

19.2 EXPRESSIONS OF INTEREST CAMPAIGN - REDLANDS COAST TOURIST AND COMMUNITY DESTINATION, MACARTHUR ST, ALEXANDRA HILLS

Objective Reference: A5052452

Authorising Officer: Louise Rusan, General Manager Community & Customer Services

Responsible Officer: Graham Simpson, Group Manager Environment and Regulation, Community and Customer Services

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Attachments: 1. Expressions of Interest Project Brief

The Council is satisfied that, pursuant to Section 254J(3) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

- (g) *negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.*

PURPOSE

To provide Council with the outcomes of an Expressions of Interest campaign conducted for a possible tourist and community destination and to recommend the progression of further planning work to investigate suitable uses for the property.

BACKGROUND

At its General Meeting of 23 October 2019, Council resolved to:

Undertake a publicly advertised Expression of Interest inviting suitable proposals for the Council-owned property Lot 146 SP280785 at 61-73 MacArthur Street, Alexandra Hills.

The EOI will:

- 1. Seek uses consistent with and complementing the property's current zoning and environmental values, including potential nature based tourism, recreational vehicle (RV) tourist park, camping and glamping.*
- 2. Encourage EOI recipients to submit proposals that include community infrastructure that can be used by the broader community, such as a water park, recreational trails connecting nearby recreational areas and other public facilities.*
- 3. Make it clear to submitters that any submissions must protect the existing environmental and cultural heritage values of the site.*

To progress the resolution, an Expressions of interest (EOI) campaign was released to the market. This was conducted pursuant to s228 of the *Local Government Regulation 2012* (enabled by way of Council resolution on 12 February 2020) to provide Council with the option to conduct a future closed tender process with those shortlisted from the expressions of interest process.

The EOI was conducted with the intent of:

- Identifying interest by the private sector to develop the land for tourism and community purposes
- Identifying the type of tourism development to be provided and to understand the specific needs of the developer / operator

- Identifying an appropriate management regime for the facility
- Informing any future Tender process, including shortlisting for a closed tender.

It sought proposals from parties interested in developing and operating a tourist park on the land, and asked applicants to prepare submissions in accordance with a Project Brief (Attachment 1). Submissions were to address the following objectives:

Objective	Desired Outcome
<i>High quality, eco-friendly development</i>	To establish a high quality tourist accommodation development that integrates with the environmental values and provides an appropriate mix of accommodation types (such as recreational vehicle (RV) sites, camping and glamping).
<i>Reputable and Proven Operator</i>	Council is seeking to attract developers and operators with extensive experience in operating similar facilities in Australia.
<i>Protection and promotion of environmental, cultural and historic values</i>	To ensure any development of the site does not impact on environmental, cultural and historical values and that such values are integrated into the end use.
<i>Provision of Community Infrastructure</i>	In addition to the provision of tourist accommodation facilities, the development is encouraged to provide other community based services/facilities that are accessible to the broader public. It is envisaged that the revenue generated by the tourist park may subsidise the secondary uses whilst complementing the tourism offering. Secondary uses/facilities might include (but are not limited to): <ul style="list-style-type: none"> • Environmental awareness, education or conservation centre • Recreational trails – including connection to nearby recreation areas such as the Redlands Track Park • Cultural and heritage education and interpretation • Eco-tourism tours – promoting the Redlands Coast’s naturally wonderful offerings • Public water park
<i>Partnerships</i>	Given the mix of uses that are being sought, Council sees an opportunity for the developer to partner with local business, community and volunteer organisations

The EOI campaign ran for a period of 60 days from 29 July 2020 to 25 September 2020. Given the specialist nature of the product to be delivered and the preference to attract companies with the requisite skills, experience and reputation, a ‘targeted marketing’ approach was adopted. This involved directly promoting the campaign to industry associations and government entities such as Tourism Queensland who undertook to share the details of the campaign with their members and connections.

To give an example of the reach, The Caravan Parks Association of Queensland shared the EOI with a private Facebook group with 236 park operators and included details in a newsletter with a distribution of more than 800. This was in addition to sharing directly with 20 operators that have experience either managing a portfolio of caravan parks or developing new parks.

Council's Tourism and Economic Development units also distributed the campaign details to relevant parties.

In addition to the above, awareness of the campaign was raised by way of the formal invite to submit an EOI published in *The Courier-Mail*, a media release and via a dedicated YourSay webpage.

ISSUES

Overview of Submissions

Even though there was wide distribution of the campaign outlining the opportunity Council was offering, no submissions proposing development of the site for a tourist park type use were received. To gain insights on the apparent lack of interest from the tourist park industry, a brief feedback survey was sent to those whom it was known had received notification of the EOI.

Whilst there was only a limited response to the survey, there were some consistent answers that are able to assist in explaining why the industry did not take up the opportunity, most notably all of the responses stated 'site not suitable for intended use' as a main reason for making a decision not to lodge a submission; a high percentage also citing the requirement to include/provide community infrastructure as a contributing factor for not submitting.

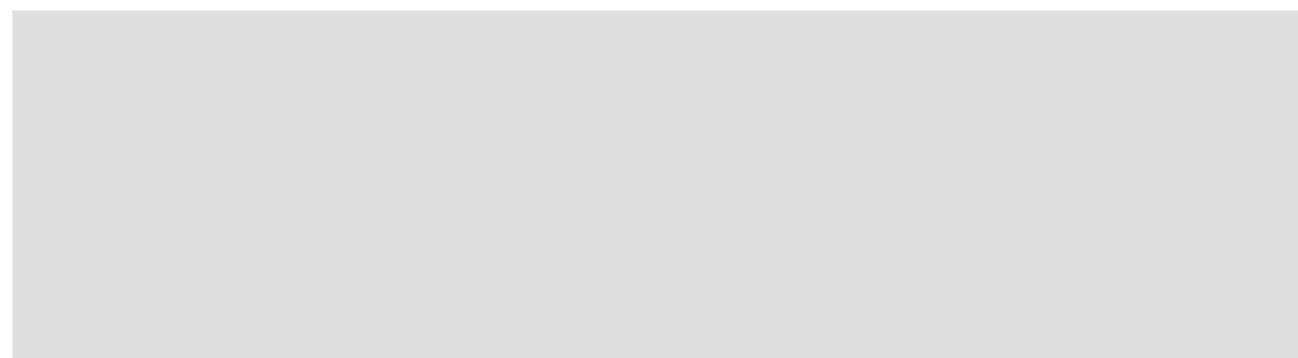
Despite this, the majority of responders stated they did have interest in establishing a tourist park somewhere on Redlands Coast and were interested in being kept informed of any future opportunities.

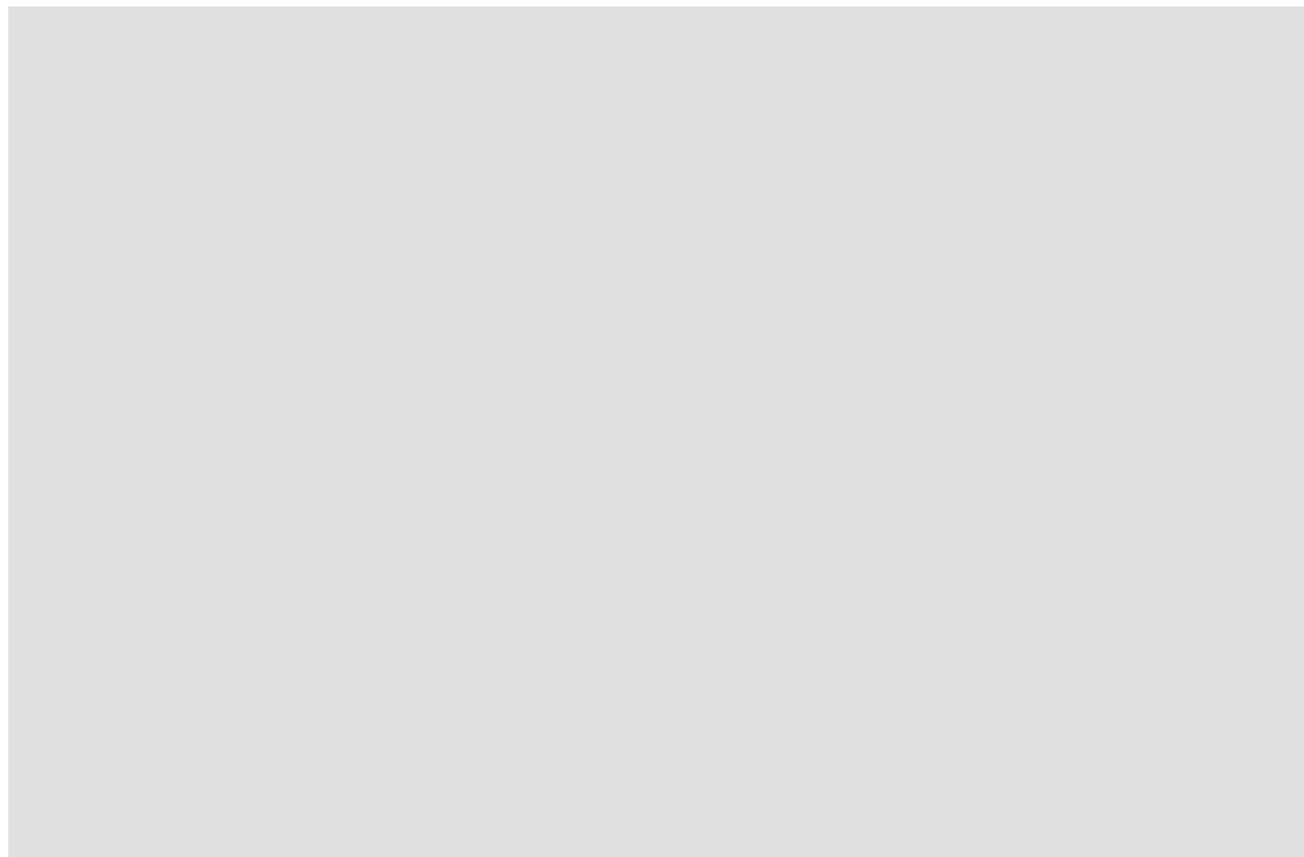
With respect to the process, all responses stated they were satisfied with the level of detail provided in the project brief and the amount of time provided to prepare a submission.

In addition to the formal survey, the Economic Development Unit has provided the feedback it received from some operators prior to and independent of the EOI campaign. The main feedback from the tourism industry (predominantly accommodation services) is that the location lacks:

- Surrounding amenity i.e. cafes/restaurants/other visitor attraction activity
- Visibility and access from a main road
- Utility connectivity (power and water)
- Connectivity to public transport
- Site constraints limit the potential use of the entire site.

Whilst there were no proposals to develop the site for tourism purposes, there were four non-conforming submissions received from parties who have an interest in using all or part of the land for other purposes. Given these proposals did not meet the objectives/desired outcomes of the campaign, an evaluation process was not conducted, however for completeness and to assist with future planning, the submissions are outlined below.





Before these proposals are considered further, additional planning work is required to better understand the appropriate use (including mixes of uses) of the site to meet commercial and community outcomes. This may include further assessment of building conditions and some land areas.

Urgency

For Council to realise a return on its investment in the land, it is timely for decisions to be made on desired end uses. Given the lack of interest from the market to develop the land for a tourist park, planning work is now required to identify the highest and best use and possible service gaps that the land may be able to fill. It also provides Council with an opportunity to be agile in considering other land uses. That is, at this stage the land has not been 'set aside' for a particular purpose.

STRATEGIC IMPLICATIONS

Legislative Requirements

By conducting the EOI process pursuant to s228 of *the Local Government Regulation 2012*, Council was able to invite tenders from parties who have submitted a proposal rather than through an open tender. Given there were no submissions received that satisfy the brief, Council can discontinue this process and investigate other opportunities for the use of the land.

Risk Management

By inviting expressions of interest, Council was simply aiming to understand whether there was a demand from the market to develop the site for a particular purpose. It did not include a level of commitment to proceed and this was clearly outlined in the project brief.

There are no risks associated with abandoning the campaign to attract a tourist venture, particularly given that no tourist venture proposals were received. With regard to the non-tourist related proposals, there is no obligation to consider them further as part of this process, however they may be used to inform decision making around alternative uses.

Financial

There are no budget implications associated with carrying out work to investigate suitable use of the property, which will be primarily conducted in house. Funds required to implement plans in subsequent financial years will be considered during budget development as part of the annual budget submission process.

Holding costs associated with the land are currently sourced from existing budgets.

People

Planning work to identify use of the site will be undertaken utilising existing resources.

Environmental

Any planning work to identify use for the site will consider its environmental values.

Social

There are no social implications associated with identifying suitable uses for the property.

Human Rights

There are no human rights implications associated with identifying suitable uses for the property.

Alignment with Council's Policy and Plans

By conducting the EOI process and carrying out planning work to identify other opportunities, Council is meeting one of its commitments of the Corporate Plan 2018-2023:

Section 6 – Supportive and Vibrant Economy to *“identify opportunities to partner with the private sector to develop and commercialise sites and provide community infrastructure”*.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Division 7 Councillor	26 October 2020	Briefed on EOI outcome
Economic Development Unit	Various	Input into report
Tourism and Events Unit	Various	Input into EOI and report

OPTIONS

Option One

That Council resolves as follows:

1. To note the outcomes of the Expressions of Interest Campaign for a Tourist Park and associated community uses that has now finished, and that no tourism-related proposals were received.
2. To hold discussions with proponents of non-tourism related purposes to understand how other proposals may fit into the planning for development of the land.
3. To provide a further report to Council in regards to the site upon completion of item 2 above.
4. That this report and attachments remain confidential to ensure proposed commercial arrangements and details pertaining to individuals are kept private, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.

Option Two

That Council resolves as follows:

5. To note the outcomes of the Expressions of Interest Campaign for a Tourist Park and associated community uses.
6. To undertake further actions that seek to attract a tourist park and associated community uses.

Option Three

That Council resolves to seek additional information in regards the outcomes of the Expressions of Interest Campaign for a Tourist Park and associated community uses.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. To note the outcomes of the Expressions of Interest Campaign for a Tourist Park and associated community uses that has now finished, and that no tourism-related proposals were received.
2. To hold discussions with proponents of non-tourism related purposes to understand how other proposals may fit into the planning for development of the land.
3. To provide a further report to Council in regards to the site upon completion of item 2 above.
4. That this report and attachments remain confidential to ensure proposed commercial arrangements and details pertaining to individuals are kept private, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.