



**INVESTIGATION OF COST-EFFICIENT,  
MULTI-USE DESIGN AND DELIVERY OPTIONS FOR  
MULTI-DECK CAR PARK(S) IN WARRAGUL**  
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# INVESTIGATION OF COST-EFFICIENT, MULTI-USE DESIGN AND DELIVERY OPTIONS FOR MULTI-DECK CAR PARK(S) IN WARRAGUL

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# Table of Contents.

Background & Objectives	2
Car Parking Demand	3
Decision Framework	4
Methodology	5
Assumptions	5
Market Research	6
Static Feasibility Analysis	7
Sites Context Map	8
Notional Development Areas 3-D Map	9
Site One - Williams Square & 30-32 Williams Square	10
Site Two - 4 Barkly Street & 37 Mason Street	12
Site Three - 48 Mason Street	14
Site Four - Woolworths Car Park	16
Preliminary Stakeholder Engagement	18
Assessment Matrix	20
Assessment Summary	21
Indicative Development Program	22
Financial Comparison of Design Concepts	23
Decision Tree	24
Recent Examples	25
Procurement Options	26
Short-listed Procurement Options Comparison	27
Funding Considerations - Cash in Lieu Scheme	28
Car Park Trends	29
Stakeholder Engagement	30
Costs & Benefits	33
Forecast Supply & Demand	34
Conclusions	38
Recommendations	39
Supporting Documents	40



# Background & Objectives.

Baw Baw Shire is located at the interface of Eastern Metropolitan Melbourne and Regional Victoria. Given that land is relatively affordable, yet still within close proximity to Melbourne, the area is experiencing significant population growth.

As the main commercial and service centre in Baw Baw Shire, the town of Warragul is absorbing much of the population growth. This has led to community concern about the impact population growth is having on current infrastructure, including the availability of parking around Warragul.

In 2015, Council undertook the Warragul Parking Study which found existing parking infrastructure was inadequate and a further 1,400 to 1,800 car spaces would be required by 2030 to keep up with forecast population growth.

A key recommendation from the Warragul Parking Study, was for Council to investigate options to enable increased car parking in Warragul. This report details that investigation and attempts to address the following objectives:

- ▶ Investigate and assess design and delivery options across four potential sites for development of a multi-level car park(s);
- ▶ Identify the best financial return for Council;
- ▶ Consider capacity for future expansion of the facility to meeting ongoing requirements.

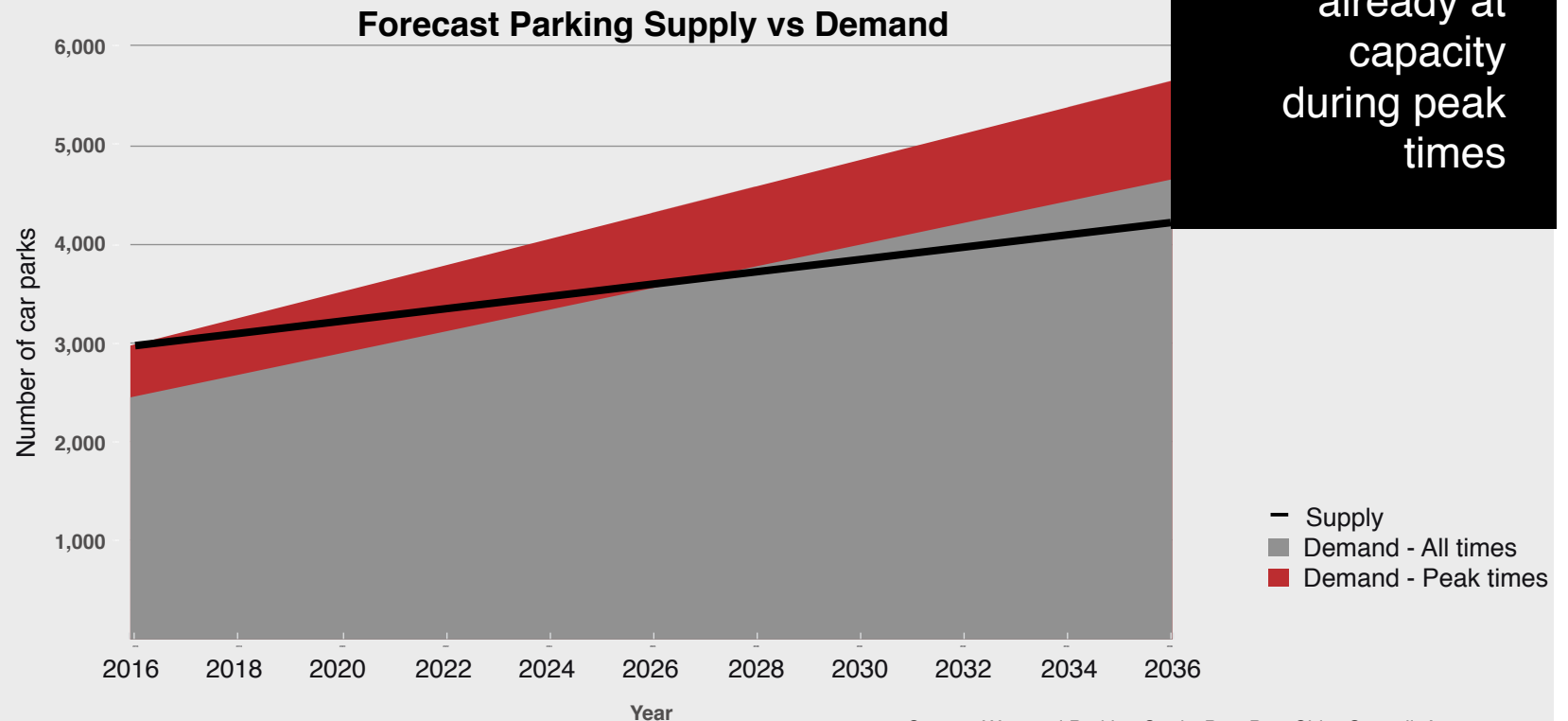
# Car Parking Demand.

The *Warragul Parking Study* provided an analysis of the estimated future supply and demand of car parking in Warragul.

The chart below shows the forecast supply of car parks, which is based on current available car parks plus the additional organic supply of car parks (from the future forecast development of retail and office buildings). The forecast supply does not include the implementation of purpose built multi-deck car parking. The chart also shows forecast demand averaged over the day and at peak times.

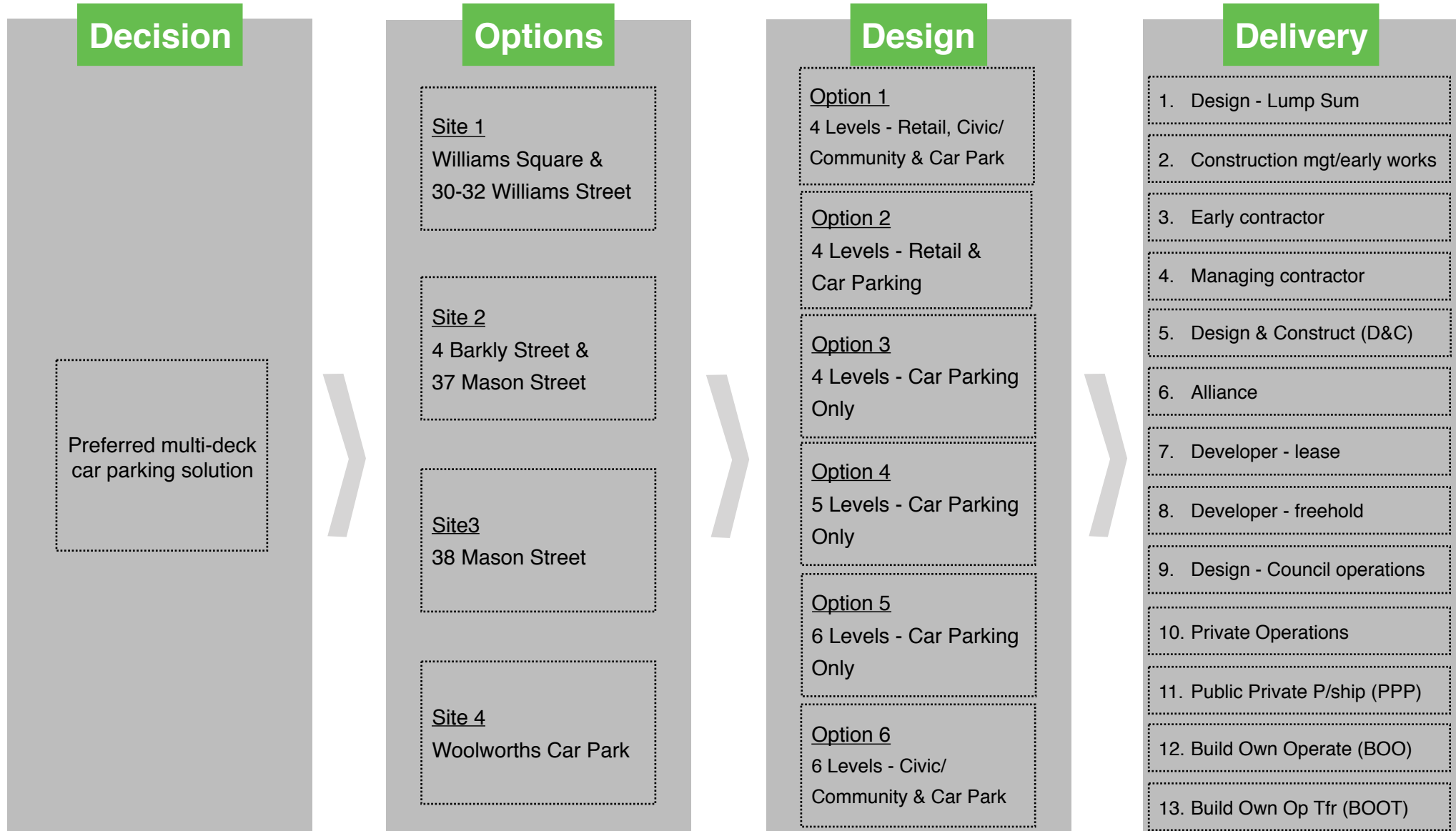
This analysis shows:

- Existing car parks are already effectively full (greater than 85% occupancy) at peak times, (between 11:30am to 1:30pm and 2:30pm to 3:30pm each weekday)
- Existing car parks will be effectively full at all times by 2027



Source: Warragul Parking Study, Baw Baw Shire Council, August 2015

# Decision Framework.



# Methodology.

- Site Analysis
- Concept Design
- Market Analysis
- High Level Feasibility
- Key issues for development viability

## Assessment

- Aligned objectives
- Confirmation of deliverables & timing
- Preliminary design concepts
- Funding preference (capital or cash flow)

## Council Feedback

- Preferred location?
- When is it needed?
- Who it target user?
- Who benefits?
- Who Pays?
- What other uses?

## Stakeholder Engagement

- Overcome development 'Gaps'
- Define actions & resources required

## Action Plan

# Key Assumptions.

Development concepts incorporating a range of end use options have been prepared for each site.

The key development concepts that have been tested are:

- An "A Grade" pre-commitment civic/community space and associated parking
- Ground Level Retail
- Commercial Car Parking

## Key Feasibility Assumptions

The following key assumptions underpin the high-level feasibility analysis;

### Revenue

- Value of Townhouses (2-levels) - \$3,200/m<sup>2</sup>
- Value of market apartments – No evidence to support new apartment development
- Value of convenience retail – approximately \$5,000/m<sup>2</sup>
- Value of 'A-Grade' Civic/Community Space – approximately \$5,700/m<sup>2</sup>
- Value of commercial car spaces – approx \$60,700 per space (to support viable development)

### Development Costs

- Construction cost of retail - approximately \$2,400/m<sup>2</sup>
- Construction cost of A-Grade Civic/Community Space – approximately \$3,000/m<sup>2</sup>
- Construction cost of car podium parking - \$1,100/m<sup>2</sup>
- Sites are assumed to be free of contamination
- Sites are assumed to have adequate infrastructure capacity

### Project Finance

- Assume 100% Debt Financed
- Senior Debt Interest Rate 7.5%
- Council Borrowing Rate 5%

### Marketing Costs

- Property Sales Commissions 2% of sale price

### Development Profit

- A profit and risk factor of 20% which is considered to be the minimum level required for a project to proceed beyond initial feasibility.

### Area

- Any reference to area in this study is approximate only.

## Key Design Assumptions

The following key assumptions underpin the concept designs;

- Seeking a balance between the best financial return, while providing capacity for future expansion
- Incorporation of planning guidelines outlined in the *Warragul Town Centre Master Plan - May 2011*, including the presence for high quality mid-rise (3-4 storey) built form, with concealed parking and active street frontages
- Incorporation of planning principals outlined in the *Warragul Town Centre Urban Design Framework & Station Precinct Master Plan - April 2010*

# Market Research.

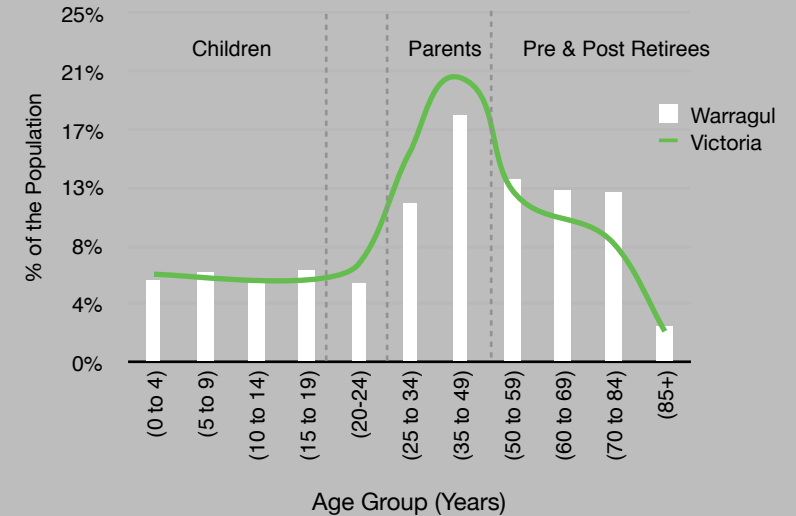
## Sales & Rental Market Evidence

Independent market research shows there is no recent evidence of newly built commercial office and associated car parking development in Warragul. Nor is there evidence that sales rates for apartment development are at a point that would underpin viable new development.

Sales evidence indicates a range of values for each property segment, which have been summarised in the table below.

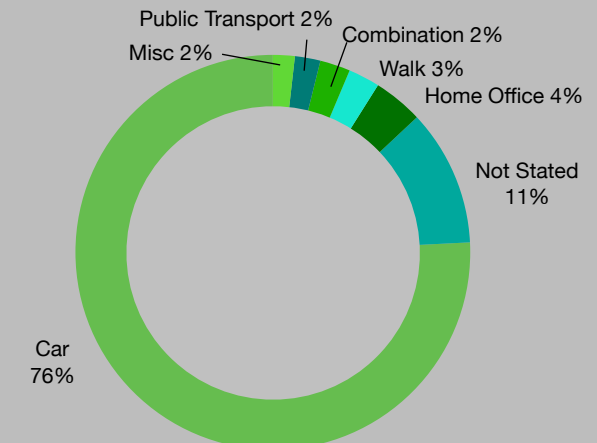
Property Type	Value Range per m <sup>2</sup>	
	Low	High
<b>LAND VALUES</b>		
Commercial Land	\$450	\$1,000
<b>BUILT FORM</b>		
Apartment New Sales	\$3,097	\$5,200
Townhouse Sales	\$2,800	\$3,200
Retail Sales	\$1,500	\$6,000
Car Park Sales Rate per space - Pre-Commitment	NA	\$60,000
<b>RENTAL VALUES</b>		
Car Park Rental Rate per calendar month - Pre-commitment	NA	\$4,250
A-Grade Commercial Office Space	\$300	\$350
B-Grade Commercial Office Space	\$150	\$280
Pre-Commitment Office Space	\$360	\$475

### AGE DISTRIBUTION - 2016 CENSUS



WARRAGUL HAS A GREATER PROPORTION OF PRE & POST RETIREES, COMPARED TO GREATER VICTORIA. THREE IN EVERY FOUR PEOPLE USE A CAR AS THEIR PREFERRED METHOD OF TRAVEL.

### METHOD OF TRAVEL TO WORK - 2016 CENSUS



Source: Australian Bureau of Statistics, Darms Property

# Static Feasibility Analysis.

Development options have been assessed, consistent with a commercial property development approach, in terms of revenue generated over time from the rental or sale of development, relative to the costs associated with the project completion.

Developers typically adopt a preliminary “static feasibility analysis” in the first instance to determine an initial view on development viability. A proceed or stop decision, (based on the level of project profitability relative to the developers required hurdle rate) is then made to determine whether further investigation and detailed feasibility analysis of the proposed development is warranted.

Projects that proceed generally undergo further design development and value engineering to reach more reliable feasibility and cost assumptions. Once a certain level of reliable detail has been obtained, a more sophisticated net present value and internal rate of return analysis can be completed and applied as an investment decision-making tool, in addition to the updated static feasibility analysis.

Item	Definition	Comment
<b>Gross Realisation</b>	End Value or total sales expected from completed project.	The sales/rental rates are supported by market evidence for comparable properties.
<b>Net Realisation</b>	Project revenue less selling costs.	The costs include agents fees and marketing costs (not applicable for “develop and hold” options).
<b>Funds Available for Development</b>	Project revenues net of selling costs.	Identification of funds available for development.
<b>Profit &amp; Risk Margin</b>	The risk / reward requirement of the developer.	The margin required by the developer which reflects the risk/return profile of the project.
<b>Total Development Costs (excluding land)</b>	Total cost of all construction, infrastructure, consultants, authority fees, insurances, holding costs, legal fees, project management etc required to complete project.	Broad set of project costs provided from a range of sources, include industry publications, quantity surveyors and consultants.
<b>Residual Land Value</b>	The balance of the project revenue available after taking into account all costs - determining the value attributable to the land component of the development.	Analysis that generates a positive residual land value, and which correlates with the market value of the development site indicate that the project is viable at this point and prompt a decision to proceed.

# Sites Context Map.

## Site 1 - Williams Square & 30-32 William Street

- ▶ 4,454m<sup>2</sup>\*
- ▶ At-grade car park

## Site 2 - 4 Barkly Street & 37 Mason Street

- ▶ 5,120m<sup>2</sup>\*
- ▶ At-grade car park & Senior Citizens Centre

## Site 3 - 38 Mason Street

- ▶ 3,450m<sup>2</sup>\*
- ▶ At-grade car park

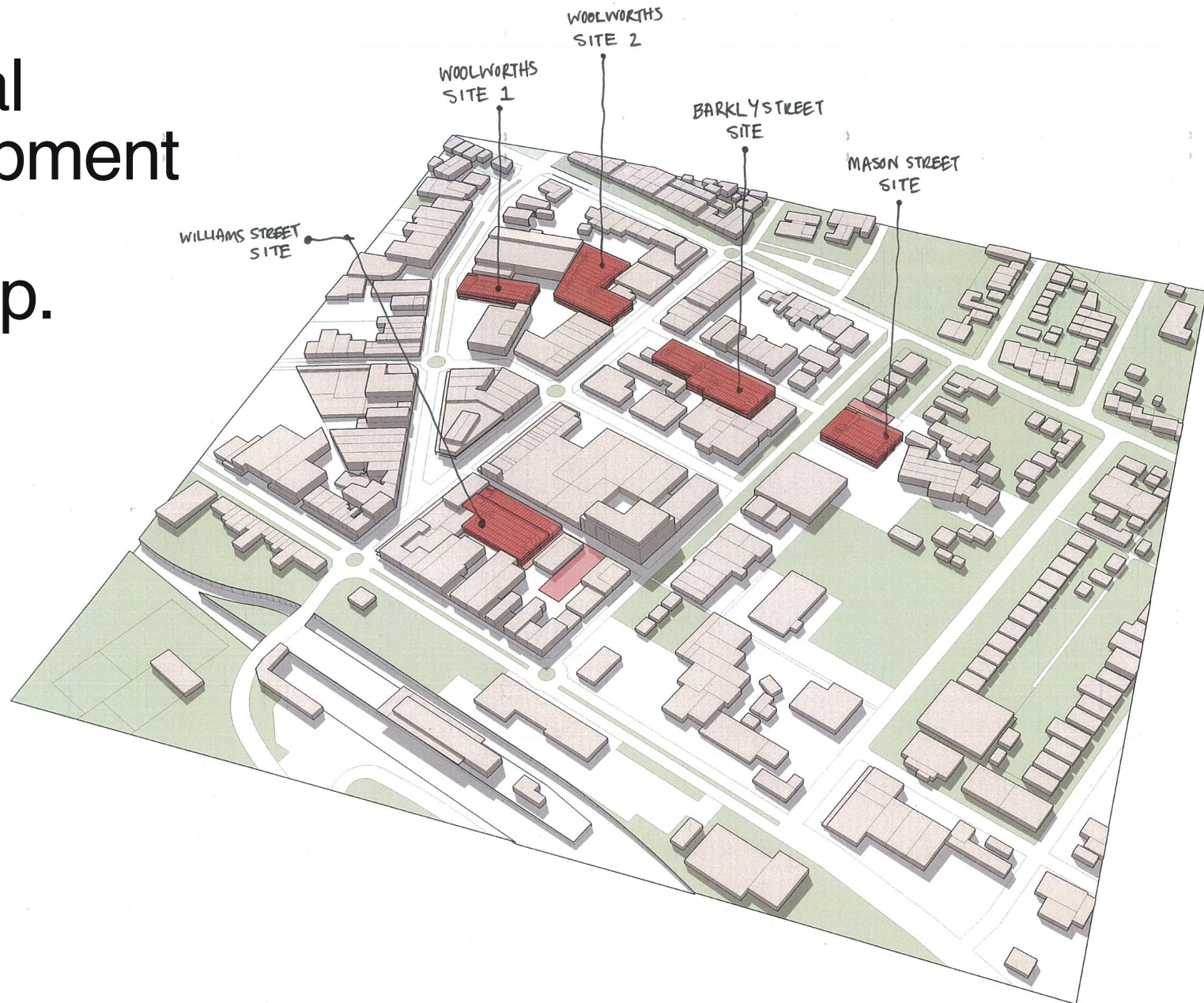
## Site 4 - Woolworths Car Park

- ▶ 10,468m<sup>2</sup>\* (ex buildings)
- ▶ At-grade car park, supermarket & shops

\*Approximate area



# Notional Development Areas 3-D Map.



# Site One - Williams Square & 30-32 Williams Street

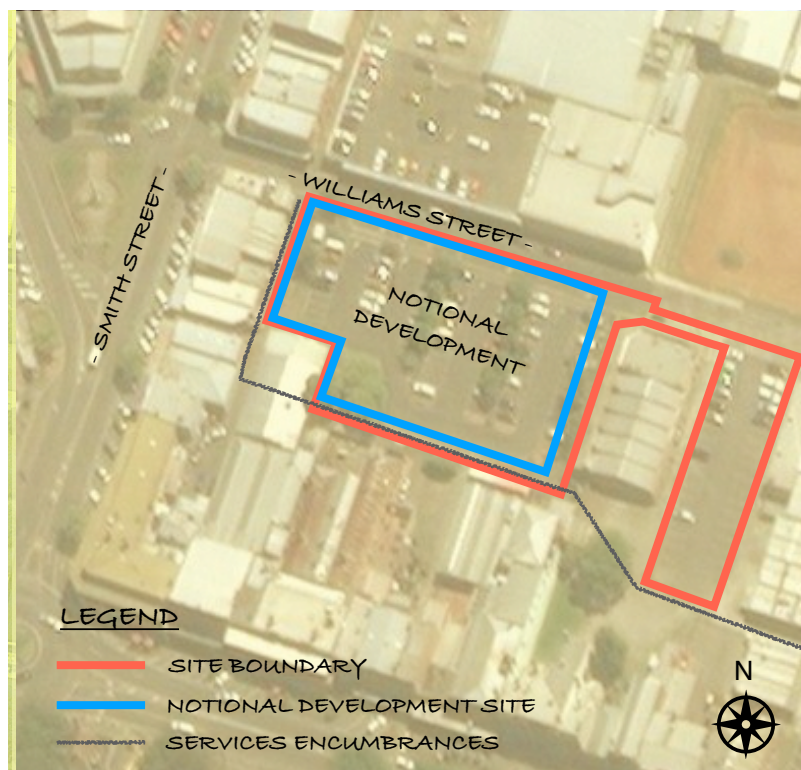


- ▶ **Zoning:** Commercial 1 Zone (C1Z) - permit required for car park
- ▶ **Planning Overlays:** DD01, PO1, DCP01
- ▶ **Approximate Area:** 4,454m<sup>2</sup> (Williams Square developable area is approximately 3,450m<sup>2</sup>)
- ▶ **Site Description:** Williams Square & 30-32 Williams Street are located between Williams, Mason, Queen and Smith Streets in Warragul. It comprises of two main parcels (split between 13 separate titles).  
  
The smaller parcel comprising of 30-32 Williams Street is considered to be too small for developing a multi-deck car park. The larger site, Williams Square, is generally flat and regular in shape allowing for design efficiency. This Williams Square site is currently used for approximately 66 at-grade car spaces.  
  
Williams Square interfaces with neighbouring shops and whilst there is no carriageway easements registered on title, Williams Square has been declared to be a public highway, meaning it must remain accessible to the public at large for road purposes.  
  
Maddocks Lawyers have provided advice (dated 6/6/2011) that the public highway status could be removed by issuing a road discontinuance notice, which would involve submissions from the public.  
  
A mixed use development encompassing street-level retail, 2.5 levels of car parking and a single level of civic/community space has been analysed.

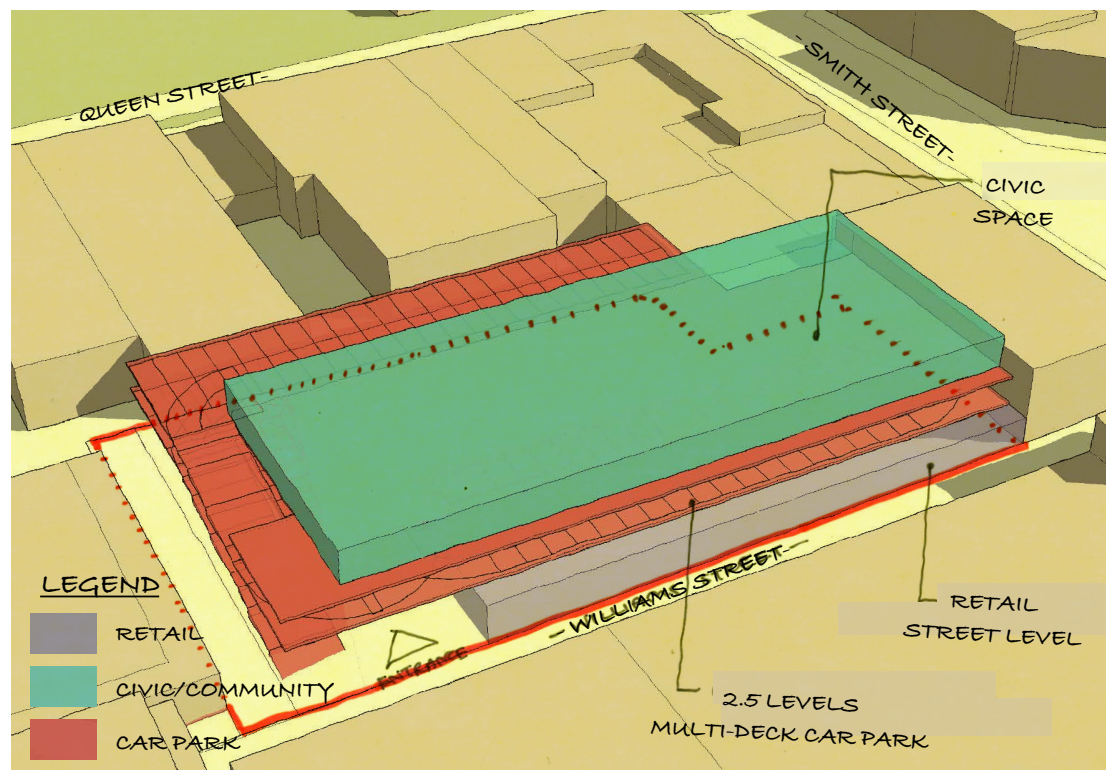
## ▶ SWOT Analysis

<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>▶ The site is owned by Council, which provides control over the decision making process for the site.</li> <li>▶ Main site is large, generally regular in shape and relatively flat, which allows for efficient design.</li> <li>▶ Located opposite Coles and near one of the main shopping strips provides convenience for users.</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>▶ Whilst there is some density and height in the area, the site interfaces with mainly single level commercial buildings which may impact the aesthetic integration into surrounds.</li> </ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>▶ Convenient access to Smith Street and Coles Supermarket but slightly further from Woolworths.</li> <li>▶ Ability to integrate with Smith Street on street car parking.</li> <li>▶ Some potential to integrate mixed uses and create a higher use of underdeveloped land.</li> <li>▶ Limited opportunity to expand the site but some potential to integrate with existing Coles car park (not council owned).</li> <li>▶ Potential to conceal the site by retail frontage if mixed uses were incorporated into the design.</li> <li>▶ Convenient location and generally north facing orientation offers good solar prospects, which may encourage use of car share, electric car and bicycle parking facilities.</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>▶ Title has significant encumbrances, being declared a public highway (meaning it must remain accessible for road purposes) and a party wall easement (E-1) to the eastern side of the main parcel. Further investigation may reveal these encumbrances can be expunged.</li> <li>▶ Vacant site (at-grade car park). Objection risk is significant as a number of neighbouring shops currently obtain access via Williams Square (possibly long user rights).</li> <li>▶ The status of contamination on the site is unknown, accordingly we recommend further investigations take place to isolate any risk of contamination on the land.</li> </ul>

## Developable Area



## 3D Building Envelope



## Yield Analysis

	Scenario #1 4 Levels Mixed Use	Scenario #2 4 Levels Retail & Car Park	Scenario #3 4 Levels Car Park Only	Scenario #4 5 Levels Car Park Only	Scenario #5 6 Levels Car Park Only	Scenario #6 6 Levels Mixed Use
Land Area (m <sup>2</sup> )	3,450	3,450	3,450	3,450	3,450	3,450
Number of Car Spaces	216	401	441	552	663	552
Retail Space (m <sup>2</sup> )	1,120	1,120	0	0	0	0
Civic/Community Space (m <sup>2</sup> )	2,000	0	0	0	0	2,000
Gross Building Area (m <sup>2</sup> )	10,220	13,360	13,360	16,700	20,040	18,900
Building Height	4 Levels	4 Levels	4 Levels	5 Levels	6 Levels	6 Levels
Total Development Cost (Developer)	\$19,201,013	\$21,370,621	\$19,454,002	\$24,290,305	\$29,539,466	\$33,391,132
% OF TARGET 300 SPACES	19%	100%	125%	162%	199%	142%
Public Car Parking Net Gain	56	301	375	486	597	426

## Residual Land Value Analysis

	Scenario #2 4 Levels Retail & Car Park
GROSS REALISATION	\$25,453,571
TOTAL DEVELOPMENT COSTS	\$24,944,500
DEVELOPMENT PROFIT	\$4,274,124
RESIDUAL LAND VALUE	-\$700,245

# Site Two - 4 Barkly Street & 37 Mason Street



- **Zoning:** Commercial 1 Zone (C1Z) - permit required for car park
- **Planning Overlays:** DD01, PO1, DCP01, HO139
- **Approximate Area:** 5,120m<sup>2</sup> (4 Barkly Street developable area is approximately 4,140m<sup>2</sup>)
- **Site Description:** 4 Barkly Street and 37 Mason Street are located between Barkly, Mason, Palmerston and Smith Streets in Warragul. The site comprises of two main parcels (split between 3 separate titles).  
  
 The smaller parcel, 37 Mason Street, is Crown land and contains a single building (Senior Citizens Centre). Analysis of this site has not progressed as Council does not own the land and is required to resolve the transfer of land from the Crown. The larger site, Barkly Street, is generally flat and regular in shape allowing for design efficiency. This site is currently used for approximately 108 at-grade car spaces.  
  
 The Barkly Street site is encumbered by a sewer easement which runs along the southern boundary and a carriageway easement which dissects the property from the neighbouring DHS building to Barkly Street.  
  
 The encumbrances have been incorporated into a mixed use development comprising of street-level retail, 3.5 levels of car parking and two levels of civic/community space, which have been analysed.

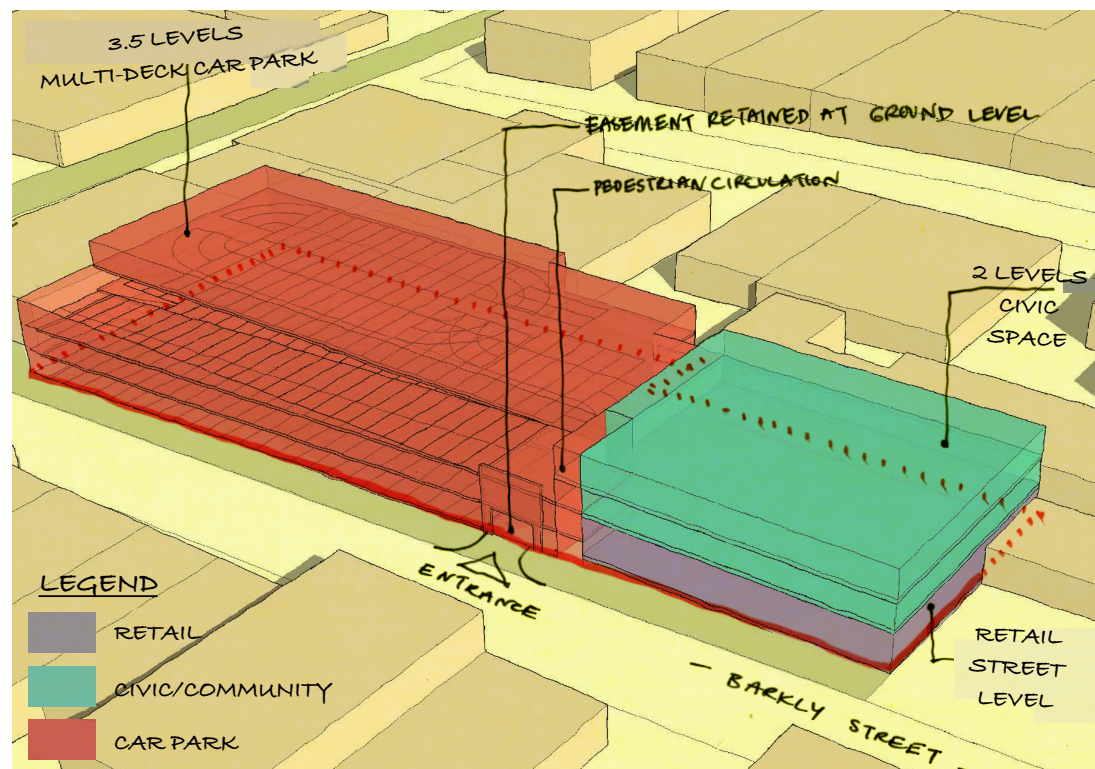
## ► SWOT Analysis

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>► The site is owned by Council, which provides control over the decision making process for the site.</li> <li>► Generally regular shape site with connected land parcels allows flexibility for planning and design.</li> <li>► Two existing pedestrian access points (to Smith St and Palmerston St). Conveniently located to shops and both major supermarkets.</li> <li>► Site is adjacent to other public activity centres (e.g. Senior Citizens Centre and Police Station).</li> <li>► Opportunity to integrate with the period character of the courthouse.</li> <li>► Interfaces with other amenities and facilities (e.g. café and Police Station).</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>► Title has some encumbrances, a carriage way easement (E-2, E-3) runs through the centre of the western parcel. A sewerage easement (E-1, E-4) runs along the southern boundary. Two trees protected by heritage overlay (H0139).</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>► Large site with the potential to grow outwards (east) and integrate with the Mason Street site.</li> <li>► Some potential to integrate mixed uses and create a higher use of underdeveloped land.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>► Vehicle access to neighbouring DHS property would need to be resolved.</li> <li>► The status of contamination on the site is unknown, accordingly we recommend further investigations take place to isolate any risk of contamination on the land.</li> </ul>

## Developable Area



## 3D Building Envelope



## Yield Analysis

	Scenario #1 4 Levels Mixed Use	Scenario #2 4 Levels Retail & Car Park	Scenario #3 4 Levels Car Park Only	Scenario #4 5 Levels Car Park Only	Scenario #5 6 Levels Car Park Only	Scenario #6 6 Levels Mixed Use
Land Area (m <sup>2</sup> )	4,140	4,140	4,140	4,140	4,140	4,140
Number of Car Spaces	366	547	583	735	938	735
Retail Space (m <sup>2</sup> )	1,000	1,000	0	0	0	0
Civic/Community Space (m <sup>2</sup> )	2,000	0	0	0	0	2,000
Gross Building Area (m <sup>2</sup> )	14,880	15,640	15,640	19,550	23,970	21,750
Building Height	4 Levels	4 Levels	4 Levels	5 Levels	6 Levels	6 Levels
Total Development Cost (Developer)	\$29,364,031	\$24,962,127	\$23,250,860	\$28,912,520	\$35,312,657	\$36,810,674
% OF TARGET 300 SPACES	56%	136%	158%	209%	277%	189%
Public Car Parking Net Gain	167	409	475	627	830	566

## Residual Land Value Analysis

	Scenario #2 4 Levels Retail & Car Park
GROSS REALISATION	\$38,210,714
TOTAL DEVELOPMENT COSTS	\$24,962,127
DEVELOPMENT PROFIT	\$4,992,425
RESIDUAL LAND VALUE	\$7,491,948

# Site Three - 48 Mason Street



- **Zoning:** Commercial 1 Zone (C1Z) - permit required for car park
- **Planning Overlays:** DD01, PO1, DCP01
- **Approximate Area:** 3,540m<sup>2</sup>
- **Site Description:** 48 Mason Street is located on the eastern side of Mason Street in Warragul and is located opposite 37 Mason Street (part of site two). It comprises of one main parcel (comprised of 3 separate titles).  
  
 The site generally borders commercial buildings and local health service providers. The site is currently used for approximately 108 at-grade car spaces.  
  
 The Mason Street site is generally unencumbered with only a drainage easement running along the western boundary.  
  
 The site is generally flat but the topography is lower than land in other parts of Warragul. For this reason a mixed use development comprising of double height street-level retail, 4 levels of car parking and a single level of civic/ community space, has been analysed.

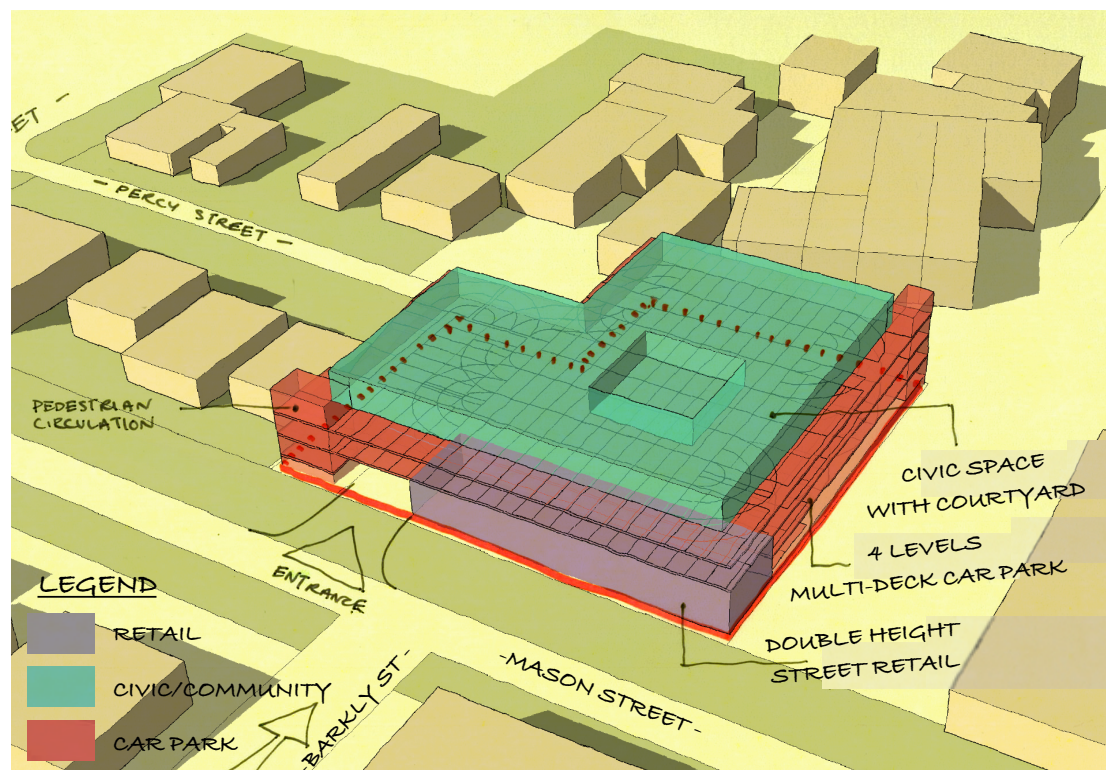
## ► SWOT Analysis

<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>► The site is owned by Council, which provides control over the decision making process for the site.</li> <li>► Title has limited encumbrances, only a drainage easement (E-1) to the eastern boundary of the main parcel.</li> <li>► The site is vacant (at-grade car park) and would not require any demolition of existing dwellings or significant structures.</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>► Located the furthest distance from the main shopping strips (Smith St &amp; Victoria St) and would require walking uphill.</li> <li>► Other more centrally located properties are currently vacant, suggesting integrating mixed uses into this location may be unsuccessful.</li> <li>► Not as centrally located or on a main road suggests low pedestrian use and minimal passive surveillance.</li> <li>► There are currently limited retail and commercial properties in Mason Street, which may test the feasibility of incorporating mixed uses into the design.</li> </ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>► Large site with the potential to integrate with the Barkly Street site.</li> <li>► Low lying topography would assist concealing some bulk of the structure from the main CBD retail strip.</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>► The status of contamination on the site is unknown, accordingly we recommend further investigations take place to isolate any risk of contamination on the land.</li> </ul>

## Developable Area



## 3D Building Envelope



## Yield Analysis

	Scenario #1 4 Levels Mixed Use	Scenario #2 4 Levels Retail & Car Park	Scenario #3 4 Levels Car Park Only	Scenario #4 5 Levels Car Park Only	Scenario #5 6 Levels Car Park Only	Scenario #6 6 Levels Mixed Use
Land Area (m <sup>2</sup> )	3,540	3,540	3,540	3,540	3,540	3,540
Number of Car Spaces	280	392	412	516	620	400
Retail Space (m <sup>2</sup> )	420	420	0	0	0	420
Civic/Community Space (m <sup>2</sup> )	2,000	0	0	0	0	2,000
Gross Building Area (m <sup>2</sup> )	12,260	13,320	13,320	17,100	20,520	19,300
Building Height	4 Levels	4 Levels	4 Levels	5 Levels	6 Levels	6 Levels
Total Development Cost (Developer)	\$23,436,939	\$20,527,672	\$19,808,940	\$25,282,361	\$30,070,535	\$26,007,938
% OF TARGET 300 SPACES	33%	91%	97%	136%	171%	73%
Public Car Parking Net Gain	99	272	292	408	512	219

## Residual Land Value Analysis

	Scenario #2 4 Levels Retail & Car Park
GROSS REALISATION	\$25,900,000
TOTAL DEVELOPMENT COSTS	\$20,527,672
DEVELOPMENT PROFIT	\$3,961,788
RESIDUAL LAND VALUE	\$748,793

# Site Four - Woolworths Car Park



- ▶ **Zoning:** Commercial 1 Zone (C1Z) - permit required for car park
- ▶ **Planning Overlays:** DD01, PO1, DCP01, HO139
- ▶ **Approximate Area:** 10,468m<sup>2</sup> approximately (excluding built-up area)
- ▶ **Site Description:**

The Woolworths car park site is located between Smith, Palmerston and Victoria Streets in Warragul. It comprises of multiple titles and includes multiple commercial properties, some of which are strata titled.

The majority of the site is currently occupied by the Woolworths supermarket, the area free from built form contains 290 at-grade car parking spaces.

The site is encumbered by a sewer easement which runs along the centre of the property. Other sewer mains infrastructure also dissects the property.

The encumbrances have been incorporated into a mixed use development which is split into two parcels. The primary site (eastern site) encompasses street-level retail, 4 levels of car parking and a two levels of civic/community space. The secondary site (western site) encompasses a small portion of street level retail and three levels of car parking.

## ▶ SWOT Analysis

### STRENGTHS

- ▶ The most centrally located of all sites analysed, providing convenient access in all directions.
- ▶ The site has the ability to integrate with existing parking on Smith, Palmerston and Victoria Streets.
- ▶ Potential to integrate mix uses into the design to provide additional commercial and retail space.
- ▶ Site surrounds Woolworths and Target. The central location ensures convenience to other community facilities.
- ▶ The sites central location has the potential to integrate with many uses and communality facilities.

### WEAKNESSES

- ▶ Site is generally surrounded by low density buildings. It's irregular shape could complicate design options.
- ▶ The site is only partially vacant which could create complex interface issues.
- ▶ Successful development of site is reliant on cooperation of private owners for land assembly.

### OPPORTUNITIES

- ▶ Large site will allow for significant initial development but existing buildings may limit future expansion opportunities.
- ▶ There is the potential to conceal the site by retail frontage if mixed uses were incorporated into the design.

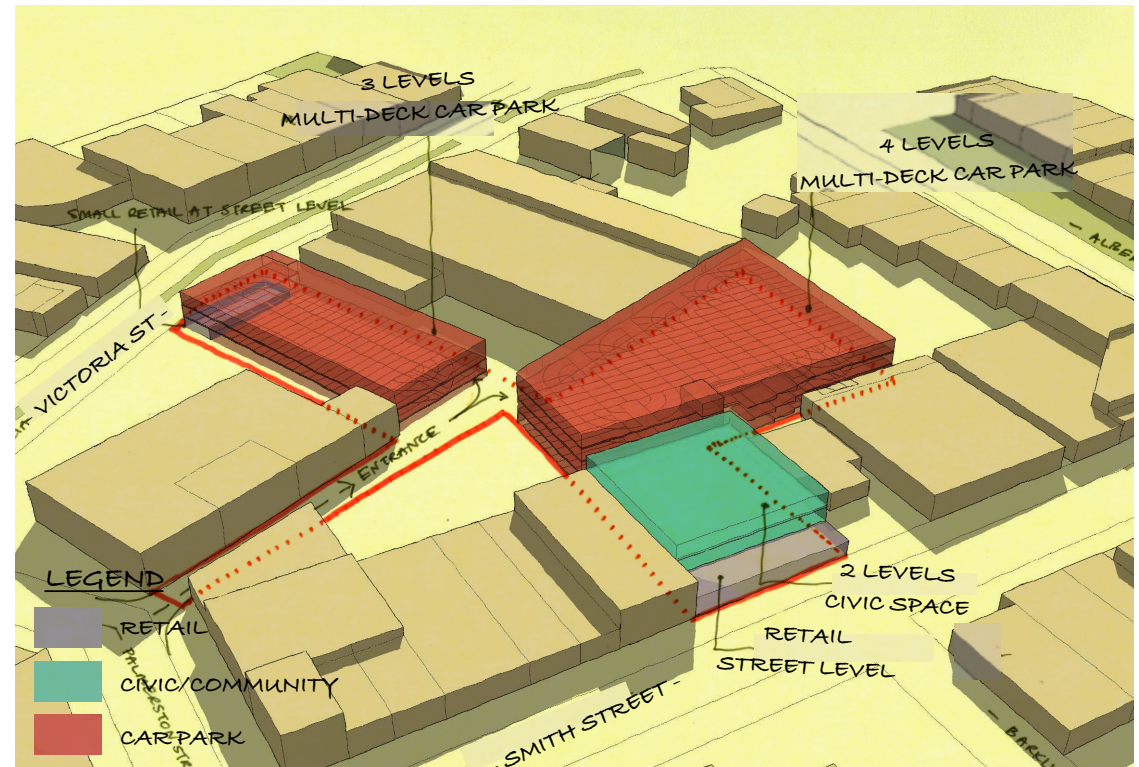
### THREATS

- ▶ Not Council Owned Land. The site has multiple land owners.
- ▶ The status of contamination on the site is unknown, accordingly we recommend further investigations take place to isolate any risk of contamination on the land.

## Developable Area



## 3D Building Envelope



## Yield Analysis

	Scenario #1 4 Levels Mixed Use	Scenario #2 4 Levels Retail & Car Park	Scenario #3 4 Levels Car Park Only	Scenario #4 5 Levels Car Park Only	Scenario #5 6 Levels Car Park Only	Scenario #6 6 Levels Mixed Use
Land Area (m <sup>2</sup> )	6,685	6,685	6,685	6,685	6,685	6,685
Number of Car Spaces	614	813	884	1,107	1,330	927
Retail Space (m <sup>2</sup> )	1,216	1,216	0	0	0	0
Civic/Community Space (m <sup>2</sup> )	2,000	0	0	0	0	2,000
Gross Building Area (m <sup>2</sup> )	21,070	23,468	18,558	24,744	37,116	34,966
Building Height	4 Levels	4 Levels	4 Levels	5 Levels	6 Levels	6 Levels
Total Development Cost (Developer)	\$39,001,311	\$38,731,984	\$36,737,963	\$45,695,260	\$54,289,985	\$67,627,643
% OF TARGET 300 SPACES	76%	162%	198%	272%	347%	192%
Public Car Parking Net Gain	227	486	594	817	1040	576

## Residual Land Value Analysis

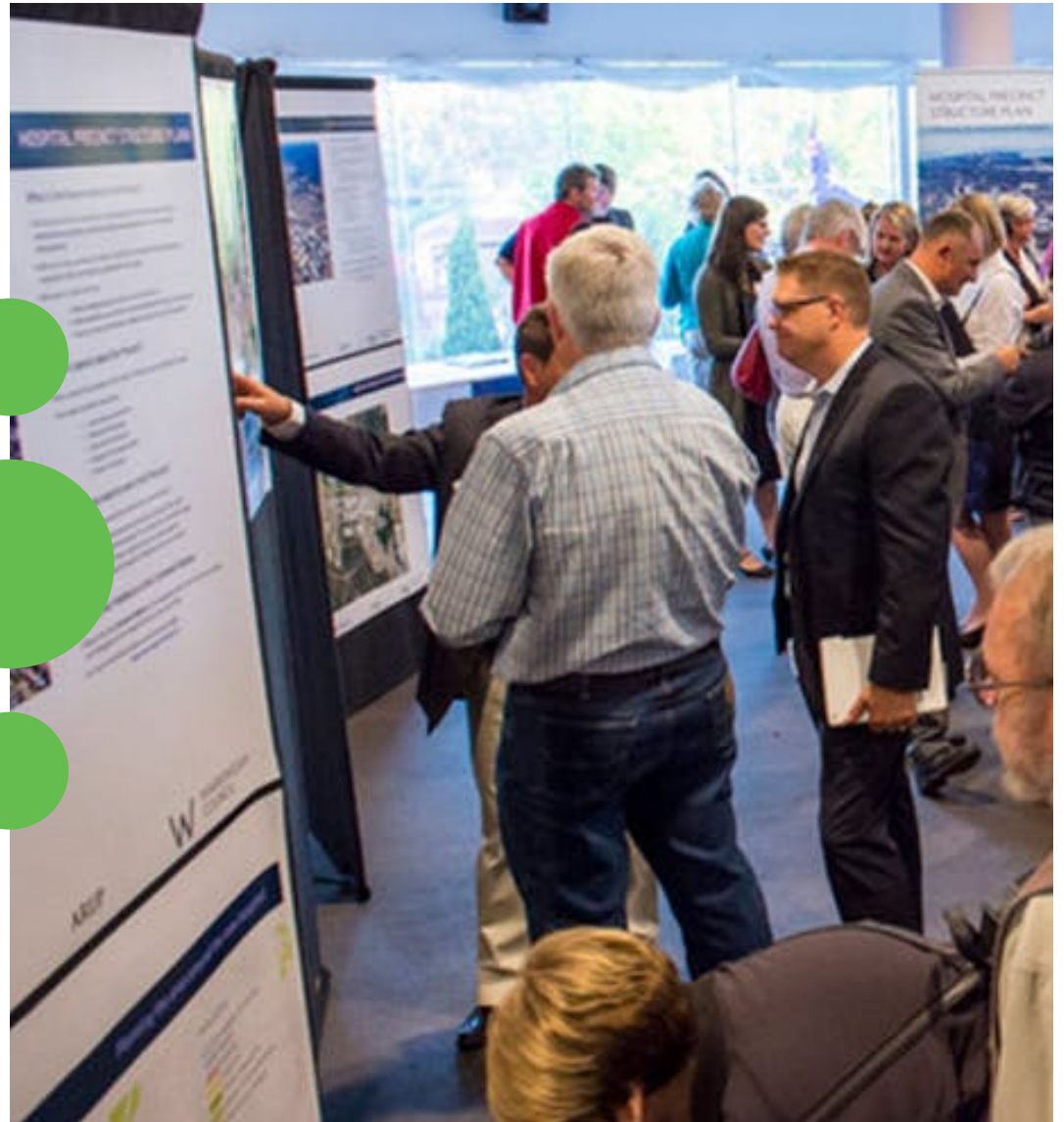
	Scenario #2 4 Levels Retail & Car Park
GROSS REALISATION	\$49,360,714
TOTAL DEVELOPMENT COSTS*	\$38,731,984
DEVELOPMENT PROFIT	\$7,746,397
RESIDUAL LAND VALUE	\$1,895,112

\* Privately owned land value assessment required to add to costs

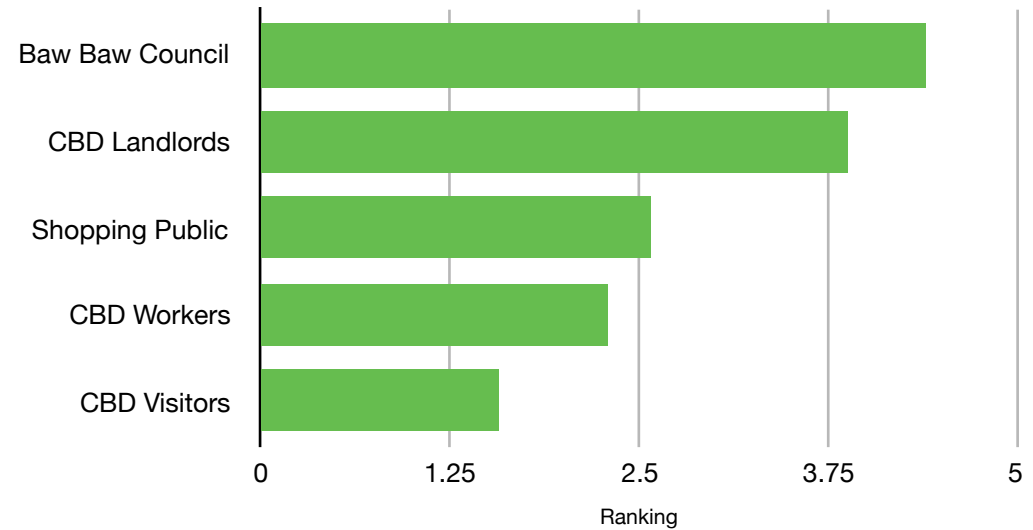
# Preliminary Stakeholder Engagement.

In November 2017, a selection of community groups (representing various stakeholders) were approached to complete a survey, to provide some initial insights into community views on improving Warragul CBD car parking. The questions asked were:

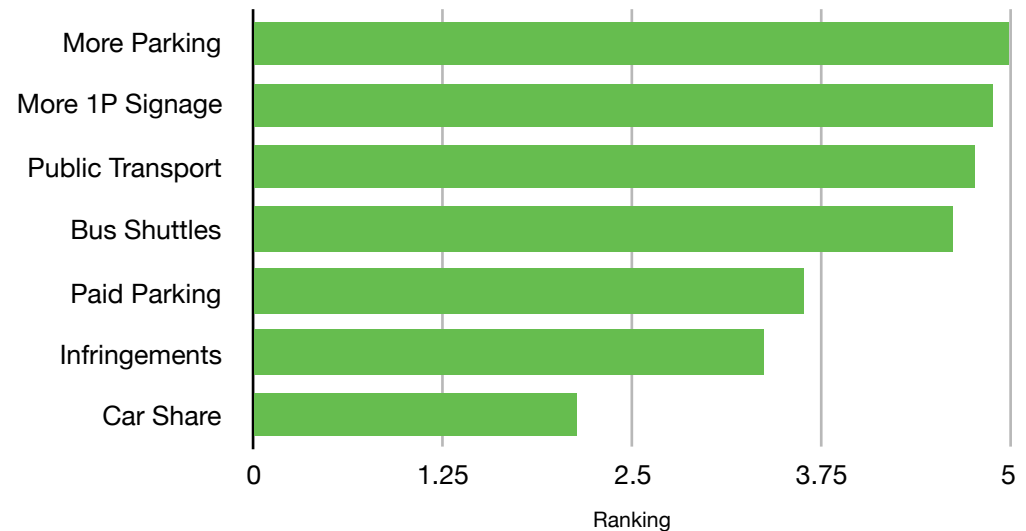
1. Select the group you belong to?
2. What priority should Baw Baw Council give to solving the public car parking problem in Warragul CBD, if not top priority what other issues are more important?
3. Who do you consider is responsible for the supply of new parking in Warragul CBD?
4. What do you consider the main benefits of additional car parking supply in Warragul CBD?
5. Please select which category best describes public parking as an asset - Public Infrastructure or Council owned property?
6. What measures would you consider reasonable to manage demand pressure on CBD public car park spaces?
7. If Council were to partner with a private developer to deliver parking assets, what would you consider the appropriate for of investment from Council?



Q3: Rank who is responsible for the supply of new car parking in the Warragul CBD?



Q6: Rank the options to manage demand on Warragul CBD car parking?

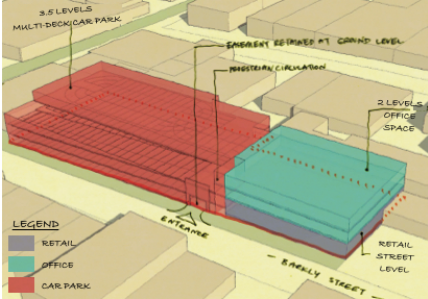
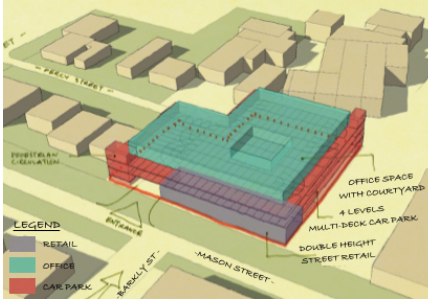
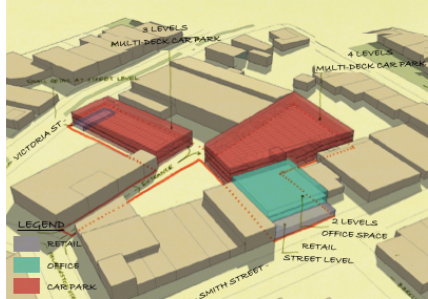
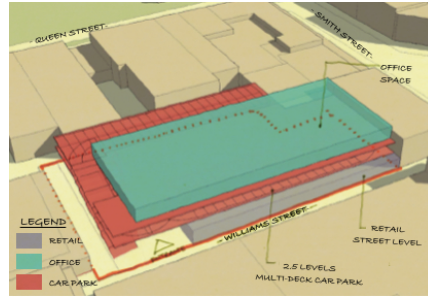


# Assessment Matrix.

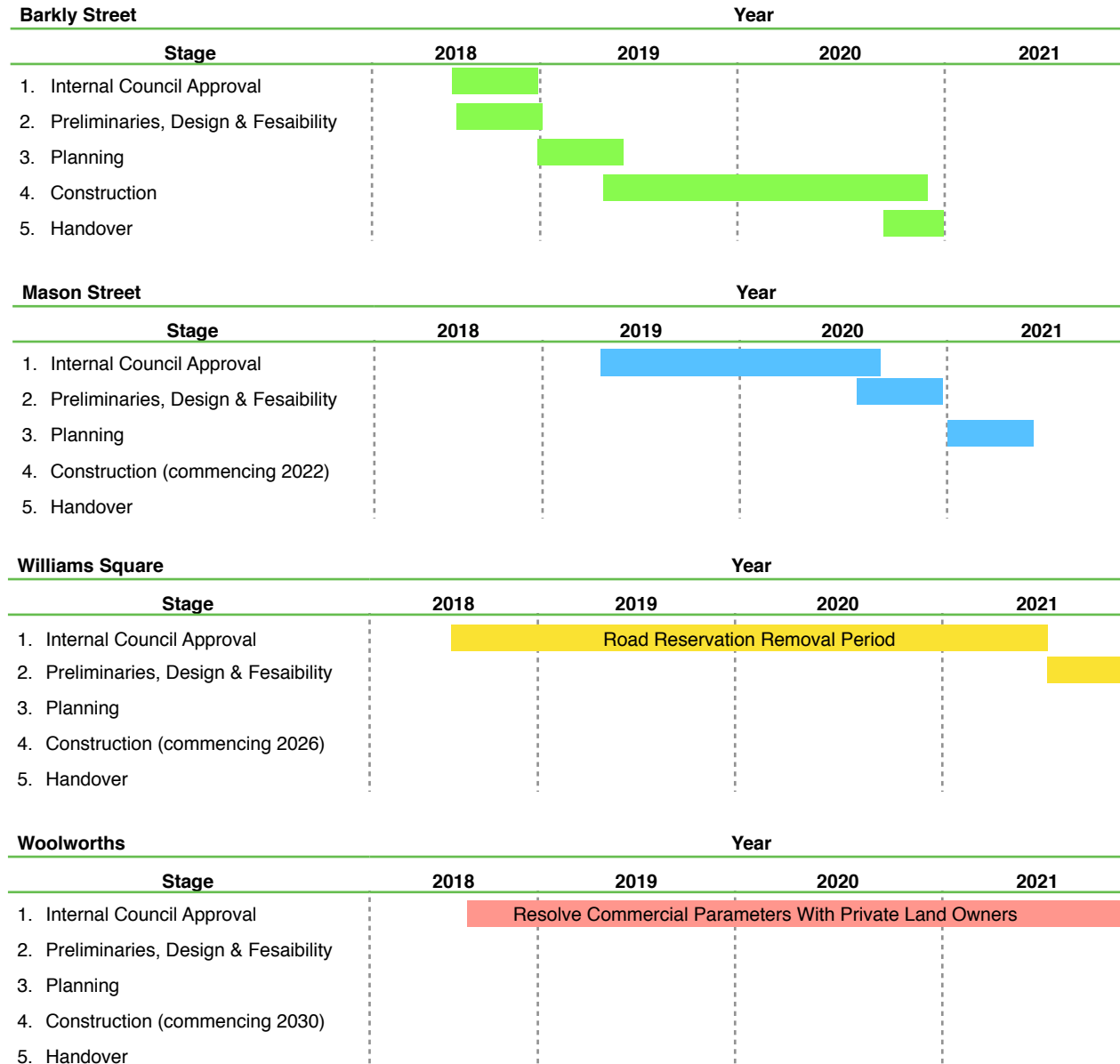
Assessment Criteria	Weighting	Williams Square	Barkly Street	Mason Street	Woolworths
1. Site Suitability	30%	16.3	21.4	21.9	16.3
2. Location Attributes	30%	18.5	22.0	15.5	23.5
3. Financial Suitability	15%	9.0	10.5	11.5	6.5
4. Planning Compatibility	5%	3.0	3.0	3.5	3.0
5. Design Suitability	10%	5.7	7.0	5.3	5.7
6. Colocation with other community uses	10%	6.0	8.0	6.0	6.5
<b>Total</b>	<b>100%</b>	<b>58.5</b>	<b>71.9</b>	<b>63.7</b>	<b>61.5</b>

**Note:** Fully detailed assessment matrix has been provide as an appendix

# Assessment Summary.

	RANK 1	RANK 2	RANK 3	RANK 4
	<b>4 BARKLY STREET</b> 	<b>48 MASON STREET</b> 	<b>WOOLWORTHS</b> 	<b>WILLIAMS SQUARE</b> 
► <b>Assessment Ranking:</b>	71.9/100	63.7/100	62.0/100	58.5/100
► <b>Ownership:</b>	Council - Owned	Council - Owned	Privately - Owned	Council - Owned
► <b>Developable Area:</b>	4,140m <sup>2</sup>	3,540m <sup>2</sup>	6,685m <sup>2</sup>	3,450m <sup>2</sup>
► <b>Gross Building Area:</b>	15,640m <sup>2</sup>	13,320m <sup>2</sup>	23,468m <sup>2</sup>	13,360m <sup>2</sup>
► <b>Building Configuration (Product Mix):</b>	4 levels 1,000m <sup>2</sup> ground floor retail Balance car park	4 levels 420m <sup>2</sup> ground floor retail Balance car park	4 levels 1,216m <sup>2</sup> ground floor retail Balance car park	4 levels 1,120m <sup>2</sup> ground floor retail Balance car park
► <b>Car Spaces Net Gain:</b>	409	272	486	301
► <b>Total Development Costs:</b>	\$24.96m	\$20.53m	\$38.73m	\$21.37m
► <b>Zoning:</b>	Commercial 1 Zone (C1Z)	Commercial 1 Zone (C1Z)	Commercial 1 Zone (C1Z)	Commercial 1 Zone (C1Z)
► <b>Current Use:</b>	At-grade car park	At-grade car park	At-grade car park	At-grade car park

# Indicative development program.



## Prerequisites for Development

1. Council endorsement of multi-deck strategy
2. Design development (including tree removal, carriageway easement and servicing
3. Funding strategy
4. Detailed design & tender

1. Council endorsement of multi-deck strategy
2. Design development (including servicing strategy)
3. Funding strategy
4. Detailed design & tender

1. Run process to remove road reservation
  - i. Consultation
  - ii. Advertising
  - iii. Closure - estimate 24 months

1. Agree commercial terms with land owners

# Financial Comparison of Design Concepts.

## ► BARKLY STREET

	Scenario #1 4 Levels Mixed Use	Scenario #2 4 Levels Retail & Car Park	Scenario #3 4 Levels Car Park Only	Scenario #4 5 Levels Car Park Only	Scenario #5 6 Levels Car Park Only	Scenario #6 6 Levels Mixed Use
<b>Total Construction Cost</b>	\$21,848,000	\$18,504,000	\$17,204,000	\$21,505,000	\$26,367,000	\$27,505,000
<b>Civic Space Cost</b>	\$6,000,000	\$0	\$0	\$0	\$0	\$6,000,000
<b>Retail Space Cost</b>	\$2,400,000	\$2,400,000	\$0	\$0	\$0	\$0
<b>Net Construction Cost</b>	\$13,448,000	\$16,104,000	\$17,204,000	\$21,505,000	\$26,367,000	\$21,505,000
<b>Total Car Spaces</b>	366	547	583	735	938	735
<b>Approx Cost Per Car Space</b>	<b>\$36,743</b>	<b>\$29,441</b>	<b>\$29,509</b>	<b>\$29,259</b>	<b>\$28,110</b>	<b>\$29,259</b>

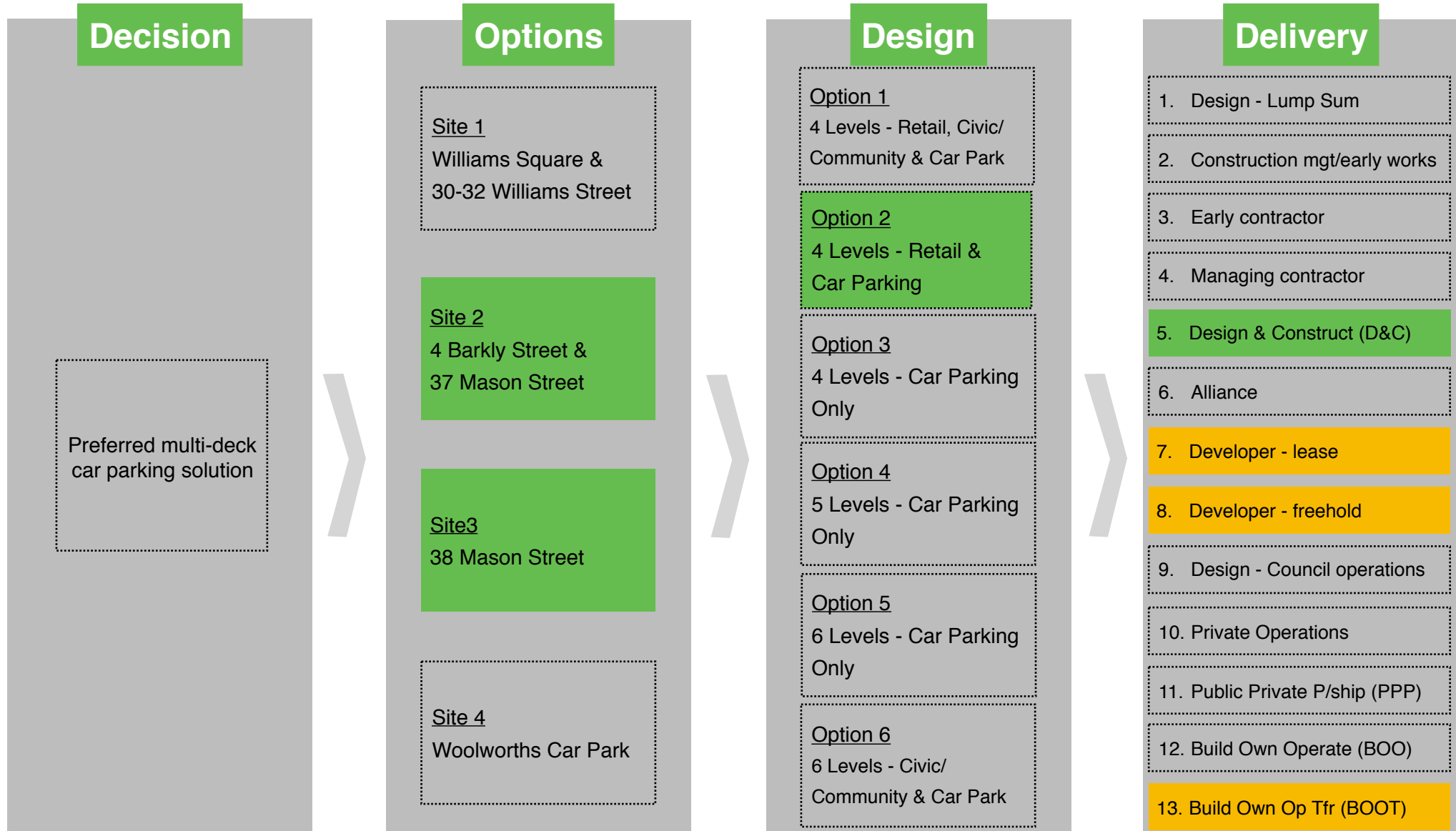
## ► MASON STREET

	Scenario #1 4 Levels Mixed Use	Scenario #2 4 Levels Retail & Car Park	Scenario #3 4 Levels Car Park Only	Scenario #4 5 Levels Car Park Only	Scenario #5 6 Levels Car Park Only	Scenario #6 6 Levels Mixed Use
<b>Total Construction Cost</b>	\$17,832,000	\$15,198,000	\$14,652,000	\$18,810,000	\$26,367,000	\$19,361,200
<b>Civic Space Cost</b>	\$6,000,000	\$0	\$0	\$0	0	\$6,000,000
<b>Retail Space Cost</b>	\$1,008,000	\$1,008,000	\$0	\$0	0	\$1,008,000
<b>Net Construction Cost</b>	\$10,824,000	\$14,190,000	\$14,652,000	\$18,810,000	\$26,367,000	\$12,353,200
<b>Total Car Spaces</b>	280	392	412	516	620	400
<b>Approx Cost Per Car Space</b>	<b>\$38,657</b>	<b>\$36,199</b>	<b>\$35,563</b>	<b>\$36,453</b>	<b>\$42,527</b>	<b>\$30,883</b>

Adding a basement level car park would add approximately 25% or \$10,000 to the construction cost of each basement level car space.

Barkly Street has approximately 90 car spaces on the ground level.

# Decision Tree.



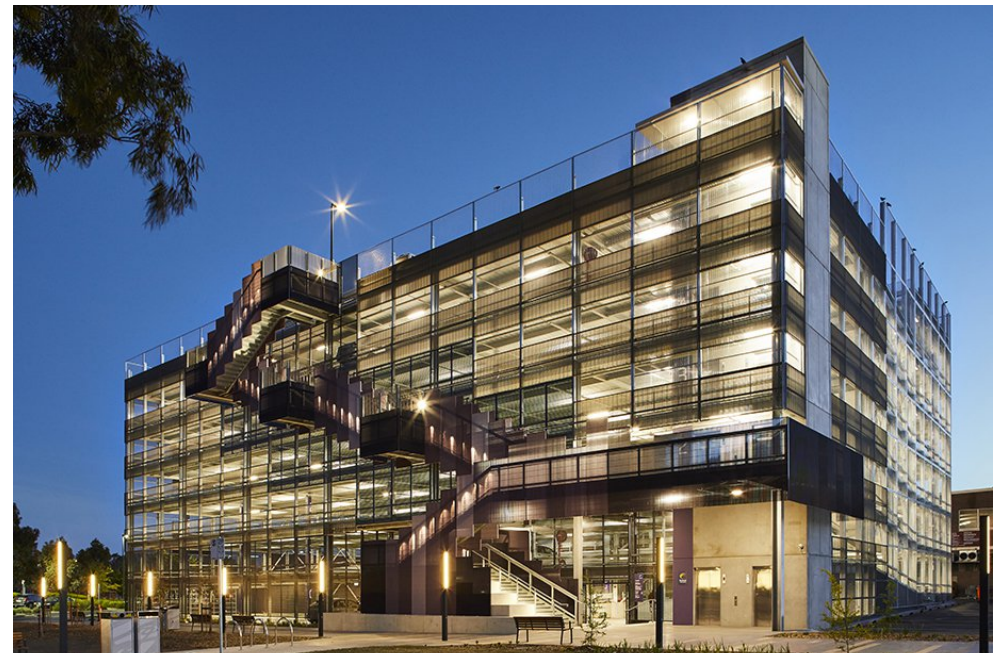
# Recent Examples.



Synott Street Multi-Deck Car Park (Mixed-use), Werribee



Multi-Deck Car Park, City of Monash



Brimbank Multi-Deck Car Park, Sunshine

# Procurement Options.

No	Options
1	Design - Lump Sum Construction
2	Construction Management/early work
3	Early Contractor
4	Managing Contractor
5	Design and Construct (D&C)
6	Alliance
7	Developer - Lease
8	Developer - Freehold
9	Council Operations
10	Private Operators
11	Public Private Partnership (PPP)
12	Build Own Operate (BOO)
13	Build Own Operate Transfer (BOOT)



# Short-listed Procurement Options Comparison.

Procurement Consideration	Comment	Lump Sum	Design & Construct	Developer - Lease	Developer - Freehold	BOOT
Timeline	Delivers within BBSC timeline	✓	✓	✓	✓	✓
Innovation	Provides a suitable level of innovation, given project nature	✓	✓	✓	✓	✓
Complexity	Level of complexity suits the option	✓	✓	✓	✓	✗
Ownership	BBSC retains ownership	✓	✓	✗	✓	✓
Bundling benefit	Offers benefit in the way services are bundled	N/A	✗	N/A	N/A	✓
Risk transfer	Transfers an efficient level of risk	✓	✓	✓	✓	✓
Cash flow	Align cash flow profile with BBSC revenue profile	✗	✗	✓	✗	✓
Market appetite	Market appetite available to drive competitive tension	✓	✓	✓	✓	✗
Commercial opportunity	Commercial opportunities to support the cost	N/A	N/A	✗	✗	✗
Exclusivity	Will not require exclusivity on operation of all car parks	✓	✓	✓	✓	✗

# Funding Considerations - Cash in Lieu Scheme.

All councils in Victoria are subject to the same regulatory standards (Clause 52.06 of each relevant Planning Scheme) regarding the number of car spaces that must be provided for different development uses, for example providing 3 car spaces per 100 square metres of office space. These standards ensure that sufficient parking is provided and ensures that all parties contribute to appropriate parking supply proportionately (noting that this can also be managed, to an extent, through parking restrictions).

Some councils allow developers to pay a cash contribution to Council directly for the required number of car spaces in lieu of providing these on-site car park spaces within the development.

The revenue generated from cash contributions (cash-in-lieu) can then be invested in the provision of car parking infrastructure elsewhere in the municipality.

Our investigations with Baw Baw Shire Council reveal that there is insufficient new development and construction in central Warragul to generate enough revenue to support a cash contribution scheme at this time.

An alternative funding source for Council would be to strike a “special rate” scheme where beneficial property owners would be levied to contribute to car park infrastructure. We understand this option is not acceptable to existing land owners.



# Car Park Trends.



Number Plate Recognition



Payment Stations

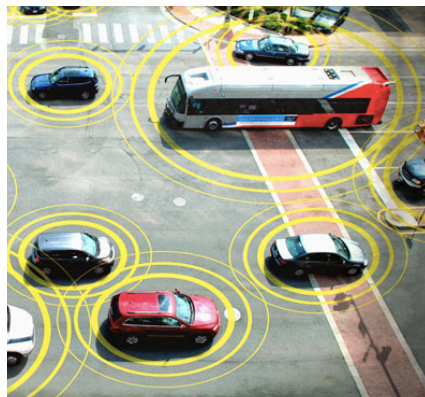


CCTV

**NEW PARKING RATES**  
(with effect from 1 March 2016)  
All rates are inclusive of GST

<b>Car</b>	
<b>MON – FRI</b>	
First hour:	\$1.10
Second hour:	\$0.32 / 15 mins
After First 2 hours:	\$0.35 / 15 mins
<b>SAT / SUN &amp; PH</b>	
First 2 hours:	\$2.20
After First 2 hours:	\$0.35 / 15 mins
<b>Motorcycle</b>	
	\$1 per entry

Flexible Rates



Autonomous Vehicles  
(2020 onwards)



Electronic Vehicles  
(Charging Stations)



Parking Overstay Detection  
Systems (PODS)



Enforcement

# Stakeholder Engagement.

Stakeholders	Engagement Method	Measurement	Timing
Warragul Streetscape Reference Group	Email - Brochure & Survey	Survey	March 2018
CBD Landowners	Email - Brochure & Survey	Survey	March 2018
Retail Traders Group	Email - Brochure & Survey	Survey	March 2018
Rate Payers	Paper Advertisement Have your Say Warragul & Drouin Farmers Markets	Survey	March 2018
State Government	Email - Brochure & Survey	Survey	March 2018
Federal Government	Email - Brochure & Survey	Survey	March 2018
Developers	Phone - Brochure & Survey	Survey	March 2018

# Stakeholder Engagement.

Targeted survey questionnaire

## Where

What measures would you consider reasonable to manage demand pressure on CBD public car park spaces – please rank the following list in order of preference;

Who do you consider is responsible for the supply of new public car parking in Warragul CBD – Please rank the following list in order:

## What Design

What do you consider the main benefits of additional car parking supply in Warragul CBD  
Please rank the available answers:

Please select which category best describes public parking as an asset:

## When required

What priority should Baw Baw Council give to solving the Public Car Parking Problem in Warragul CBD?

If not top priority what other issues are more important?

## How delivered

Who do you consider is responsible for the supply of new public car parking in Warragul CBD – Please rank the available answers in order:

If council were to partner with a private developer to deliver public parking and contribute an economic investment into the project. What do you consider the appropriate form of investment for such an asset?

Please Rank the following options in order of priority that you believe Council should fund e.g. roads, parks, community and civic spaces. .



# Stakeholder Engagement.

## Rationale

- Current car park facilities are not enough to meet demand;
- Forecast population growth creates a further need for more car parking capacity;
- Current at grade car park does not fulfil long term Council vision and is opposed by the community for the way forward;
- Need to improve efficiency of underutilised car parks.

## Options

- 2 preferred sites
  - Barkly Street
  - Mason Street
- Preferred retail & car park design
- 3 delivery mechanisms
  - Design & Construct
  - Developer - Lease
  - Developer - Freehold

## Outcomes

Community feedback on:

- Timing
- Size
- Elements
- Cost & Funding
- Prioritisation



# Costs & Benefits.

## COSTS

## BENEFITS

Capital vs Cash Flow

Direct financial benefit to business

Design Requirements

Flow on benefit from construction costs

Urban Character

Improved amenity

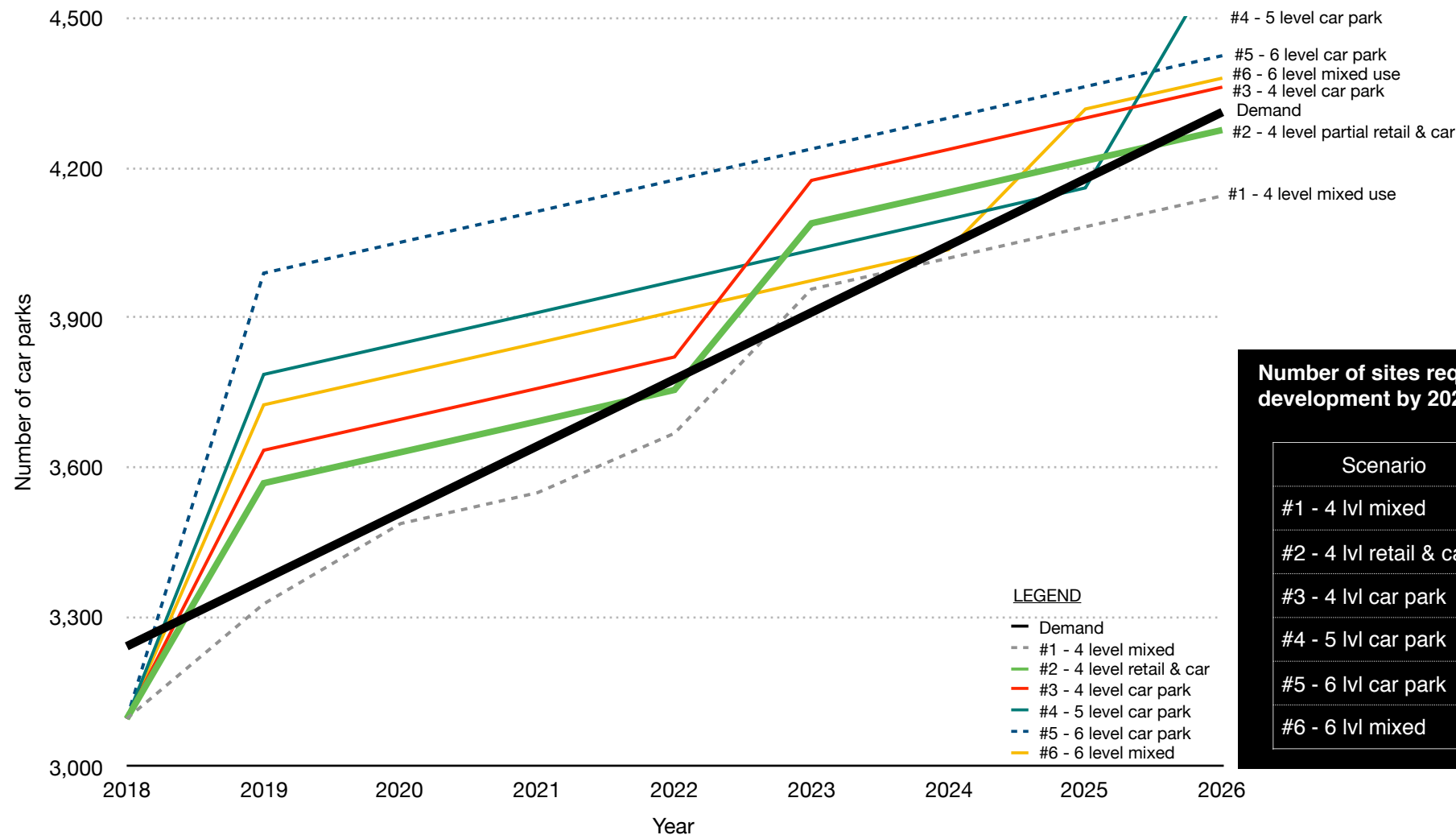
Mixed Use

More efficient asset utilisation

# Forecast Supply & Demand - to 2026

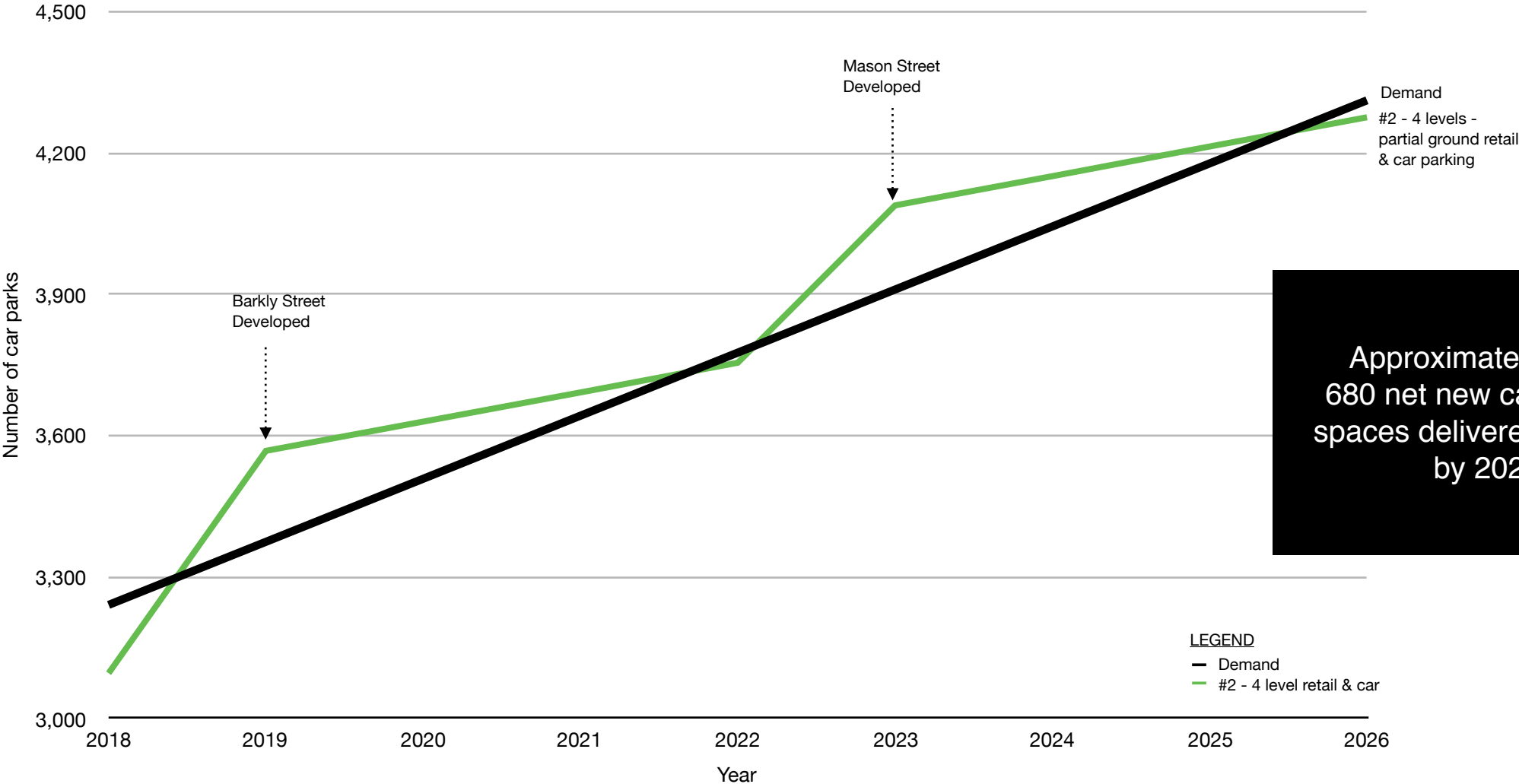
## By Building Configuration Scenario.

The chart below shows the timing of supplying car parks under the six land use scenarios that have been analysed. The peaks (non-linear increases) in each line represent a new multi-deck car park being developed based on the defined land use. The sequence of site development is Barkly Street, Mason Street, Williams Square and then Woolworths. For example, scenario #2 - 4 levels - partial ground retail and balance car park, has two peaks, reflecting Barkly Street being developed in 2019 and then Mason Street site being developed in 2023.



# Forecast Supply & Demand - to 2026

Based on 4 level design (partial ground retail & car parking)

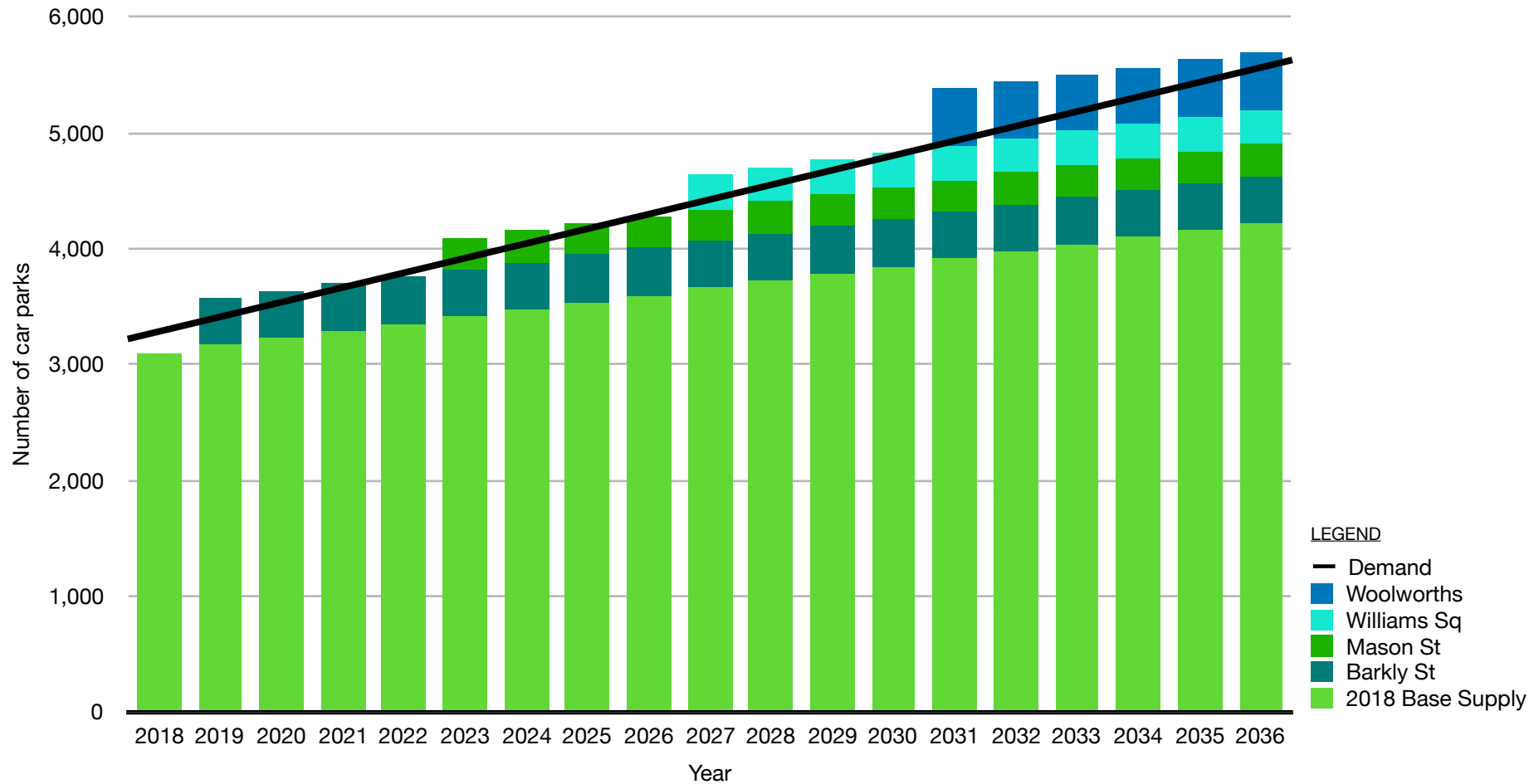


# Forecast Supply & Demand

Based on a 4 level design (partial retail & car parking)  
for each site.

The chart below shows the sequencing of development based on the need to supply additional car parks in excess of the base supply from future forecast organic development (as estimated in the *Warragul Parking Study 2015*).

In summary, a development design for each site which incorporates scenario #2 analysed in this report, 4 levels (partial ground level retail and the balance car parking), would require a new multi-deck car park to be developed every four years to meet forecast demand.

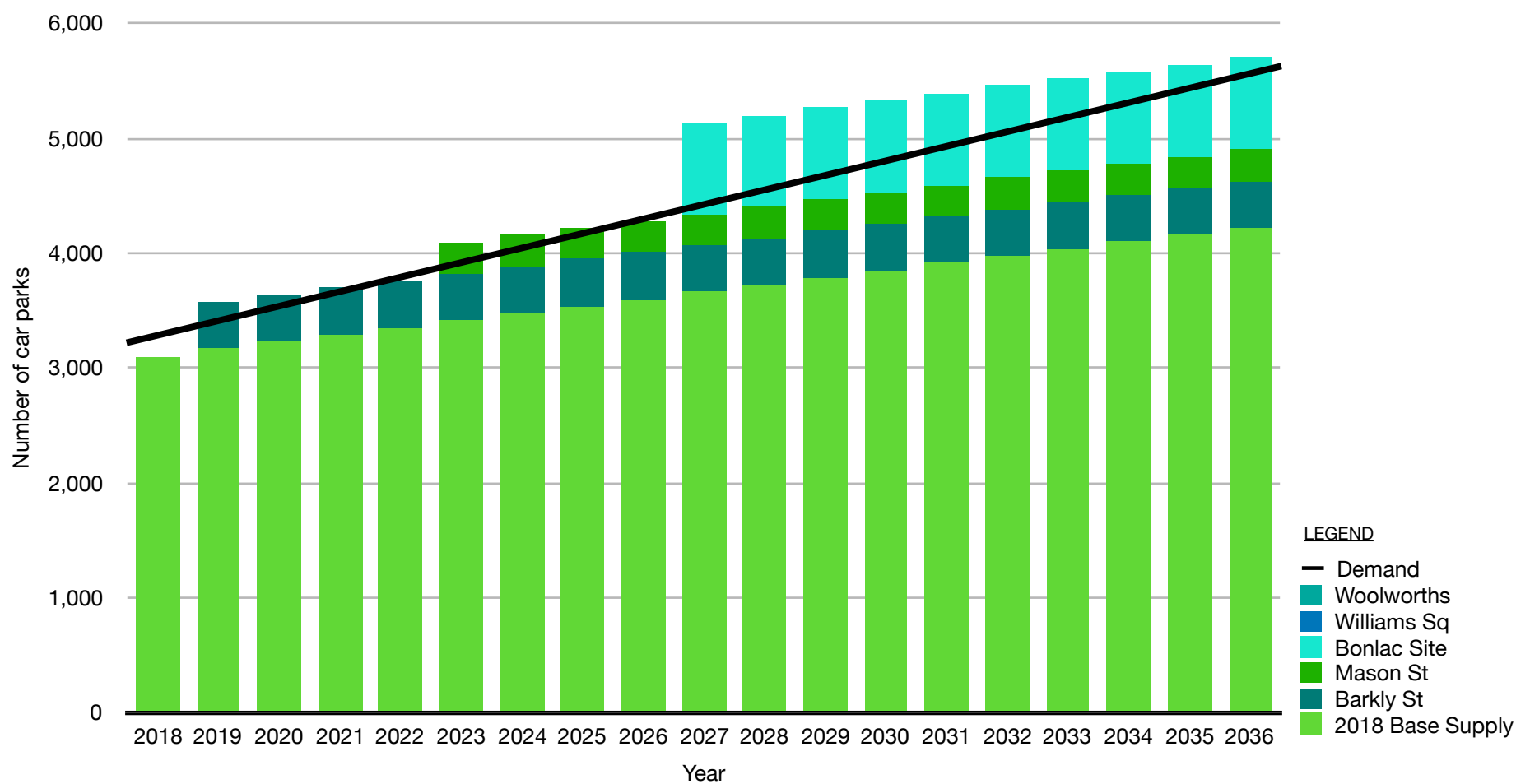


Source: Warragul Parking Study, Baw Baw Shire Council, August 2015  
and Darms Property

# Forecast Supply & Demand

Based on a 4 level design (partial retail & car parking) and allowance for anticipated Bonlac car parking .

The chart below shows the sequencing of development based on a development design for each site which incorporates scenario #2 analysed in this report, 4 levels (partial ground level retail and the balance car parking) and an allowance of 800 car spaces on the Bonlac site from 2027. In this scenario, only two of the four sites analysed in this report would require development to meet forecast demand.



Source: Warragul Parking Study, Baw Baw Shire Council, August 2015 and Darms Property

# Conclusions.

The study draws the following key conclusions.

## Market Issues

- **Current Market Conditions** - The current central Warragul market dynamics and relatively shallow demand conditions fundamentally challenge and undermine development viability, particularly for larger scale commercial and car parking projects. As a key principle that needs to be understood by stakeholders is that without an “end user” or “take out party” there will be minimal scope for development to occur at the scale envisaged by the Warragul Masterplan;
- **Development and Investment Barriers** – Developer stakeholder feedback reveals a range of risk and certainty issues inhibiting development investment in the short term, and potentially more developer interest in the medium to longer term if these issues can be addressed. We highlight the principle of an “economic rent” is required to be applied to any new development by Council in order to underpin the commercial viability of the projects. The economic rent is that rent at which a developer can achieve a profitable project and attract finance to progress the project.
- **Procurement Options** - The project characteristics have been established and a range of procurement options were tested to determine a short list of options available to BBSC for delivery options of the Multi-Deck car park. The shortlisted procurement options are:
  - o Council Develop and Own;
  - o Developer Deliver;
  - o Developer Lease.

Each of these options provide BBSC different cost and risk profiles for the delivery of the mixed use multi-deck car park. The high level details of these options are now able to be shared via a community consultation process to obtain stakeholder comment and feedback on the options. This community feedback on the preferred option will assist Council’s decision making process and prioritise the nature of the development to meet future parking demand.

## Other Considerations

- **Planning Certainty** – BBSC to ensure planning certainty and a streamlined planning approval process to minimise risk for developers;
- **Priority Sites De-Risking** - Development on the priority sites is possible but high level feasibility analysis demonstrates that actions are required to directly address ‘viability gaps’, and de-risk the investment environment in the short to medium term. Whilst development fundamentals are challenging, a coordinated approach to de-risking these sites will make them more development ready and more attractive for potential private sector investment;
- **Review Sites Preparatory Action** - There are opportunities to develop review sites such as the Williams Square and Woolworths Sites, however these require threshold issues to be resolved to remove barriers to site availability and enhance development readiness;
- **Seed Tenant Opportunities** – BBSC may have the opportunity to relocate the existing Library use to form a seed tenant in the new development and this matter needs to be further explored; and

## Market Positioning Issues

- **Market Engagement** - Further market engagement in relation the preferred sites requires both informal market testing followed by formal market interest processes tailored to the prevailing market conditions. Serious consideration should be given to facilitating project delivery via PDA frameworks as an alternative to traditional up front site sale to developers/end users.

# Recommendations.

That Baw Baw Council note the findings of this report including:

1. The preferred site, as per the assessment, is the Barkly Street Site. The preferred development design concept comprises of a 4 level multi-deck project incorporating 547 car spaces (net gain of 409 Car Spaces and 1,000m<sup>2</sup> of retail space on the ground level. The current development cost, assuming council adopt a design & construct delivery model, is approximately \$25m. The preliminary delivery timeframe for the project has been nominated for the 2019/2020 financial year.
2.
  - a. The ability of the selected site to satisfy Warragul's Car Parking demand in the short and long term
  - b. The findings of the Site Assessment process and short listing of Barkly Street and Mason Street properties
  - c. The recommended actions required to progress Williams Square and the Woolworths sites for redevelopment for the longer term;
  - d. The findings of the preliminary feasibility analysis which identifies a range of economic outcomes for all sites
  - e. The preliminary procurement analysis which outlines the key options available to Council to supply future multi-deck car parking
  - f. The preferred design option which is 1,000m<sup>2</sup> retail at ground level and 3.5 levels of multi-deck car parking as the most appropriate concept to satisfy Council objectives
  - g. Assessing Council's appetite for each of the procurement options identified
  - h. Proceed to undertaking a community consultation process, to inform Councils decision making process in regard to the preferred option for provision of Multi-Deck Carparking, during February and March – with a view to being able to enable Council to determine the appropriate course of Action in May June
  - i. For Council officers to review and confirm the key assumptions of the feasibility study and the recommended strategy to progress Multi Deck Car Parking.
  - j. To recommend the findings of the study to the February 2018 Council meeting.

# Supporting Documentation.

- Appendix A - Certificates of title
- Appendix B - Detailed Site Assessment Matrix
- Appendix C - Vines Warragul Town Planning Assessment
- Appendix D - Talbot Sales Evidence Report
- Appendix E - Architectural design & development concept drawings including feasibility analysis
- Appendix F - Community Consultation Plan



#### FURTHER INFORMATION

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