



## Business Plan

# Bremer Bay Town Centre

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## 1.0 Executive Summary

The planning and development of a town centre for Bremer Bay has been discussed for several years and has been identified as a driver in terms of supporting and encouraging growth from a population and economic perspective. In particular, a new town centre will provide appropriately zoned land to facilitate commercial development to enhance business and employment opportunities and improve the level of amenity, choice and convenience for residents.

The Shire of Jerramungup Local Planning Strategy identifies a 10 hectare site in Bremer Bay for a future town centre. The land is a crown reserve under Council's management and is generally bound by Bremer Bay Road, Garnett Road and John Street.

The land is contained within a 'Special Use' zone under the Shire of Jerramungup Local Planning Scheme No 2 ('the Scheme') and is specifically designated for town centre allowing for uses such as civic use, offices, community purpose, shops, and medium density residential.

The Shire has recently supported several amendments to its Scheme to allow for further rural residential subdivision and future industrial development in Bremer Bay that may result in moderate population increases in the short to medium term. The Shire is also aware of the pending mining activity in Wellstead and the potential commercial opportunities that may arise from this venture.

The Shire recognises that it does not have the financial capacity or available resources to independently manage the proposed town centre development. In response, the Shire applied for assistance to develop Reserve 31611 under the State Government's Regional Development Assistance Program. The Shire was successful in two subsequent rounds of the program with Landcorp committing to;

- Deliver the Structure Plan for the town centre
- Coordinating the subdivision process
- Constructing 1 commercial lot (1294m<sup>2</sup>)
- Constructing 1 civic lot (9185m<sup>2</sup>)
- Constructing 1 residential lot (3117m<sup>2</sup>)

In partnership with Landcorp, the Shire would be responsible for constructing the civil infrastructure including roads, drainage, footpaths and landscaping.

This document analyses the financial viability, strategic alliance and risk associated with the proposed development.

## 2.0 Historical Context

The Shire of Jerramungup Local Planning Strategy identifies a 10 hectare site in Bremer Bay for a future town centre.

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*Figure 1: Subject Site – Bremer Bay Town Centre*

In accordance with the Shire's Local Planning Strategy and the Scheme, a structure plan is to be prepared to address vegetation retention, road and servicing networks and guide development staging.

The planning and development of a town centre for Bremer Bay has been discussed for several years and has been identified as a driver in terms of supporting and encouraging growth from a population and economic perspective, in particular providing appropriately zoned land to facilitate commercial development to enhance business and employment opportunities and providing existing and future residents with an improved level of amenity, choice and convenience.

To progress the future planning for the Town Centre, a Concept Plan was originally prepared in 2010. The plan was submitted to referral agencies for feedback and was advertised locally for public comment. Several submissions were received and it was noted that the plan needed refinement.

In 2011, the Shire applied for assistance to develop Reserve 31611 under Landcorp's Regional Development Assistance Program. The Shire was successful in two subsequent rounds of the program.

In 2011, a consultant team was appointed by LandCorp on behalf of the Shire of Jerramungup. The team comprised town planners, landscape architects, architects, an engineer, environmental consultants and a retail consultant which revisited the work completed in 2010. The appointed consultants re-examined the community and referral agency comments raised during earlier consultation regarding the issues, opportunities

and constraints facing the development of the town centre. In particular, the following key aspects were identified:

- Providing facilities that complement and reinforce the service function of the town and ensuring the scale and types of activities are commensurate with the existing and future population;
- The land earmarked for the town centre contains a significant number of signature species found in the Fitzgerald River National Park. With careful design and planning the botanical story can be brought into the foreground or 'front yard' of the town centre development;
- Opportunity for the design of the town centre to capitalise on views and relate to the topography of the site and the greater landscape;
- Opportunity to strengthen road connections between new and existing development and create a sense of arrival to Bremer Bay; and
- Opportunity for the town centre to rationalise parking and improve accessibility (i.e. provide for cars with caravans).

### 3.0 Objectives

The main objectives of this development include:

- To ensure that the town centre is the focus of future retail, commercial, community, civic and office uses in Bremer Bay;
- To provide a range of services and amenities that will attract people to the area and sustain a constant level of public activity, and active area 'after hours';
- To create a safe, convenient, prosperous town centre that services existing and future needs of residents, visitors and tourists;
- Enhance and develop a distinct town centre 'main street' character and identity that complements the coastal and natural features of Bremer Bay;
- Preserve significant areas of natural vegetation whilst balancing the realistic need for clearing to allow for security, safety, roads and successful town centre development;
- Provide for greater housing choice through medium density residential development and maximize the number of people living within walking distance of the town centre;
- Maximise the range and mix of employment opportunities;
- To create opportunities with public spaces for weekend markets and special events;
- Provide convenient access and circulation for cars and service vehicles, pedestrians, and cyclists;
- Maximise opportunities for water conservation.

### 3.0 Land Tenure Implications

The subject land is under a management order in favour of the Shire of Jerramungup for the purpose of 'use and requirements of the Shire of Jerramungup - Bremer Bay Town Centre'.

Preliminary investigations suggest that the cost of acquiring the subject land in a freehold capacity would be unaffordable. In response, it is proposed that the Shire/Landcorp will apply the State Governments Superlot Policy.

Under this policy, the Shire/Landcorp can develop the land in stages and subsequently purchase the land from the State in order to meet demand. As the development contains a significant civic precinct including parkland and landscaping, it is proposed that this land is not converted to freehold but rather stay as a reserve for the Shire's purpose.

## 4.0 Statutory Framework

Reserve 31611 is zoned SU8 'Special Use' under the Shire of Jerramungup Local Planning Scheme No 2 (the Scheme). Specific provisions apply under Schedule 4 of the Scheme and the 'Special Use' zone is designated as:

Bremer Bay Town Centre providing for:

- Civic uses
- Offices
- Dwellings under the medium density codes of the Residential Design Codes
- Community purposes
- Shops
- Movements systems
- Landscaping areas
- Civic spaces and parking."

The Scheme lists conditions for the Special Use' zone stating that:

"A Structure Plan is to be prepared by the proponent and approved by the local government and endorsed by the Commission before any subdivision or development".

The Structure Plan will incorporate:

- A Strategy to retain areas of native vegetation in the design to enhance local character of the centre and conserve water;
- Permissible land uses;
- Road and Servicing networks;
- Development staging; and
- Such other matters as determined by the local government.

A Structure Plan has been produced, endorsed by Council and is now with the Western Australia Planning Commission awaiting endorsement.

Although an application for subdivision has been made, it can't be approved until the Structure Plan is endorsed.

## 5.0 Products and Services Provided

The proposed local structure plan proposes the following product features.

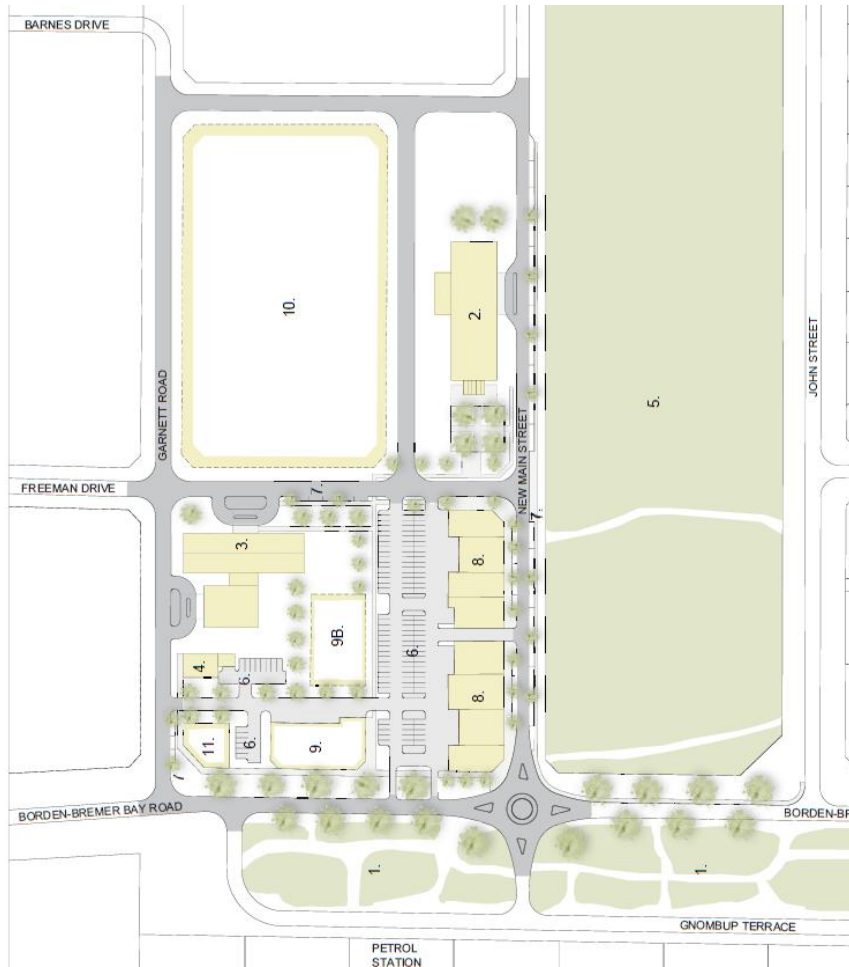


Figure 2: Structure Plan indicating proposed town centre

### Road Layout and Streetscape

The Town Centre has been divided into four precincts, reflective of design considerations and future development intent. These precincts are:

1. Mixed Use
2. Retail and Commercial Core
3. Civic
4. Residential

Development of the town centre is expected to radiate from initial development of the retail and commercial core and the new north-south main street. Initial development will also include on-street parking for cars, cars towing caravans and tourist buses.

The Shire of Jerramungup will prepare design guidelines which will control the built form interface at ground level in order to maintain appropriate pedestrian scale, vibrancy, and attractiveness within the town centre. This document will complement the Structure Plan and Landscape Masterplan which has been prepared and will indicate, at a more detailed level the desired built form outcomes for the site.

### Mixed Use

This precinct accommodates an area for a possible future Police Station and Health Campus Facility which have both been earmarked for Bremer Bay. Other possible uses for this precinct include a new tourist and information centre and educational establishment (i.e. research facility associated with the Fitzgerald River National Park).

This precinct could also permit additional commercial and retail uses should the commercial and retail core precinct be developed to capacity and the population growth necessitates additional floor space.

### **Retail and Commercial Core**

The retail and commercial core focuses on a main street which delivers customers into the town centre from all directions.

The Structure Plan allocates almost 3000sqm of retail and/or commercial floor space along the main street. Based on retail analysis prepared during the design and preparation of the Structure Plan, this floor space will sustainably support a population in the vicinity of 2,000 and up to 2,500. This population figure is consistent with the projections in the Shire's Local Planning Strategy Review.

The Shire of Jerramungup will encourage two storey development along the new main street and therefore, it is possible for commercial floor space to be accommodated on the second floor of a building.

The Shire of Jerramungup is also supportive of shop-top housing as a means of assisting people in establishing businesses within the town centre. The costs of establishing a business and also having to buy residential accommodation can be prohibitive in a location such as Bremer Bay.

### **Civic Precinct**

The Civic Precinct is proposed in the central area of the Structure Plan as it has the closest links to adjacent established residential areas and local school. The benefit of locating the civic uses in this location enables future built form to utilise the 26 m contour to capitalise on the views to and from the site which was expressed as a key design consideration during the preparation of the plan.

The Civic Precinct provides an opportunity for the co-location of community uses such as a new Shire Office, community centre or recreation centre, library/telecentre, and childcare and playgroup facilities. The plan also proposes the civic area incorporates a space that people can enjoy cultural events, social gatherings, celebrations and a place to socialise, exercise and participate in recreation activities.

### **Residential**

According to the 2006 Census approximately 35% of Bremer Bay's resident population were over 50 years old and almost 90% of the total population reside in single detached dwellings.

The current residential lot activity in Bremer Bay sufficiently caters for any additional single detached dwellings for additional families with a number of new residential developments currently underway. However, the market does not provide for the ageing population or provide the necessary services to allow members of the Bremer Bay community to 'age in place'.

The town centre offers an opportunity for additional aged accommodation to be provided so that residents can 'age in place' and continue to live within their community rather than relocate to nearby regional centres such as Albany due to lack of suitable accommodation options.

A parcel of land is incorporated into the Structure Plan providing an opportunity for a different residential built form that is presently not being provided by the private market. This could be medium density housing in the form of single or two storey dwellings of 1 or 2 bedrooms on smaller lots (i.e. 300sqm) or a retirement village concept. It is not intended that this land be developed for the standard lot subdivision product. A portion of this land could also be developed for short-stay or tourist accommodation.

### **Vegetated Ecological Corridor**

The long term economic future of Bremer Bay is intrinsically linked to its role as a gateway to the Fitzgerald River National Park and as a base for those attracted to its natural assets. The site contains significant areas of natural bush land which has contributed for a long time to the local landscape character and identity of Bremer Bay.

Reserve 31611 is an ecological linkage between two areas of regional conservation significance (Coastal and Fitzgerald River corridors) and the plan proposes the retention of a 120 metre wide strip of native vegetation between the Borden-Bremer Bay Road through to the northern section of the subject site be protected and enhanced. The plan highlights the existing ecological corridor and brings the natural environment into the development as an intrinsic element of the proposed Main Street.

It is important for native vegetation to be retained in strategic locations, particularly around the perimeter of the reserve as this will maintain the integrity of existing streetscapes along Garnett Road and John Street as well as provide a buffer to the prevailing winds.

The Department of Environment and Conservation noted in their submission on the previous Structure Plan options prepared in 2010 for the site that Reserve 31611 is a core linkage between the Coastal Corridor that extends from near Albany in the west and the Fitzgerald River Corridor in the east. Although the remnant native vegetation on Reserve 31611 is only 120 m wide, it is the widest remaining linkage west of the Wellstead Estuary.

### **Main Street**

A new north-south road is proposed in the Structure Plan to provide connectivity between Borden-Bremer Bay Road and the existing residential development to the north of the Town Centre. The new main street will provide on-street parking for both cars and vehicles towing caravans and trailers. It is also possible for a bus bay to be provided along the new Main Street.

The Main Street is to be a boulevard style street with on street parking, water sensitive urban design treatments and wide footpath areas to encourage alfresco uses.

A land swap will be required with the Department of Education to facilitate this new north-south road. The proposed structure plan and design allows the school site to



retain an area of 4 hectares and provides for another road frontage for the school which will provide additional area for parents to drop-off and collect their children.

### **Town Entry**

The Structure Plan proposes a large roundabout as an entry statement into the Town Centre to assist in directing traffic onto the Main Street and provides a link and connection to the businesses situated along Gnombup Terrace.

## **6.0 Marketing Analysis**

### ***Demonstrated Demand***

The Shire of Jerramungup continually receives enquiries for well-located and accessible commercial and mixed-use land in Bremer Bay. The Shire currently has 11 individuals interested in purchasing commercial land in Bremer Bay for purposes such as real estate, dive shop, gallery, kitchen and giftwares.

### ***Potential Demand***

The pending mine in Wellstead also proposes a significant opportunity for population growth in Bremer Bay. The proposed mine is strategically located exactly half way between Bremer Bay and Albany. Preliminary investigations suggest that half of the mine workers may reside in Bremer Bay. This population influx requires appropriately zoned land from both a residential, commercial and mixed use perspective. The proposed town centre will address this need.

## **7.0 Risk Assessment**

Based on the financial modeling completed, a qualitative risk assessment has been undertaken. This risk assessment broadly qualifies and ranks various factors that could impact on the projects profitability and performance.

This qualitative analysis indicates the likely probability of various risk factors occurring and states the associated risk to the financial performance of the business unit.

The probability rating ranges from most to least likely in the following order:

- Almost certain
- Likely
- Possible
- Unlikely
- Rare

The risk to financial performance ranges from high to low in the following order:

- Catastrophic
- Major
- Moderate
- Minor
- Insignificant

**Risk: Project cost increases as a result of poor estimating  
Likelihood = Moderate**

**Consequence = Moderate**

**Risk Assessment = High (7) Attention Required**

A scenario whereby the cost of constructing the development exceeds the Shire's estimations is a high risk. Using the risk assessment matrix, attention is required.

A process by which a consultant engineer is appointed to design and document the proposed development will significantly increase the accuracy of the development estimations and therefore reduce risk from an escalation perspective. This process will result in detailed drawings and specifications that the Shire can then tender under a fixed price contract.

**Risk: Variations from the original plans**

**Likelihood = Possible**

**Consequence = Minor**

**Risk Assessment = Moderate (5)**

All construction programs contain an element of risk with regard to variations from the original plans. These variations will usually incur an additional cost during the construction works.

The Shire must ensure that allowances have been made for authority charges for headwork's or upgrade to any infrastructure. Often hidden cost may arise if the Water Corporation requires main line upgrades or Western Power requires transmission or substation upgrades.

**Risk: Identification and engagement of suitable tradespeople & coordination and continuity of work**

**Likelihood = Possible**

**Consequence = Minor**

**Risk Assessment = Moderate (5)**

The timely appointment of suitable professional people throughout the construction program is critical to ensuring that the project remains on time and on budget.

Given that Jerramungup is a relatively small community with limited trade's people, the correct programming would be difficult for the Shire to coordinate in house.

In response to this risk, the construction program should be tendered out under a fixed price contract. This will increase the chances of the project being delivered on time and on budget.

**Risk: External funding not achieved**

**Likelihood = Moderate**

**Consequence = Moderate**

**Risk Assessment = (7) Attention Required**

With regard to funding, the Shire has identified various funding partners including Landcorp, Regional Development Australia and the Great Southern Development Commission.

The assistance provided by Landcorp has been confirmed. Further applications for funding will be subject to funding availability and the pending State Government Elections.

Given the Shire's current financial position and relatively low debt levels, shortfalls in funding to approximately \$1,000,000 can be offset by Shire loans.

## **8.0 Financial Projection**

Bremer Bay Construction Costs (GST excl)						
	revised 10 December 2012					
Item	LandCorp	Shire - Stage 1	Item	Shire - Stage 2	Item	Total
	3 lot project		Components		Components	
<b>Establishment / survey</b>	\$100,000	\$7,500				\$107,500
<b>Clearing / Disposal</b>	\$10,000	\$15,000				\$25,000
<b>Earthworks</b>	\$8,000	\$17,000				\$25,000
<b>Walls / fences</b>	\$0	\$0				\$0
<b>Sewer</b>	\$177,500	\$0				\$177,500
<b>Water</b>	\$180,550	\$0				\$180,550
<b>Underground Power &amp; Lighting</b>	\$307,500	\$0				\$307,500
<b>Project contingency</b>	\$85,000	\$0				\$85,000
<b>Project BCITF payment</b>	\$1,900	\$0				\$1,900
<b>Roads / Paths / Drainage / Lighting</b>						\$0
Establishment / survey	\$0	\$60,000		\$60,000		\$120,000
Contingency & BCITF	\$0	\$75,000		\$50,000		\$125,000
<b>Emma Street</b>	\$0	\$286,200		\$173,000		\$459,200
Roadworks - Emma Street			\$240,200			
Verge Paving - Emma Street					\$110,000	
Drainage - Emma Street			\$25,000			
Lighting - Emma Street			\$21,000			
Soft Landscaping - Emma Street					\$43,000	
timber seating - Emma Street					\$20,000	
<b>Swale</b>	\$0	\$37,000				\$37,000
Rock features in swale			\$25,000			
Swale plantings			\$12,000			
<b>Freeman Drive</b>	\$0	\$156,000		\$250,000		\$406,000
Roadworks - Freeman Drive			\$122,000			
Verge Paving - Freeman Drive					\$215,000	
Drainage - Freeman Drive			\$14,000			
Lighting - Freeman Drive			\$20,000			
Soft Landscaping - Freeman Drive					\$15,000	
timber seating - Freeman Drive					\$20,000	
<b>Garnett Drive</b>	\$0	\$14,500		\$113,200		\$127,700
Roadworks - Garnett Drive					\$95,000	
Drainage - Garnett Drive					\$18,200	
Lighting - Garnett Drive			\$14,500			
<b>Bremer Bay Road Roundabout</b>	\$0	\$212,200		\$50,000		\$262,200
Roadworks - Roundabout			\$152,000			
Verge Paving - Roundabout			\$20,000			
Drainage - Roundabout			\$14,200			
Lighting - Roundabout			\$21,000			
Soft Landscaping - Roundabout			\$5,000			
artwork - Roundabout					\$50,000	
<b>Telstra</b>	\$30,000	\$0				\$30,000
<b>Landscaping</b>						\$0
Establishment & Preliminaries	\$0			\$15,000		\$15,000
Maintenance - 13 weeks	\$0			\$20,000		\$20,000
Landscaping contingency	\$0	\$5,000		\$25,000		\$30,000
<b>CONSTRUCTION TOTAL</b>	<b>\$900,450</b>	<b>\$885,400</b>		<b>\$756,200</b>		<b>\$2,542,050</b>
<b>Western Power Headworks</b>	\$50,000	\$0				\$50,000
<b>Consultant Fees / charges</b>	\$82,000	\$120,000		\$60,000		\$262,000
<b>Water Corporation H'works</b>	\$21,112	\$0				\$21,112
<b>Water Corporation Charges</b>	\$4,180	\$0				\$4,180
<b>Local Gov't charges</b>	\$0	\$0				\$0
<b>Admin. Contingency</b>	\$15,000	\$10,000		\$5,000		\$30,000
<b>TOTAL PROJECT</b>	<b>\$1,072,742</b>	<b>\$1,015,400</b>		<b>\$821,200</b>		<b>\$2,909,342</b>

## 9.0 Shire Strategic Plan and Finance Strategy Impact Statement

The Bremer Bay Town Centre project has been identified within the Shire of Jerramungup Strategic Community Plan under **Aspiration 7**.

*Aspiration 7: A healthy community where residents feel safe, secure and self-assured.*

*Activity: Implement Bremer Bay Town Centre Master Plan.*

With regard to recurrent, maintenance and renewal costs associated with this project, the 10 year Financial Management Plan accurately reflects these costs in terms of appropriate increases from a human resources, asset management, asset preservation and asset renewal perspective.

## **10.0 Review Position and Date**

Chief Executive Officer to review on or before 30/6/2011

## **11.0 Associated Documents**

- Structure Plan
- Detailed Design

CEO Authorisation: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_\_\_