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**HORNSBY QUARRY AND
ENVIRONS EXPRESSIONS OF INTEREST**

**EOI 24/2007
REPORT TO COMMUNITY**

EXECUTIVE SUMMARY

This Evaluation Report prepared by APP Corporation outlines the evaluation of the fifteen (15) Expressions of Interest (EOI) submissions received from proponents for the Hornsby Quarry and Environs site.

The EOI submissions were assessed in accordance with Council's adopted Assessment Criteria that have been developed in consultation with the community.

The submissions received included individuals from the community, church group, private school, conservation society, sporting association, private entity and publicly listed corporations.

The Report provides an outline of the land use opportunities proposed by proponents in their EOI submissions.

No individual submission has been considered to optimise the land use opportunities for the entire 40.5 hectare site.

Based on the preliminary offers received from AV Jennings, Lend Lease Developments and Transpacific Industries, there is a significant potential return to Council.

Three land use options have been identified that addresses the assessment criteria and which embrace the likely community, social and financial implications for Council's consideration.

If Council wishes to consider options that include landfill of the quarry void, it is recommended that Geofill Services, Transpacific Industries and WSN Environmental Solutions be short listed for consideration by Council to participate in a selective tender to undertake the landfill operation and quarry stabilisation works.

If Council wishes to progress a whole of site approach, it is recommended that AV Jennings and Lend Lease Developments be short listed for consideration by Council to participate in a separate selective tender to work closely with any successful landfill operator and Council to develop a masterplan for the entire Hornsby Quarry and Environs site.

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Appendix 1 – Evaluation Plan

1.0 REPORT PURPOSE

This Evaluation Report has been prepared by APP Corporation to advise the community of the assessment undertaken on the fifteen (15) Expressions of Interest (EOI) submissions received from proponents for the Hornsby Quarry and Environs site.

Certain confidential information has not been released as it is considered Commercial in Confidence as prescribed in section 10A (2)(c)&(d) of the Local Government Act. Certain confidential information if released could confer a commercial advantage to a respondent or prejudice the competitive position of the proponent who supplied it.

It provides an outline of the land use opportunities and financial offers proposed by proponents in their EOI submissions.

It recommends a short list of proponents to be invited to participate in the selective tender phase.

2.0 BACKGROUND

Hornsby Shire Council (Council) appointed APP Corporation to manage the EOI process to attract private sector investment in the future use and management of the Hornsby Quarry and Environs site.

The scope of work includes but is not limited to the following:

- Developing, preparing and producing the EOI document;
- Developing and implementing an EOI marketing and advertising campaign that canvasses local and national audience;
- Arranging and conducting a pre-lodgement meeting;
- Evaluating EOI submissions against Council's assessment criteria;
- Assessing the commercial viability of the EOI submissions; and
- Preparing and submitting a report to Council.

The EOI process provides Council with a tangible indication of the land's capability to sustain various land use options.

3.0 CONFLICT OF INTEREST

In signing this EOI Evaluation Report, the evaluation panel members confirm that they have no dealings or arrangements with any of the proponents that would give rise to a conflict of interest.

4.0 ISSUANCE OF EOI DOCUMENTS

The Hornsby Quarry and Environs EOI documentation was issued to interested parties who contacted Michael Wong of APP and submitted a completed copy of Council's Copyright Declaration Form.

At the close of Hornsby Quarry and Environs EOI at 10:30am on 13 February 2008, there were fifty six (56) enquiries registered and forty two (42) Compact Disc (CD) copies containing the Hornsby Quarry and Environs EOI document including relevant studies and reports posted to interested parties.

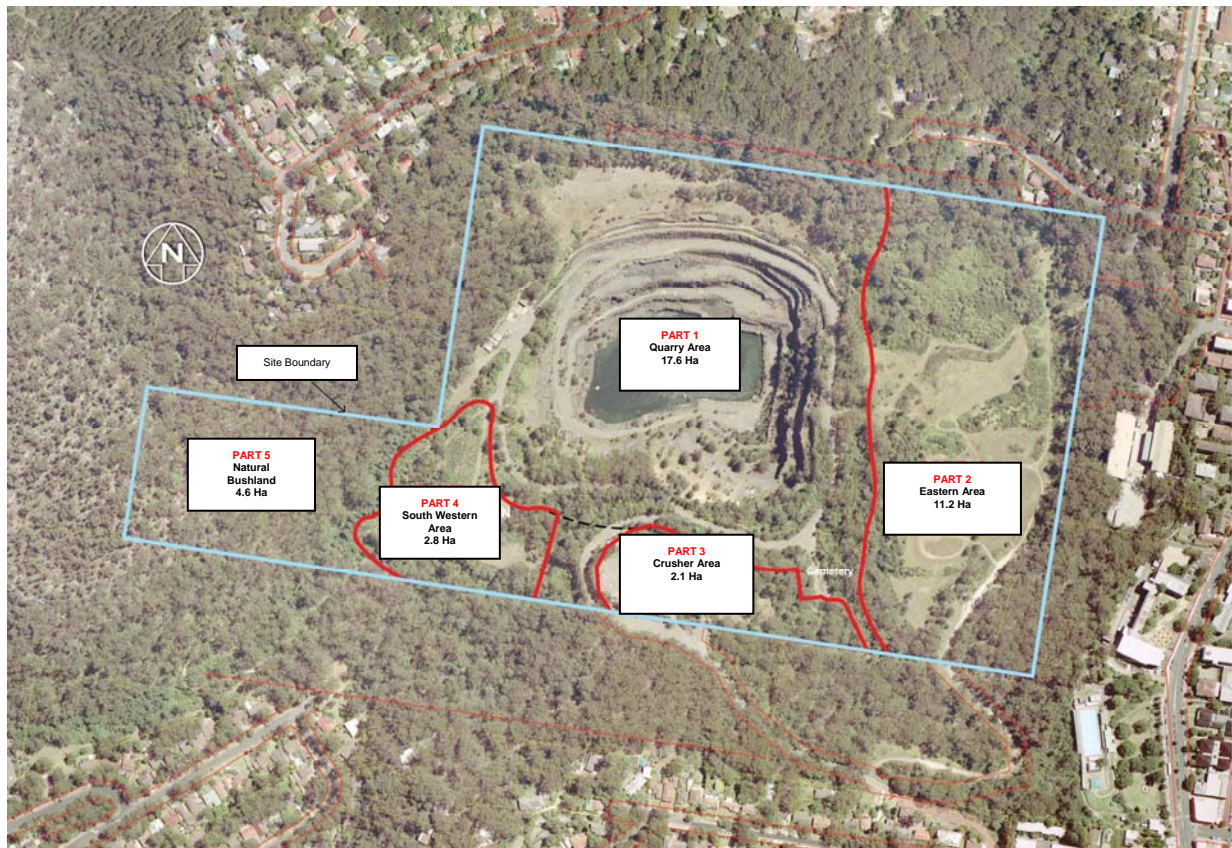
5.0 HANDLING OF EOI SUBMISSIONS

At the close of Hornsby Quarry and Environs EOI at 10:30am on Wednesday 13 February 2008, fourteen (14) EOI submissions were lodged in Council's Tender Box located at the Ground Floor of Hornsby Shire Council's Administration Building at 296 Pacific Highway, Hornsby. One was submitted by letter.

EOI submissions have been received from the proponents outlined below:

No.	Proponent	Interests
1	AV Jennings Developments	Whole Site
2	Community Church Hornsby	Part 2 or 3
3	Geofill Services	Parts 1 & 4
4	Hornsby Conservation Society	Whole Site
5	Ku-ring-gai District Soccer Association and Northern Metro Cricket Council	Part 2
6	Lend Lease Developments	Whole Site
7	Brian McKay and Mitchell Evans	Whole Site
8	Community Church Hornsby and Pacific Hills Christian School	Parts 2 & 3
9	Pacific Hills Christian School	Parts 2 & 3
10	Guy Russell	Whole Site
11	Dr Frederick Lin Sutherland	Whole Site
12	Transpacific Industries Group	Parts 1, 3 & 4
13	Valad Property Group	Whole Site
14	WSN Environmental Solutions	Parts 1 & 3
15	Joe Nagy	Whole Site

Site Plan showing Parts 1 to 5



6.0 LATE EOI SUBMISSIONS

A late EOI submission was received via fax from John Sukari of S24 Properties Pty Limited. The fax was received at 3:00pm instead of the required 10:30am deadline on 13 February 2008. The submission was not further considered.

It should be noted that S24 Properties Pty Limited's EOI submission consisted of a one page letter expressing an interest to purchase the Hornsby Quarry and Environs site for multi-unit residential development, community recreational facilities, clean fill and commercial use without any other supporting documentation.

Based on the information provided, it is unlikely that S24 Properties Pty Limited's submission, not having addressed Council's assessment criteria or made a financial offer, would be deemed by APP to warrant further consideration.

7.0 REQUEST FOR EOI EXTENSION

A letter requesting sixty (60) days extension of the Hornsby Quarry and Environs EOI was received from Joe Nagy, a Wahroonga resident prior to the EOI closing time. Mr Nagy was invited to provide a letter of interest outlining his proposal (prior to closing time) so that an assessment could be undertaken. Additional information was subsequently submitted. However, the material only addressed the request for an extension of time and provided no information that could be used to consider this submission. Accordingly, no further assessment was possible.

8.0 EOI EVALUATION PROCESS

The EOI submissions were assessed in accordance to the evaluation methodology outlined in the Hornsby Quarry and Environs EOI Evaluation Plan. Refer to copy of Evaluation Plan, Appendix 1.

The evaluation methodology adopted by APP is in accordance with Council's adopted Assessment Criteria.

A summary of Council's Assessment Criteria are outlined below:

Criteria	Description
1	Social Asset (Open Space, Heritage, Recreation and Cultural
2	Protection of Environment
3	Funding
4	Design / Best Practice
5	Safety and Access
6	Proposed Delivery / Staging and Demonstrating Capability
7	Ownership and Ongoing Management
8	Connectivity Internal and External

The EOI submissions were evaluated by George Marton and Michael Wong of APP Corporation.

9.0 EVALUATION OF EOI SUBMISSIONS

The fifteen (15) EOI submissions received on the Hornsby Quarry and Environs site included individuals from the community, church group, private school, conservation society, sporting bodies, private entities and publicly listed corporations.

The level of effort in terms of resources and budget allocated to the EOI submissions by proponents varies significantly and is reflected in the quality of the submissions received.

Of the fifteen (15) submissions received, eight (8) proponents indicated their interest in the "Whole Site" outlining a diverse range of uses and initiatives that included, master planned residential community, retaining the site for open space and recreation, developing an adventure park, creating a brochure for the diatreme. It should be noted that one of these proposals could not be assessed, as outlined in 7.0 above.

Three (3) proponents have expressed their interests in managing and operating a land filling operation including rehabilitation and stabilisation of the quarry site to make it safe and creating a substantial area of useable space.

Four (4) proponents indicated their interest for part(s) of the site for special uses such as the Community Church Hornsby's submission that outlined a Church of Worship Centre with 1,500 seat auditorium, function rooms, 500 seat theatre, café and public gardens to cater for a diverse range of activities.

The Pacific Hills Christian School's submission outlined their interest in providing a private school and associated facilities for 1,000 students. The proposal included the provision of two (2) playing fields with car parking. Their proposal indicated that the private school would create employment

opportunities in the Hornsby area. It should be noted that the Church and School also submitted a joint proposal by combining their proposals and outlining opportunities for shared facilities.

The Ku-ring-gai District Soccer Association and Northern Metropolitan Cricket Council made a joint submission for two (2) soccer fields and a cricket pitch to be provided by Council for the community.

The detailed evaluation of each of the fifteen (15) submissions is attached in Appendix 2. A summary of the evaluation of each submission is outlined in the tables below:

Criteria Ratings used to score each EOI Submission:

10	Excellent	All requirements are covered in an outstanding manner
8	Very Good	Requirements are fully covered in all aspects
6	Good	Requirements are adequately covered
4	Average	Adequate, however with some deficiencies which are not likely to have significant adverse effect on the project
2	Fair	Barely adequate and would need improvement if selected
0	Unacceptable	Unacceptable and ruled out of further consideration

Table 1 Evaluation Summary of EOI Submissions

EVALUATION SUMMARY OF EOI SUBMISSIONS										
No.	Proponent	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8	Total
1	AV Jennings Developments	6	6	8	6	6	8	8	6	54
2	Community Church Hornsby (CCH)	4	0	2	6	6	4	6	0	28
3	Geofill Services	6	5	4	8	6	6	4	6	45
4	Hornsby Conservation Society	6	6	2	2	4	2	2	2	26
5	KDSA AND NMCC	4	4	1	2	2	0	2	4	19
6	Lend Lease Developments	8	8	7	8	6	7	6	6	56
7	Brian McKay and Mitchell Evans	4	4	0	4	2	0	2	2	18
8	CCH AND PHCS	6	0	6	6	6	8	8	6	46
9	Pacific Hills Christian School (PHCS)	6	0	6	6	0	8	8	6	40
10	Guy Russell	6	4	1	4	2	0	0	2	19
11	Dr Frederick Lin Sutherland	4	4	0	4	0	4	0	0	16
12	Transpacific Industries Group	8	6	8	6	8	6	8	4	54
13	Valad Property Group	0	0	0	0	0	4	0	0	4
14	WSN Environmental Solution	6	6	3	6	4	4	4	4	37

Note:

The material received from Joe Nagy could not be assessed as it provided no information that could be used to consider this submission.

Table 2 Evaluation Summary for Whole Site, Quarry Void and Part Site

EVALUATION OF PROPONENTS FOR WHOLE SITE

Rank	Proponent	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8	Total
1	Lend Lease Developments	8	8	7	8	6	7	6	6	56
2	AV Jennings Developments	6	6	8	6	6	8	8	6	54
3	Hornsby Conservation Society	6	6	2	2	4	2	2	2	26
4	Guy Russell	6	4	1	4	2	0	0	2	19
5	Brian McKay and Mitchell Evans	4	4	0	4	2	0	2	2	18
6	Dr Frederick Lin Sutherland	4	4	0	4	0	4	0	0	16
7	Valad Property Group	0	0	0	0	0	4	0	0	4

EVALUATION OF PROPONENTS TO MANAGE AND OPERATE LANDFILL SITE

Rank	Proponent	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8	Total
1	Transpacific Industries Group	8	6	8	6	8	6	8	4	54
2	Geofill Services	6	5	4	8	6	6	4	6	45
5	WSN Environmental Solutions	6	6	3	6	4	4	4	4	37

EVALUATION OF PROPONENTS INTERESTED IN SPECIAL LAND USE FOR PART(S) OF THE SITE

Rank	Proponent	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8	Total
1	Community Church Hornsby and Pacific Hills Christian School	6	0	6	6	6	8	8	6	46
2	Pacific Hills Christian School	6	0	6	6	0	8	8	6	40
3	Community Church Hornsby	4	0	2	6	6	4	6	0	28
4	Ku-ring-gai District Soccer Association and Northern Metropolitan Cricket Council	4	4	1	2	2	0	2	4	19

Table 3 Summary for Whole Site

Whole Site – Summary		
No.	Proponent	The Proposal
1	Lend Lease Developments	Masterplanned residential development with periodic land payments
2	AVJennings Proprietary Limited	Masterplanned residential development with periodic land payments
3	Hornsby Conservation Society	Entire site to remain public open space
4	Guy Russell	Quarry area retained for passive open space Eastern Area for recreation plus Business & Technology Park
5	Brian McKay & Mitchell Evans	Adventure Park on Part 1 Quarry site Multi level carpark with kiosk and small shops on Part 3 Playing fields and recreation on Part 2 site
6	Frederick Lin Sutherland	Create a brochure of the Diatreme for educational and promotional purposes
7	Valad Commercial Management Limited	Not Stated

Table 4 Summary for Quarry

Fill Quarry – Summary		
No.	Proponent	The Proposal
1	Transpacific Industries Pty Limited	Transpacific to fill land and return to Council as playing fields
2	Geofill Services Pty Ltd	Fill quarry site and provide tennis courts, netball courts, playing fields, etc
3	WSN Environmental Solutions	Offer to stabilize the Quarry Site and adjacent lands and return to Hornsby Council for community use Option 1: Fill quarry to RL 70 and maintain Diatreme Option 2: Fill quarry to RL 90

Table 5 Summary for Part Site

Part Site – Summary		
No.	Proponent	The Proposal
1	Pacific Hills Christian School plus Community Church Hornsby	Private school with sporting fields (optional) plus Church & Community Centre May be incorporated into the site as an element in a larger masterplan
2	Pacific Hills Christian School	Private school with sporting fields (optional) May be incorporated into the site as an element in a larger masterplan
3	Community Church Hornsby	Outright land purchase from Council Build church facilities Lease additional land from Council for gardens Includes possible partnership arrangement with Council Proposal only applies to an unspecified portion of Part 2 or 3 land
4	Ku-ring-gai & District Soccer Association	Provide 2 soccer fields, cricket pitch, amenities building and car parking spaces Provide open air theatre or multi-use courts

10.0 PROPOSED LAND USE OPPORTUNITIES

Based on APP's evaluation of the fifteen (15) EOI submissions for the Hornsby Quarry and Environs site, no single individual submission has been considered to optimise the land use opportunities for the entire 40.5 hectare site.

However, the EOI submissions received provide Council the opportunity to consider the proposed land use opportunities for the site and select the most appropriate land use proposals for specific parts of the site, to create a vibrant community and cater for a range of activities.

Quarry Void Filled

There are two possible options associated with the quarry void. One option is to fill the quarry void to create a substantial area of useable space for active recreation, and in so doing, stabilise the quarry walls. This option provides both a financial return to Council and the potential to create approximately eight (8) hectares of additional land suitable for active recreation.

Table 6 Comparative Analysis of Quarry Void Fill Operation Proposals

Comparative Analysis of Quarry Void Fill Operation Proposals			
Criteria	Geofill Services	Transpacific Industries	WSN Environmental Solutions (Option 2: RL90)
Proponent's Financial Status	Newly established private company	ASX listed Equity: \$1.3bn	State Owned Corporation Annual Revenue: \$204m
Credentials and ability to complete project	Some related experience	Experienced in Land Fill Operations	Provider of Waste Management Services
Council financial obligations under proposal	Council needs to dewater quarry Until backfill operations commence Council will incur costs	Existing water to be removed Provide access and roads Approval and authority fees to be paid by Council	Not specified
Offer specifics	Fill quarry void with Virgin Excavated Natural Material (VENM)	Fill quarry void using Class 2 Material	Fill quarry void using Class 2 Material
Ownership and ongoing management	Ownership stays with Council and management by Geofill Pty Ltd	Ownership stays with Council, fill operations carried out under license	Ownership stays with Council, management by WSN
Outcome	Seeks to fill quarry and provide sports facilities which will be economically sustainable	Undertake fill operations and return to Council for use as public open space	Undertake fill operations, rehabilitate site and return to Council

Transpacific Industries has made an offer for use of the quarry void and surrounding areas with options for payment of part of these funds to Council at commencement.


It is Transpacific's view that stabilisation of the quarry and adjacent lands is the major deliverable from their proposal given the safety concerns associated with the site. It is their view that filling the quarry void is the only practical way to ensure that the site is safe for future use.

It should be noted that Council has received advice from various consulting engineers that identified filling the quarry void as a means of reducing slope instability. The Pells Sullivan Meynink (February 2007) adopted a factor of safety (FOS) target of 1.5 which is equivalent to a probability of failure of 1 in 1000. This is based on internationally accepted practice judged as suitable for general public access.

Transpacific indicated that until the quarry is stabilised, development is unlikely to be feasible on the remaining parts of the quarry land.

Transpacific proposal is to fill the quarry void with Solid Waste Class 2 Inert Waste or clean fill material in a manner that will have a beneficial impact on the surrounding environment, but also create an open space and recreational area linked to the Great North Walk and existing heritage sites.

It should be noted that Class 2 materials include dry general waste (materials that do not organically decompose) such as household junk, furniture, glass, metal, plastics, timber and other non-putrescible material.



Access to the quarry proposed by Transpacific is via Dural Street and Quarry Road. However, Transpacific has indicated in their proposal that they will consult with the local community to minimise any impacts and alleviate their concerns through this consultative approach.

Transpacific's proposal does not include removal of the existing water in the quarry void. It assumes that Council will undertake the removal of the quarry water prior to the site handover.

It should be noted that Transpacific Industries Group is a publicly listed corporation that provides integrated industrial cleaning and total waste management services to customers across Australia and New Zealand, with particular focus on the liquid, solid and hazardous waste management markets. Their wide network of operations includes collection operations, transfer stations, waste to energy sites, composting facilities, and recycling plants.

As such, they have the ability to tailor their services to meet the needs of Council and provide a wide range of services aligned to the requirements of integrated total waste management and facility management services.

WSN Environmental Solutions offered financial benefits to undertake the filling and stabilisation of the quarry as a landfill operation.

The type of fill material proposed in WSN's submission is for a Class 2 landfill operation. It should be noted that Class 2 materials include dry general waste (materials that do not organically decompose) such as household junk, furniture, glass, metal, plastics, timber and other non-putrescible material.

WSN proposes to minimise leachate generation by using dry waste only to fill the quarry void by ensuring that the landfill is highly engineered with bunding, contours, cover systems and drainage, to prevent water penetrating the landfill. Stormwater flows will be diverted away from the landfill area to further minimise leachate generation.

WSN indicated that they would recover as much of this material as possible for recycling, and no timber would be placed into the landfill. They will establish a resource recovery operation within the Crusher Area to ensure that valuable resources are extracted from the waste stream prior to disposal. Materials such as plastics, timber, metals and organics will be removed for recycling.

The access arrangements proposed by WSN is a preference to utilise the existing Quarry Road and Dural Street. They acknowledged that the use of this access may impact on residences and businesses plus the additional vehicular traffic along Pacific Highway needs to be considered.

As such, alternative access requiring the extension of Coronation Street and Bridge Road has been outlined in WSN's proposal. It should be noted that the proposed extension of Coronation Street would require the relocation of the CWA building. WSN's proposal has made no financial commitment to fund the required access and relocation of the CWA building. As such, WSN expects Council to provide the required access and undertake the relocation of the CWA building.

It should be noted that WSN Environmental Solutions (formerly Waste Services NSW) is a NSW Government owned corporation that provides environmental and waste management services to the greater Sydney area and greater NSW. They have extensive experience in managing landfill construction, engineering and rehabilitation.

Geofill Services offered financial benefit. The funds will be used for site rehabilitation works.

Geofill's proposal indicated that quarry void will be filled with imported Virgin Excavated Natural Material (VENM) and weathered rock excavated from the re-benching of the quarry walls. Their proposal is to fill the quarry void with alternate layers of compacted VENM and weathered rock excavated on site.

Geofill Services Pty Limited is a company specifically established and structured to make a submission on the Hornsby Quarry and Environs EOI.

Geofill's proposal does not include removal of the existing water in the quarry void. It assumes that Council will undertake the removal of the quarry water prior to the site handover.

The facilities proposed in the quarry void when it has been filled include, rugby union field, tennis, netball and basketball courts, pavilions, amenities building, picnic shelters and residential chalets. It should be noted that their concept plan illustrates the recreational facilities outlined above, but needs further clarification on how they are funded and delivered.

Access proposed by Geofill is via Quarry Road and Bridge Road extension through the TAFE. Their proposal assumes that Council will be responsible for securing the Quarry Road access.

The fill option is considered the most fail safe option as the filling and stabilisation of the quarry walls reduces the steepness of the quarry walls and depth, and creation of a substantial area suitable for active recreation.

However, filling the quarry may take up to in the order of ten (10) years which could hamper other land use opportunities proposed for the site in the short to medium term. Filling the quarry also adds value to the entire site due in part to the increased useable land area which is capable of accommodating more of the land use opportunities proposed in the EOI submissions.

It should be noted that a Class 2 landfill operation would require the construction of a suitably engineered clay liner as well as sub-liner drainage and pumping system to manage groundwater infiltration and leachate. This detail was outlined in WSN's proposal.

Leachate is the liquid formed when water (from precipitation) soaks into and through a landfill, picking up a variety of suspended and dissolved materials from the fill material. However, it is a landfill by-product that can be managed.

It should be noted that the NSW Government Section 88 Waste Levy currently charge \$38.60 per tonne of waste material for landfill. Waste is only accepted for landfill in accordance with a valid EPA licence. It should be noted that the payment of the Section 88 Waste Levy is generally included into the landfill rate.

However, this option may encounter strong initial community objections due to the increased traffic movements in the area during land filling operation.

Alternatively, if it can be demonstrated that the Hornsby Quarry and Environs site is of State or regional significance, then Council have the option to pursue statutory approval under the State Environmental Planning Policy (Major Projects) 2005 – Schedule 1 – Part 3A Projects.

Under Schedule 1, Group 9 – Resource recovery or waste facilities (2) development for the purpose of waste transfer station in metropolitan areas of the Sydney region that handle more than 75,000 tonnes per year of waste or (3) development for the purpose of resource recovery or recycling facilities that handle more than 75,000 tonnes per year of a waste or have an investment value or more than \$30m.

Quarry Void Unfilled

The alternative option is to leave the quarry void unfilled. Proposals from Lend Lease Developments, AV Jennings, and Brian McKay and Mitchell Evans is to leave the quarry void as is and turn it into a water body for recreational use, and stabilise the quarry walls.

As this option leaves the quarry void unfilled but includes the works required to stabilise the quarry walls, it is envisaged that this would enable the site to be developed earlier and avoid community objections to the high traffic movements during the filling operation.

However, the proposals to create an aquatic recreational area with swimming pool adventure play area in the quarry void located near the top of the catchment may require further investigations. As such, maintaining the water quality suitable for swimming and other primary contact use may require mechanical and chemical means adding to the ongoing operational costs associated with maintaining the site.

Due to the steepness and depth of the quarry walls, the works associated with stabilisation of the quarry walls are considered to be more challenging compared to the filling option. As such, leaving the quarry void unfilled is considered to be higher risk when compared to the fill option.

This option may encounter strong initial community objections due to the reduction in public open space, as the required benching to stabilise the quarry walls will extend out further and the likely increase in noise during the quarry stabilisation activities on site.

It should be noted that if Council wishes to leave the quarry void unfilled, Council foregoes the opportunity to receive a significant financial offer from one of the three proponents interested in filling the quarry void and the potential to create approximately eight (8) hectares of additional space for recreational facilities.

Residential Development

Proposals submitted by AV Jennings and Lend Lease Developments outlined their concept masterplan to transform the site into predominantly low to mid-rise residential apartments with between 25 to 80 percent of the site retained for public open space and recreation.

The offers outlined by AV Jennings and Lend Lease are both financially attractive and warrant serious consideration by Council.

Both residential development proposals may encounter strong community objections due to the proposed low to high-rise residential development and the potential reduction in public open space.

However, both AV Jennings and Lend Lease have expressed a willingness to work closely with Council to deliver a high quality master planned residential development that caters for a mix of land uses including passive and active open spaces, and recreational facilities.

From a planning perspective, if the development option is pursued, the site will need to be reclassified from public open space to operational land. Amend planning controls currently within Hornsby Local Environment Plan (LEP) 1994 to rezone the site appropriately. This could be done concurrently with Council's preparation of the draft comprehensive LEP.

A site specific Development Control Plan (DCP) will need to be prepared to set the development standards in conjunction with the preparation of a draft Masterplan.

Alternatively, if it can be demonstrated that the Hornsby Quarry and Environs site is of State or regional significance, then Council have the option to pursue statutory approval under the State Environmental Planning Policy (Major Projects) 2005 – Schedule 1 – Part 3A Projects.

Reference is made in that Schedule in Group 5 – Residential, commercial or retail projects, which states that development for the purpose of residential, commercial or retail projects with a capital investment value of more than \$50 million that the Minister determines are important in achieving State or regional planning objectives.

It should be noted that if Council elects to reject both AV Jennings and Lend Lease's offer at the EOI phase and abandon the selective tender phase, it is likely that both these organisations would be reluctant to participate in bidding for this project in the future.

It is also likely that Council's credibility in the business and development community would be adversely affected.

Valad Property Group a publicly listed corporation also made a submission to undertake a residential development for the whole site. Their submission provided very little detail.

Private School

The **Pacific Hills Christian School** submitted an EOI proposal for a 1,000 student private school to be located in Part 2 Eastern Area. An area of approximately 7 hectares is required for the proposed school including car parking.

No offer has been made but outright purchase or long term lease for the parcel of land was proposed. The School indicated that they will negotiate a purchase price with Council.

It should be noted that details regarding the provision of infrastructure services such as road access, water, sewer and power to service the site have not been addressed.

As the provision of infrastructure services such as road access, water, sewer and power to service the site requires significant expenditure up front, it is considered unlikely that the Pacific Hills Christian School's submission will be financially viable as a stand alone project.

The proposed private school's preferred location in Part 2 Eastern Area will affect the financial viability of AV Jennings and Lend Lease's proposals.

The private school proposal may encounter some community objections as its preferred location competes with other land use proposals.

Church

The **Community Church Hornsby** submitted a proposal to build a Worship Centre that includes 1,500 seat auditorium, 500 seat theatre, café, and function rooms. An area of approximately 1.5 to 3 hectares is required for the proposed facilities and additional 3 hectares for the proposed public gardens.

The Church made an offer to purchase a serviced land parcel for the proposed Worship Centre.

The provision of infrastructure services such as road access, water, sewer and power to service the site requires the commitment of significant expenditure up front. As the offer is for a serviced site, the Church is relying on the servicing being done by either Council or third party.

The Church's indicative offer for a serviced site is considered to be an unreasonable offer compared to offers by AV Jennings and Lend Lease, which included the provision of infrastructure services to the site and stabilising the quarry void.

The proposed Worship Centre's preferred location in Part 2 Eastern Area or Part 3 Crusher Area will affect the financial viability of AV Jennings and Lend Lease's proposals.

This Church proposal may encounter some community objections as its preferred location also competes with other land use proposals.

Combined Church and Private School

The **Community Church Hornsby and Pacific Hills Christian School** also made a joint EOI submission that combined both their individual proposals together in Part 2 Eastern Area. An area of approximately 8.5 to 10 hectares is required for this joint proposal including car parking.

It should be noted that details regarding the provision of infrastructure services such as road access, water, sewer and power to service the site have not been addressed.

The proposed combined church and private school's preferred location in Part 2 Eastern Area will affect the financial viability of AV Jennings and Lend Lease's proposals.

This combined church and private school proposal may encounter community objections as its preferred location also competes with other land use proposals.



Active Recreation

The **Ku-ring-gai & District Soccer Association and Northern Metropolitan Cricket Council** made a joint submission for the provision of two (2) soccer fields and a cricket pitch located in Part 2 Eastern Area as shown in Council's 1998 draft Plan of Management for the site.

The capital and maintenance costs associated with provision of the proposed recreation facilities is to be borne by Council.

It should be noted that locating the proposed soccer fields and cricket pitch in Part 2 Eastern Area will affect the financial viability of AV Jennings and Lend Lease's proposals.

Public Open Space

The **Hornsby Conservation Society's** submission seeks to retain most of the site for public open space with very limited development opportunity proposed for Parts 2 Eastern Area and 3 Crusher Area.

The proposed area available for residential development is likely to be too small to be considered financially viable by AV Jennings and Lend Lease Developments.

Diatreme

The submission from **Dr Frederick Lin Sutherland** to produce an educational and promotional geo-brochure of the Hornsby Quarry diatrema has merits. This proposal should be considered separately outside the EOI process.

11.0 PROPOSED LAND USE OPTIONS

Based on the proposed land use opportunities outlined above and competing interests for Part 2 Eastern Area, it is considered prudent to outline three (3) possible land use options in order to consider their community, social and financial implications.

Option 1 – Maximise Financial Returns

The highest possible financial returns could be achieved by a combination of proposals, such as, filling the quarry void by one proponent and another proponent undertaking a master planned residential development.

The development footprint is relatively small with approximately eighty (80) percent of the site to remain public open space and recreation area.

Some of the proceeds could be used to fund the provision of active recreation facilities such as soccer fields, cricket pitches, amenities buildings and car parking facilities including embellishment of the open space area.

Surplus funds would be available to deliver other social and community facilities in the Hornsby Local Government area.

Option 2 – No Financial Returns

If the entire site is to remain open space and recreation, there is still the need to undertake works to ensure the quarry void and its surrounds are stabilised and made safe.

It is anticipated that additional funding of \$10m to \$15m would be required to provide open space and recreational facilities within the site. As such, Council would be required to outlay approximately \$20m to make the site safe and possibly another \$15m to embellish the site to provide public open space and recreational facilities to the community.

If funds are not available to undertake the works outlined above, the site would remain in its present state inaccessible for public use and the opportunity to unlock the site's potential remains unrealised.

Option 3 – Considered Financial Returns

By adopting a master planned approach for the entire 40.5 hectare site, it may be possible to incorporate other land use opportunities submitted by proponents in their EOI submissions.

One approach would be to take Option 1 and investigate the possibility to incorporate into the master planning process the inclusion of a private school site, community church centre site, and passive and active recreation facilities.

The two (2) sporting fields and cricket pitch could easily be accommodated on top of the filled quarry void and there should be ample space available for parking and amenities facilities. Sections of the stabilised quarry walls could be incorporated into a viewing area for spectators.

There is the possibility for parts of the site to be sold off for a private school and community church generating additional revenue for Council.

The heritage listed Diatreme and Higgins Family Cemetery including any interpretive initiatives considered appropriate for the site could be included into the draft masterplan. This approach adds a further dimension to the site in terms of a stronger social and community presence.

12.0 RECOMMENDATION

Based on the evaluation undertaken by APP Corporation, it is recommended that:

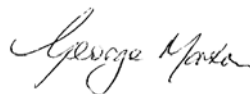
1. If Council wishes to consider options that include land filling the quarry void, it is recommended that Geofill Services, Transpacific Industries Group and WSN Environmental Solutions be short listed and be invited to participate in a selective tender to undertake the landfill operation and quarry wall stabilisation works;
2. If Council wishes to progress a whole of site approach, it is also recommended that AV Jennings Development and Lend Lease Developments be short listed by Council to participate in a separate selective tender to work closely with any successful landfill operator and Council to develop a masterplan for the entire 40.5 hectare Hornsby Quarry and Environs site;
3. It is recommended that the proposed geo-brochure of the diatreme should be considered by Council separately as an educational and promotional initiative.

Reviewed & Endorsed By:

APP Corporation



Michael Wong
Project Manager
Date: 8 May 2008



George Marton
Director – Property Transactions
Date: 8 May 2008



APPENDIX 1 EVALUATION PLAN

A.0 HORNSBY QUARRY AND ENVIRONS EXPRESSIONS OF INTEREST EVALUATION PLAN

This Evaluation Plan outlines the methodology adopted by APP Corporation to assess the Expressions of Interest (EOI) submissions received for the Hornsby Quarry and Environs site.

The evaluation methodology adopted by APP is in accordance with Assessment Criteria adopted by Council on the 19 December 07. Copies of the Assessment Criteria for Hornsby Quarry and Environs EOI have been issued to interested proponents who have received a copy of the EOI document.

A summary of Council's Assessment Criteria are outlined below:

Criteria	Description
1	Social Asset (Open Space, Heritage, Recreation and Cultural)
2	Protection of Environment
3	Funding
4	Design / Best Practice
5	Safety and Access
6	Proposed Delivery / Staging and Demonstrating Capability
7	Ownership and Ongoing Management
8	Connectivity Internal and External

Council's Assessment Criteria have been listed in order of priority. However, a weighting has not been assigned to each individual Criterion.

It should be noted that Council's Assessment Criteria have been developed to evaluate the whole site comprising Parts 1 to 5 collectively. As proponents are allowed to make a submission for one or several parts of the site, the evaluation of individual parts of the site using the Assessment Criteria that has been developed for the whole site may result in fragmented land use rather than an integrated and cohesive one.

As such, APP will use its best endeavours to evaluate the individual parcels using Council's adopted Criteria to ensure that collectively, the proposed land use is consistent with Council's Assessment Criteria for the whole site.

APP will undertake an initial evaluation of the EOI submissions by adopting a three stage evaluation process. In the first stage, APP will evaluate all the EOI submissions that are for the individual parts of the site.

The second stage will involve the evaluation of submissions for the entire site. However, to keep the assessment consistent and provide a basis for comparison, the evaluation will be done on a part by part basis.

The third stage will involve the selection of the best proposals from stages 1 and 2, and integrate them into an overall land use proposal that best complies with Council's Assessment Criteria for the whole site.

From the initial assessment, APP may be required to seek further clarification from proponents. As such, it may be necessary to seek clarifications from proponents on a case by case basis. Any clarifications if necessary will be documented and in writing.

To add rigour and consistency to APP's evaluation of the EOI submissions will be in accordance with Council's Assessment Criteria. A full copy of Council's adopted Assessment Criteria is outlined below to provide guidance to the evaluation.

**HORNSBY QUARRY AND ENVIRONS –
CRITERIA FOR THE EVALUATION OF EXPRESSIONS OF INTEREST**

1. SOCIAL ASSET (OPEN SPACE, HERITAGE, RECREATION, CULTURAL)

The proposal should address the value and need for open space, the value and need for recreation spaces, protection of heritage value - natural and built, and contribution to the cultural fabric of Hornsby.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Maximise a range of public benefits available to Shire residents;
2. Demonstrate a community benefit socially, economically and environmentally;
3. Maximise opportunities for future active and passive recreational use;
4. Preserve and promote the heritage and archaeological qualities of the site; and
5. Capitalise on the tourism attributes of the site including heritage and archaeological qualities and proximity to the Great North Walk.

2. PROTECTION OF ENVIRONMENT

The proposal should address a range of environmental issues including fauna and flora, noise, traffic, scenic value, water quality, etc. The proposal should minimise the impact on the amenity of neighbours.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Demonstrate a community benefit socially, economically and environmentally;
2. Demonstrate compatibility with land capability and protect environmentally sensitive portions of the site;
3. Incorporate design measures to minimise impacts on downstream receiving waters;
4. Ensure that surface waters are protected from pollutants;
5. Ensure that there is no deterioration in the quality of the groundwater;
6. Protect natural vegetation with significant ecological values;
7. Eradicate and continually suppress weeds on the site;
8. Incorporate procedures to monitor local road conditions for maintenance and repair;
9. Minimise the impact on the amenity of the neighbourhood (local and extended);
10. Maintain the quality and amenity of open space in accordance with SEPP19;
11. Ensure that noise generation complies with EPA guidelines;
12. Address capacity constraints in the surrounding road network that arise from the proposed design solution;
13. Ensure that any impacts on air quality comply with EPA guidelines; and
14. Protect scenic quality in accordance with SREP 20 and SEPP 19.

3. FUNDING

The proposal should minimise the cost to ratepayers and/or provide a financial benefit to the Shire.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Demonstrate a community benefit socially, economically and environmentally;
2. Provide a financial benefit to assist funding improvements to the Hornsby Quarry and Environs lands;
3. Demonstrate ways of funding that minimise cost to Shire ratepayers;
4. Provide funds to facilitate public use of the Hornsby Quarry and Environs lands; and
5. Demonstrate that there will be no adverse economic and amenity impacts on the Hornsby Town Centre west side.

4. DESIGN/BEST PRACTICE

The proposal should demonstrate innovation in concept and design, both in development and ongoing management, and how well it addresses and balances the social, economic and environmental imperatives.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Demonstrate innovation and best practice in design solutions in a Triple Bottom Line approach for the various land parcels;
2. Incorporate measures to prevent noise impacts on surrounding land uses;
3. Incorporate measures to prevent dust impacts on surrounding land uses;
4. Demonstrate innovation and best practice in energy and water conservation initiatives utilising water on site to best advantage;
5. Incorporate design measures to minimise and manage bushfire risk;
6. Preserve the visual attributes and qualities of the site;
7. Incorporate mitigation and management measures to reduce visual impacts;
8. Demonstrate compatibility with surrounding land uses; and
9. Demonstrate innovation and best practice in urban design outcomes.

5. SAFETY AND ACCESS

The proposal should facilitate safe public access and use of the site.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Ensure stabilisation of the Quarry pit and adjacent lands;
2. Ensure public access to the site; and
3. Balance public use with environmental values and public safety.

6. PROPOSED DELIVERY/STAGING AND DEMONSTRATING CAPABILITY

The proposal should demonstrate its ability to be implemented and the capacity of the proponent to deliver the proposed outcomes.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Demonstrate the financial capability of the proponent;
2. Demonstrate a commitment by, and capability of, the proponent to deliver the project in a timely manner; and
3. Provide a timetable for the delivery of community benefits.

7. OWNERSHIP and ONGOING MANAGEMENT

The proposal should address the future ownership of the site (both public and private) and how ownership(s) would be integrated and managed.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Demonstrate sustainable asset management principles and consideration of whole of asset life issues;
2. Provide the opportunity to leverage off the proposal for the future benefit of the Shire; and
3. Demonstrate the extent to which public ownership will be preserved.

8. CONNECTIVITY – INTERNAL – EXTERNAL

The proposal should address the integration and connectivity of the various components of the site. The proposal should also address the integration and connectivity of the site with the Hornsby area.

In evaluating compliance with this criterion, Council will give consideration to how the proposal will:

1. Maximise public access to the site and connections with the Hornsby Town Centre and regional bushwalks;
2. Incorporate legible public pedestrian and cycle networks within the site to connect proposed land uses and facilitate public access to view items of heritage and archaeological significance;
3. Facilitate the provision of infrastructure for public access, recreational and community facilities, and additional parking for patrons of the pool and visitors to the Hornsby Town Centre;
4. Demonstrate compatibility with the established road system;
5. Address capacity constraints in the surrounding road network that arise from the proposed design solution;
6. Facilitate access to public transport services within the Hornsby Town Centre; and
7. Provide appropriate means of traffic control and access to the site.

If the criterion is considered applicable for a particular land parcel identified in the EOI, (Parts 1 to 5) a score of 0 to 10 will be assigned to indicate how well the submission has met the criterion.

Criteria Ratings

10	Excellent	All requirements are covered in an outstanding manner
8	Very Good	Requirements are fully covered in all aspects
6	Good	Requirements are adequately covered
4	Average	Adequate, however with some deficiencies which are not likely to have significant adverse effect on the project
2	Fair	Barely adequate and would need improvement if selected
0	Unacceptable	Unacceptable and ruled out of further consideration

When the applicable criteria have been assigned a score based on the above rating methodology, their scores will be added to provide a total score.

The total score will be used to rank each EOI submission. The ranking of 1 signify the most preferred and the higher number signify the least preferred. APP will ensure that the evaluation is consistent and merit based.

APP will present the evaluation of the EOI submissions to Council in the form of a concise report with recommendations to be considered by Council.

To safeguard the Privacy, Confidentiality and Intellectual Property associated with the submissions, APP will arrange for a secured lockable room during the evaluation phase. The secured room will be located at APP's Head Office, 53 Berry Street at North Sydney. The evaluation of the submissions will only be conducted inside the secured room where the documents are kept.

Only personnel involved in the Hornsby Quarry and Environs EOI will have access into the secured room and this applies to both Council and APP personnel.

A register will be kept to record details of personnel entering and leaving the secured room where the Hornsby Quarry and Environs EOI submissions are kept. The APP personnel nominated to undertake the evaluation of the EOI submissions on behalf of Council is Michael Wong and George Marton.

Michael Wong of APP will be responsible for securing the room where the Hornsby Quarry and Environs EOI submissions are kept and he will also be responsible for keeping the register recording details of personnel given access to the EOI submissions.

Anyone involved in the evaluation of the EOI submissions must sign a Pecuniary Interest Declaration before he or she is allowed access to the EOI submissions documents.

On completion of the EOI process, all materials associated with APP's management of the EOI process will be returned to Council.