe boat Harbour project, clearly indicate the steps ahead and seek Council's endorsement for the next step, namely:

- Endorse the modified elements of Council's Preferred Development Model as agreed by the Major Projects Committee, seek State Government agreement to the Model in terms of scope, extent of government assistance and the preferred process for delivery of the Safe Boat Harbour project.

**Council Plan Objectives**

*This report is supported by the Council Plan 2004-2008 Strategy "Pursue the development of improved and exciting safe boating facilities that will attract visitors and are respectful of the environment."*

**Background**

The Minister's 2003 media release announcing that approval had been given for a safe harbour and regional boat ramp at Oliver's Hill stated that:

*"This decision provides approval of the concept of the Safe Boating Facilities project, which should allow Frankston Council to confidently seek private sector investment to make it a reality. This proposal has been analysed extensively, with two public consultation processes already carried out, the first of which included an Environment Effects Statement, and requirements will be put in place to ensure the development includes community facilities. This is part of a broader strategy to assist the regeneration of Frankston by the provision of well-planned facilities and development opportunities, underpinning improvements to local economic confidence. In the form approved this development will stimulate the economy, boost tourism, provide employment and improve boat safety on Port Phillip Bay."*

The last detailed progress report to Council was on 27 November 2006. After due consideration, Council resolved as below – authorising a project workshop to develop a commercially viable project model and endorsing the methodology and steps forward in the process chart which accompanied the resolution (see **Appendix 1- updated to reflect revised timetable**).

- A. That the progress report be noted.**
- B. That Council proceeds with a project workshop and marina tour to develop an acceptable reference project considered commercially viable, prior to proceeding with the methodology and steps forward in the attached Process Chart.**

- C. That Council defers a decision on audit of the marketing sounding probity plan until after the project workshop is held.
- D. That Council release to the public, the Ernst and Young Economic Impact Assessment (benefits/costs) and Market Demand Financial Feasibility Reports.
- E. That Council does not release the market sounding analysis of financial outcomes on the grounds it contains 'confidential information' of a commercial nature.
- F. That coinciding with the public release of the consultants reports, Council authorizes publication of regular (quarterly) communication bulletins authorized by the CEO for issue to the press and data base registrants.

Steady progress has been achieved in the intervening period to April 2007, as summarised below, via the Major Projects Committee with input from State Government representatives and the private sector.

- Information Bulletin issued to the public for the December quarter 2006 covering brief history, current status and next steps for the project in 2007.
- Project Workshop held 12 February 2007 attended by Councillors, probity advisor, cliff slope study consultants, private sector market sounding representative and state government representatives – to discuss their perspectives on the project and subsequently formulate Council's preferred development model.
- Major Projects Committee meeting 26 February 2007 considered the additional elements presented at the workshop as necessary inclusions into Council's preferred development model to achieve commercial viability – further detailed information requested on vessel/berth sizes, commercial facilities scale, dry boat storage, short-stay accommodation, government funding, slope stabilisation costs and sustainable beaches.
- Slope Stabilisation proposed treatment methods and preliminary cost estimates provided by Council study consultants – Coffey Geotechnics.
- Major Projects Committee meeting 10 April 2007 considered the further information requested on additional elements and confirmed inclusion of these in Council's preferred development model (*as presented in this Report for endorsement and referral to State Government*).

### Issues

The publication of the first of a series of quarterly Information Bulletins earlier this year has been an important tool in ensuring the flow of factual and up-to-date information to residents and data-base registrants. Demand for information is strong and an additional 500 print-run has been necessary. The next Bulletin is now due and will be prepared and circulated after the May Council meeting.

Council's probity advisor reported to the Major Projects Committee on the market sounding probity plan, at the February Workshop. A separate audit of the market and therefore a recommendation to this effect is included.

The Project Workshop and subsequent consideration of the issues by the Major Projects Committee, has been a valuable process undertaken during the first quarter of 2007. It has enabled Councillors to gauge first-hand, the degree of support for the project at both government and private sector levels, as well as engage in direct discussion with relevant representatives of both sectors.

It is clear however, that because the safe harbour is to be substantially funded and operated by the private sector, this support hinges on long term commercial viability of the Council's preferred development model. The workshop process has highlighted a number of additional elements considered necessary – some new, and, others adding to, existing components of the project. These are summarised below:

- **Vessel & Berth Sizes**

The Planning Scheme provides for channels, fairways, moorings and berths to accommodate boats up to 15m in length and 5m beam. The **preferred development model** removes these prescriptions because they are unnecessary and would restrict ability to appropriately manage the harbour facility.

- **Scale of Commercial facilities**

The Planning Scheme provides maximum floor areas in the case of a boat repairs building (80sqm) and all other buildings combined (500sqm). The **preferred development model** replaces these maximums with more realistic figures as follows:

• Food and Chandlery	1000sqm
• Boat Repairs	300
• Police & Emergency Services / Anglers	500
• Harbour management / staff	200
• Tourism sales / trips	100
• Public Toilets / change rooms	<u>150</u>
	<u>2250</u> sqm (GFA)

- **Dry Boat Storage**

The Planning Scheme does not make provision for a Dry Boat Storage facility – it was considered but excluded from the Special Use Zone. The **preferred development model** includes provision for Dry Boat Storage as a permitted use to cater for between 200 - 400 boats. This will also involve revision of the current maximum building height of 6m to 12.5m for 3 level stacking in a building measuring 110m X 40m for a 200 boat facility.

- **Accommodation**

The Planning Scheme provides for "accommodation" as a section 2 use in the Special Use Zone (permit required) – no conditions are listed and as it was not proposed at the time of the EES, it received no consideration. The **preferred development model** includes accommodation as a permitted use - to cater for 60 short-stay units possibly integrated with the Dry Boat Storage facility.

- **Government Funding**

The following funding sources have been identified during the course of discussions on the project with both State and Federal government officials.

- State Government Boating Facilities Grants (\$1m - \$1.5m) boat ramps  
Slope Stabilisation DSE/Vicroads Asset Funding  
(unconfirmed)
- Federal Government Regional Partnership Program (\$2m) breakwaters.

The **preferred development model** seeks in-principle commitment to these funding sources for the project including the terms and conditions of funding. Whilst Council has not yet indicated willingness to commit further Council funds to the project, it is likely that the terms of both State and Federal grants may involve a local contribution.

- **Slope Stabilisation**

Council's consultants – Coffey Geotechnical have provided the preliminary cost estimates set out below for Zone A of the slope (northern sector below the highway) where the bulk of works are required. Estimates for Zones B & C (middle & southern sectors) will be much smaller due to the nature of works required and will be included in Coffey's Final Report, now expected in May.

Zone A: Option (a) Filling and Toe Wall	\$1,894,600.
Or, Option (h) Partial filling/soil nails upper part	\$1,758,000.

The **preferred development model** proposes that funding responsibility for these works lies primarily with DSE / Vicroads as property owners (noting the State view that Council's role as committee of management needs to be recognised).

- **Sustainable Beaches**

Council holds a non-negotiable position on this issue – no damage to our beaches. The Planning Scheme Controls are designed to achieve and maintain this position and provided adequate and effective management of coastal processes occurs, Council's position can be satisfied. This will also require rigorous assessment of designs submitted to DSE and Council for approval.

The **preferred development model** ensures Council's position on this issue is built in to all relevant documentation for construction and operation of the Safe Boat Harbour for the information and attention of interested parties.

## Discussion

The Council's Preferred Development Model for the Safe Boat Harbour, including the modified elements agreed by the Major Projects Committee and summarised in this report, now require endorsement by Council in order to progress in accordance with the process chart.

Once endorsed, the Preferred Development Model will be referred to the State Government for agreement in terms of scope, extent of government assistance and confirmation of the preferred process for delivery of the Safe Boat Harbour project.

This is expected to involve Ministerial briefings, responses, further discussions/negotiations in order to reach an agreed position between Council and the State.

### Options Available

1. Council can abandon its current role of facilitating the project.
2. Council can proceed directly to Expressions of Interest without approaching Government, however this may jeopardise bids received.
3. Council can proceed by endorsing the Preferred Development Model as agreed by the Major Projects Committee, then seeking State Government agreement to the Model in terms of scope, extent of government assistance and the preferred process for delivery of the Safe Boat Harbour project.

### Financial Implications

Council has allocated funds of \$60,000 in this current year's budget to assist with facilitating the Boat Harbour Project; however no Council funds have been budgeted towards the capital costs of the project.

The preferred development model as recommended in this report is considered to have reached a level of commercial viability which is unlikely to require Council funding beyond local contributions to government grants as mentioned previously.

### Environmental Implications

Environmental issues have been extensively researched and analysed as part of the Environmental Effects Statement, independent panel reviews and Ministers assessments. The proponent is required to undertake further environmental assessments including physical modelling as part of their obligations in preparing a *'preferred design response'* and to prepare a Construction Environmental Management Plan(s) which must have regard to the Environmental Management Guidelines detailed in the Frankston Planning Scheme.

### Social Implications

The project creates the opportunity to further enhance Frankston's role as a regional city and tourist destination. The proponent as part of preparing a *'preferred design response'* must show that the proposed use and development will provide a net community benefit. This requirement will be in accordance with the Council's Social Impact Assessment Policy and included in the tender documentation.

### Consultation

Discussions have continued with several Government Department representatives regarding the project including direct dialogue with Councillors at the workshop and Major Projects Committee meeting. These discussions are continuing, complemented by reports in accord with the attached Process Chart at the various Council hold-points.

The next information Bulletin is now due and will be prepared and circulated after the May Council meeting.

Once the successful proponent is selected, the Planning Scheme requires the appointment of a Community Liaison & Reference Group with specified membership to represent project and community views as well as concerns.

### **Conclusion**

It is proposed that the report be noted and that the Preferred Development Model as agreed by the Major Projects Committee, be endorsed and referred to the State Government seeking their agreement to the Model and preferred delivery process, prior to proceeding with the next steps in the attached Process Chart, already endorsed by Council. This Report should remain confidential until agreement is reached with the State Government. Confirmation is also sought that a separate audit of the completed market sounding process is not required.

### **Recommendation (GMD)**

- A. That the progress report be noted.
- B. That Council endorses the modified elements of its Preferred Development Model for the Safe Boat Harbour, as agreed by the Major Projects Committee and set out in this Report.
- C. That Council seeks State Government agreement to its Preferred Development Model in terms of scope, extent of government assistance and the preferred process for delivery of the project, prior to proceeding with the methodology and steps forward in the attached Process Chart.
- D. That Council confirms a separate probity audit of the completed market sounding process for the Safe Boat Harbour, is not required.
- E. That the contents of this report relating to the preferred development model remain confidential until agreement is reached with the State Government.

**MOVED: CR HAMPTON SECONDED: CR MCCLELLAND**

- A. THAT THE PROGRESS REPORT BE NOTED.**
- B. THAT COUNCIL ENDORSES THE MODIFIED ELEMENTS OF ITS PREFERRED DEVELOPMENT MODEL FOR THE SAFE BOAT HARBOUR, AS AGREED BY THE MAJOR PROJECTS COMMITTEE AND SET OUT IN THIS REPORT.**
- C. THAT COUNCIL SEEKS STATE GOVERNMENT AGREEMENT TO ITS PREFERRED DEVELOPMENT MODEL IN TERMS OF SCOPE, EXTENT OF GOVERNMENT ASSISTANCE AND THE PREFERRED PROCESS FOR DELIVERY OF THE PROJECT, PRIOR TO PROCEEDING WITH THE METHODOLOGY AND STEPS FORWARD IN THE ATTACHED PROCESS CHART.**

- D. THAT THE CONTENTS OF THIS REPORT RELATING TO THE PREFERRED DEVELOPMENT MODEL REMAIN CONFIDENTIAL UNTIL AGREEMENT IS REACHED WITH THE STATE GOVERNMENT.**

*Councillor Conroy returned to the meeting at 9.15pm.*

AMENDMENT MOVED: WARDLE SECONDED: CR MCCLUSKEY

- A. THAT THE PROGRESS REPORT BE NOTED.
- B. THAT COUNCIL ENDORSES THE MODIFIED ELEMENTS OF ITS PREFERRED DEVELOPMENT MODEL FOR THE SAFE BOAT HARBOUR, AS AGREED BY THE MAJOR PROJECTS COMMITTEE AND SET OUT IN THIS REPORT.

- C. THAT COUNCIL SEEKS STATE GOVERNMENT AGREEMENT TO ITS PREFERRED DEVELOPMENT MODEL IN TERMS OF SCOPE, EXTENT OF GOVERNMENT ASSISTANCE AND THE PREFERRED PROCESS FOR DELIVERY OF THE PROJECT, PRIOR TO PROCEEDING WITH THE METHODOLOGY AND STEPS FORWARD IN THE ATTACHED PROCESS CHART.
- D. THAT THE CONTENTS OF THIS REPORT RELATING TO THE PREFERRED DEVELOPMENT MODEL REMAIN CONFIDENTIAL UNTIL OTHERWISE DETERMINED BY COUNCIL.

*Councillor McCluskey withdrew his seconding of the motion*

THE MOTION LAPSED  
FOR THE WANT OF A SECONDER

*The Mayor requested Councillor Conroy to leave the meeting at 9.27pm for the duration of the meeting following comments he deemed inappropriate regarding fellow Councillors.*

*Councillor Conroy left the meeting at 9.38pm.*

**MOVED: CR TREWHITT SECONDED: CR AITKEN**

**THAT THE ORIGINAL MOTION BE PUT.**

**CARRIED  
ON THE CASTING VOTE OF THE MAYOR**

<i>For the Motion:</i>	<i>Crs Aitken, McClelland, Hampton, Trehitt</i>
<i>Against the Motion:</i>	<i>Crs McCluskey, Wilson, Wardle, Wachendorfer</i>

**THE ORIGINAL MOTION WAS PUT AND  
CARRIED**

<i>For the Motion:</i>	<i>Crs Aitken, McClelland, Hampton, Wilson, Trehitt</i>
<i>Against the Motion:</i>	<i>Crs McCluskey, Wardle, Wachendorfer</i>



## Minister for Planning

Ref: DSE040608

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Ms Jane Monk  
Chair  
Priority Development Panel  
PO Box 500  
EAST MELBOURNE VIC 3002

26 NOV 2007

Dear Ms Monk

### **PROPOSED FRANKSTON SAFE BOAT HARBOUR REQUEST FOR ADVICE FROM THE PRIORITY DEVELOPMENT PANEL**

The proposed Frankston Safe Boat Harbour received planning approval in 2003 following a Planning Panel review process. The City of Frankston has subsequently undertaken modelling and market testing of the proposed harbour development and has adopted a preferred development model (enclosed) that has been endorsed by resolution of the Council.

In accordance with the General Terms of Reference of the Priority Development Panel (PDP), I request the advice of the PDP in relation to the following matters:

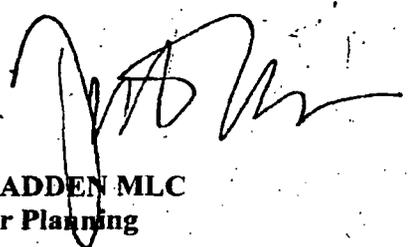
- The strategic justification for, and appropriate alignment of, the preferred development model for the Frankston Safe Boat Harbour;
- The appropriateness of the proposed changes to the existing planning controls;
- The draft siting and design guidelines (to be) prepared by the City of Frankston, with particular regard to built form, scale and character; and
- The appropriate statutory process to give effect to the amendment.

To provide a context to the above matters, I attach a *Summary of Matters to be Addressed by the PDP*. I also note that the City of Frankston is preparing draft *Siting and Design Guidelines* and a draft planning scheme amendment to assist the PDP in its consideration of this matter.

In preparing its advice, I ask that the PDP work closely with the City of Frankston, the Frankston Design Panel, key stakeholders and representatives of the State Government Officers Group (DSE, DIIRD, DPCD, Tourism Victoria and Parks Victoria) that have been working closely with the City of Frankston in the development of the City's preferred development model. Mr Doug Miller, Group Manager Strategic Projects, Port Phillip Region DSE (9296 4541) can assist in coordination of the representatives of the State Government Officers Group.

I request that the PDP provide its advice within three (3) months of receiving the draft *Siting and Design Guidelines* and a draft planning scheme amendment (referred to above) being prepared by the City of Frankston.

Yours sincerely



**JUSTIN MADDEN MLC**  
**Minister for Planning**

**Frankston Safe Boat Harbour  
Planning scheme amendment for PDM**

**Draft key stakeholders list**

**Authorities**

Department of Sustainability and Environment		
Department of Planning and Community Development		
Parks Victoria		
Vic Roads		
Port Phillip and Westernport Catchment Management Authority		
Tourism Victoria		
Department of Innovation Industry and Regional Development		
Aboriginal Affairs Victoria		

**Community Groups**

Frankston Beach Association		
Friends of Frankston		
Frankston Foreshore Advisory Group		
Frankston 2025 Advisory Committee		

**Industry Groups**

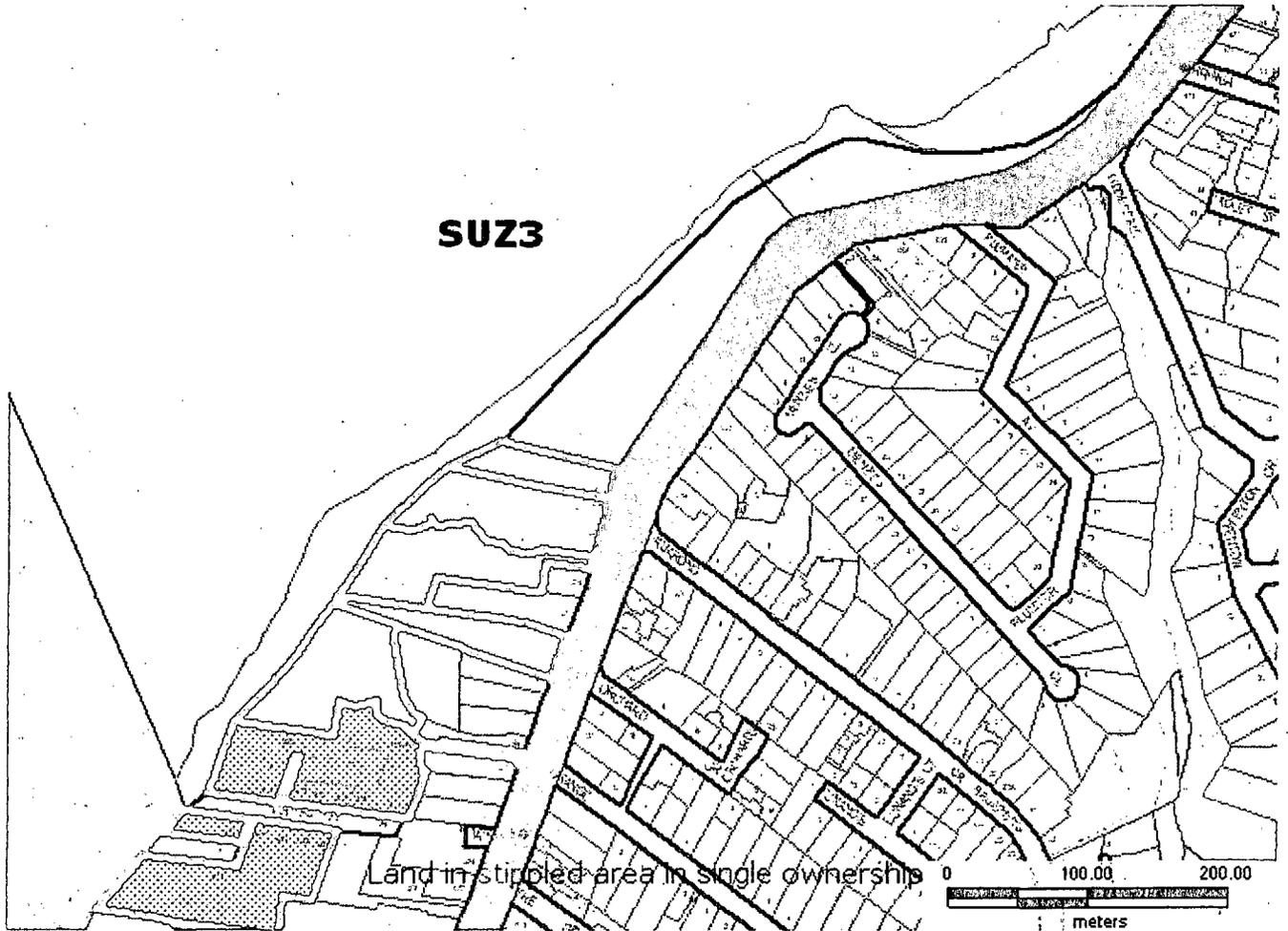
Boating Industry Association		
Frankston Boat Owners and Anglers Club		
Frankston Yacht Club		
Frankston coastguard		
Frankston Business Chamber		
Participants in Market Sounding exercise		
Frankston Tourism Group		
Frankston Design Review Panel		

**Landowners**

Six owners of properties that adjoin the proposed FSBH - See attached map		
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FSBH - Adjoining owners

SUZ3



**PDP07-31 Proposed Frankston Safe Boat Harbour  
Land and sea from Nepean Highway, Olivers Hill, Frankston**

**PL-SP/09/0029**

**Proposed process and meeting schedule**

**PROPOSED PROCESS AND MEETING SCHEDULE**

Meeting	Date		Who	Where
Preliminary Meeting	21 Jan 2008	10:30	Council JM & PCS	Level 1, 8 Nicholson St
Presentation at PDP Members Meeting	31 Jan 2008	3:00 – 4:00	PDP Members Council Mayor Doug Miller Dimitry Reed	Level 1, 8 Nicholson St
Working Group Scoping Meeting: Identify issues, process and stakeholders	11 Feb 2008	2:00 – 4:00	PDP Working Group Council Council's Consultants Doug Miller	Level 1, 8 Nicholson St
Request for submissions	13 Feb 2008			Mail Out
Submissions received	27 Feb 2008			Mail In
Interviews	6 Mar 2008	All Day	Various	Frankston
	7 Mar 2008	All Day	Various	Level 1, 8 Nicholson St
Working Group Workshop: Issues arising and preliminary responses and options	13 Mar 2008	All Day	PDP Working Group Council Council's Consultants Doug Miller	Level 1, 8 Nicholson St
PDP Members Meeting (Update and input)	20 Mar 2008		PDP Members	Level 1, 8 Nicholson St
Easter	21 Mar 2008			
	24 Mar 2008			
Focus Group Meetings	26 Mar 2008	2:00 – 4:00	PDP Working Group Council Council's Consultants Doug Miller Various	Level 1, 8 Nicholson St
	27 Mar 2008	All Day	PDP Working Group Council Council's Consultants Doug Miller Various	Level 1, 8 Nicholson St
Councillor Briefing	31 Mar 2008	TBC	PDP Working Group Councillors	Frankston
Prepare Report				
PDP Members Meeting (Present Report)	17 Apr 2008	3:00 – 4:00	PDP Members	Level 1, 8 Nicholson St

- end -