

# Strategic Property Matter

**ITEM 8.2** 05/03/2019  
**The Committee**

**Program Contact:**  
Tom McCready, AD Property  
8203 7313

2018/02324

Confidential - s 90(3) (b) & (d) commercial advantage/prejudice commercial position of council/commercial information of a confidential nature

**Approving Officer:**  
Ian Hill, Director Growth

## EXECUTIVE SUMMARY:

In October 2018, the City of Adelaide launched the Eighty Eight O'Connell Development Expression of Interest (EOI) with submissions sought from qualified and experienced developers/consortia (local, national and international) to unlock the potential of the site for an innovative mixed-use development in line with Council's Guiding Principles. The EOI was supported by an extensive marketing campaign.

The EOI closed on 30 November 2017 with six (6) submissions received prior to the closing time.

EOI submissions were assessed by an independent Evaluation Panel with oversight by a Probity Advisor to ensure fairness in the evaluation process. The Evaluation Panel came to a unanimous decision when assessing the six (6) submissions.

Council endorsement to the selection of the shortlisted proponents is now sought with shortlisted proponents to be invited by the City of Adelaide to participate in a Stage 2 Request for Detailed Proposals process.

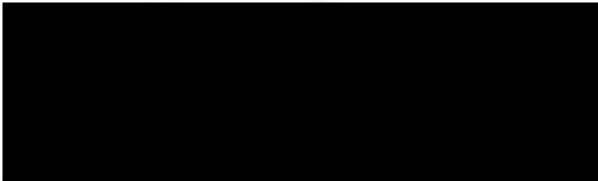

Consideration in confidence is sought because of the need to maintain competitive tension through the second phase (Request for Detailed Proposals), as such identifying the number of shortlisted proponents or the names of the proponents would disadvantage Council's commercial position in relation to finalising a deal for the property.

The Committee Chair will provide opportunity for this topic to be discussed prior to seeking a motion for a recommendation for Council.

## RECOMMENDATION:

### THAT THE COMMITTEE RECOMMENDS TO COUNCIL:

#### That Council:

- 1 Endorses the selection of the four (4) shortlisted Proponents from the Stage 1 Expression of Interest (EOI) as recommended by the Eighty Eight O'Connell Evaluation Panel:  

2. 
3. Authorises the City of Adelaide Chief Executive Officer to initiate the Stage 2 Request for Detailed Proposals process.

4. Notes that the Stage 2 Request for Detailed Proposals process will incorporate all of the fourteen (14) Guiding Principles as adopted by Council on 14 August 2018 and prior to the Stage 1 (Expression of Interest) phase as an advisory tool for proponents with an emphasis on the following principles, with the aim of inclusion of a civic or cultural outcome on the site:
    - 4.1. Attractor
    - 4.2. Identity
    - 4.3. Community Needs
  5. Notes that the Stage 2 Request for Detailed Proposal process will include a provision for Public Realm / Open Space to be returned to Council (valued at a specified rate) and separable components for Civic Spaces and Car Parking to be assessed by the Eighty Eight O'Connell Evaluation Panel, with recommendations for inclusion (or otherwise) to be referred to a Council Meeting at a later date.
  6. In accordance with Section 91(7) & (9) of the Local Government Act 1999 (SA) and because Item 8.2 [Strategic Property Matter] listed on the Agenda for the meeting of The Committee held on 5 March 2019 was received, discussed and considered in confidence pursuant to Section 90(3) (b) & (d) of the Local Government Act 1999 (SA), this meeting of The Committee do order that:
    - 6.1 the resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 5 March 2026;
    - 6.2 the confidentiality of the matter be reviewed in December 2020;
    - 6.3 the Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.
-



## IMPLICATIONS AND FINANCIALS:

City of Adelaide 2016-2020 Strategic Plan	<p>Strategic Alignment – Liveable</p> <p>Liveable – encourage growth in the full range of residential property development in a mixed-use environment in a manner that respects the demographics and different character of districts in the City</p> <p>Sustainable Growth – strengthen the City by growing the number of people living, working, playing and visiting in the City every day.</p> <p>Economic development and job creation – both in the short-term delivery and long-term as the development of the site (to be catalysed through the Council's acquisition and activation) stimulates further projects, new businesses, population and visitor growth, wealth creation and the strengthening of Adelaide's brand.</p>
Policy	<p>Council is operating within its Acquisition &amp; Disposal of Land and Infrastructure Assets Policy and associated Operating Guideline.</p> <p>The objective of the Policy is to develop a framework that supports sustainable decision-making processes including an objective analysis of the strategic, legal, financial, environmental and community benefit of an asset when considering the acquisition or disposal of land and other infrastructure assets.</p>
Consultation	<p>Community engagement has been carried out to hear the community's view on the short-term activation and long-term development of the site. A comprehensive report on that process has been compiled by URPS which was used to draft Guiding Principles in June 2018.</p> <p>A further period of community engagement was undertaken to determine the community's acceptance of the draft Guiding Principles and the outcomes of this process were covered in August 2018.</p>
Resource	A range of external and Internal resources are required to deliver the project.
Risk / Legal / Legislative	Community expectation in regard to development outcomes and timing – a delay in shortlisting proponents could affect the overall development timeframe.
Opportunities	The primary opportunity is to ensure that this key strategic site (vacant for a number of decades) is developed in a form appropriate to North Adelaide, reflecting the prominent central location and that this development is undertaken in a reasonable timeframe to accelerate investment and economic uplift.
18/19 Budget Allocation	\$830k - project planning and management, stakeholder consultation and engagement activities.
Proposed 19/20 Budget Allocation	To be determined as part of the Business Plan and Budget discussions.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not applicable at this time.
18/19 Budget Reconsideration (if applicable)	Nil
Ongoing Costs (eg maintenance cost)	Not applicable at this time
Other Funding Sources	Not applicable at this time

## **GROUND S AND BASIS FOR CONSIDERATION IN CONFIDENCE**

### **Grounds:**

Section 90(3) (b) & (d) of the Local Government Act 1999 (SA)

- (b) information the disclosure of which—
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest;
- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
  - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
  - (ii) would, on balance, be contrary to the public interest;

### **Basis:**

This Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting business, prejudice the commercial position of the council and prejudice the commercial position of the person who supplied the information and confer a commercial advantage on a third party.

The disclosure of information in this report could reasonably prejudice the commercial position and identity of the proponents who supplied 'commercial in confidence' material as part of Expressions of Interest (EOIs) for the site. This report contains reference to the number and identity of proponents and details evaluations of the EOIs by Council's Evaluation Panel, disclosure of which at this point in time may confer a commercial advantage on a third party, prejudice the ability for Council to undertake/participate in future discussion or negotiation and prejudice the Council's commercial position into the next phase of the project.

### **Public Interest:**

The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information will result in release of information which is 'commercial in confidence' including intellectual property relating to EOI submissions. The disclosure of such information may breach probity relating to the EOI process, provide an unfair advantage to certain proponents and may severely prejudice Council's ability to negotiate a proposal for the benefit of the Council and the community in this matter.

# DISCUSSION

## Background

1. The property, located at 88 O'Connell Street North Adelaide, has been vacant for decades and the subject of a range of community concerns due to the lack of activation, poor amenity and negative economic impact on the surrounding precinct.
2. The risks associated with the site not being developed, not being developed in a form suitable for the precinct or developed in a reasonable timeframe were considered high enough for Council to intervene in the market to ensure an appropriate development for the site is realised.
3. On 12 December 2017, Council resolved to proceed with the acquisition of 88 O'Connell Street North Adelaide. It was considered that the acquisition would assist in delivery of key aspects of its 2016-2020 Strategic Plan, namely;
  - 3.1. An accelerated development of the site would act as an enabler of further economic development and job creation, both in the short-term delivery and the long-term as the development stimulates further projects, new businesses, population growth and wealth creation.
  - 3.2. It would contribute to the Liveable theme by strengthening the City economy by growing the number of people living, working and visiting the City and by encouraging growth in the full range of residential property development in a mixed-use environment.
4. At the City of Adelaide Council Meeting held on 26 June 2018, Council authorised the Chief Executive Officer to initiate an Expression of Interest process, including procurement of a property agent.
5. Jones Lang LaSalle (JLL) was engaged to market the property and manage the Stage 1 EOI process on behalf of Council.
6. The aim of the EOI process was to invite the market to submit proposals for the acquisition and/or development of the site that meet the Guiding Principles approved by Council at the Council Meeting held on the 14 August 2018.
7. The EOI has been designed to follow a three (3) stage process:
  - 7.1. Stage 1 EOI (current phase) – comprised an open invitation to market and required proponents to outline their vision and how it aligns with the Guiding Principles as well as the proponent's capability, capacity and consortium credentials. A shortlist of proponents has been selected in accordance with the evaluation criteria presented to Council at the Council Meeting held on 14 August 2018. The shortlisted proponents are to be presented to Council (at this meeting).
  - 7.2. Stage 2 EOI/Select Tender –Subject to the Stage 1 outcomes, shortlisted proponents will be provided an opportunity to submit a tender and each will be engaged to progress to detailed proposals including design concepts and commercial offers. The commercial offers will be presented to Council, and if appropriate a recommendation on the preferred proponent(s).
  - 7.3. Stage 3 – Negotiation with Preferred Proponent(s) – Subject to Stage 2 outcomes, this will comprise extensive contract negotiations between Council and the developer/consortium to finalise and execute an agreement.
8. On 14 August 2018 Council considered the proposed structure for the EOI document to be released to market, noted the Needs Assessment for the site and Authorised the CEO to undertake an Expression of Interest process.

## EOI Marketing Campaign

9. The Eighty Eight O'Connell Development Stage 1 EOI was launched on 10 September 2018 at an event attended by developers, investors, consultants and stakeholders. The redevelopment opportunity was released by way of an extensive international marketing campaign via the City of Adelaide's appointed property advisor, JLL.
10. Key to the Stage 1 EOI release and international, national and local marketing campaign was the EOI Information Memorandum as provided here ([Link 1](#)).
11. The Information Memorandum was prepared with input from the Eighty Eight O'Connell Internal Reference Group setting out the EOI opportunity, evaluation criteria and associated process.
12. The Information Memorandum provided the call out for suitability qualified and experienced developers to secure an exceptional development outcome for Eighty Eight O'Connell.
13. The international marketing campaign as undertaken by JLL comprised:
  - 13.1. The market launch event.

- 13.2. Direct approaches to developers within JLL's property database and as interest is received from potential proponents, including face to face meetings with local, national and international developers.
- 13.3. An Electronic Mail Distribution notification to JLL's extensive global developer database (approximately 2,000 active purchasers).
- 13.4. Press advertising including The Advertiser and the Australian Financial Review, along with an editorial in The Advertiser.
- 13.5. Marketing brochures, websites, promotional videos, on-line listings, social media and editorials.

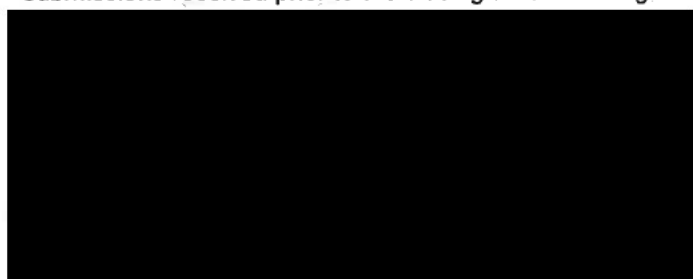
#### Evaluation Approach

- 14. The evaluation approach was set out within the project's Probity Plan as provided here ([Link 2](#)). The Probity Plan established an assessment methodology including probity considerations and was informed by the Eighty Eight O'Connell Project Reference Group with support by the City of Adelaide's Probity Advisor.
- 15. As part of the first Project Reference Group (PRG) meeting, an independent Evaluation Panel was established which included representation from both the Eighty Eight O'Connell PRG and the City of Adelaide. Evaluation Panel membership ensured representation across a range of disciplines including property development, design, governance and finance with individual membership comprising:
  - 15.1. Theo Maras, Chair Maras Group (Evaluation Panel Chair)
  - 15.2. Matt Davis, Director, Davis & Davis Architects
  - 15.3. Mark Booth, Director, BRM Holdich
  - 15.4. Jodie Van Deventer, CEO, Committee for Adelaide
  - 15.5. Chris Rae, Associate Director - Commercial
  - 15.6. Tom McCready, Associate Director - Property
- 16. The Evaluation Panel was supported by specialist advisors including JLL and the Probity Advisor to oversee the evaluation process.
- 17. Evaluation Panel Members were requested to declare any known conflict of interests in relation to any of the proponents prior to assessment.
- 18. The Evaluation Panel agreed on the following evaluation criteria weightings prior to the opening of EOI submissions:

Evaluation Criteria	Weighting
Capability and capacity to design, develop and deliver the Project	15
Alignment with Guiding Principles and the City of Adelaide Strategic Plan	25
Development intent and timeframe for delivery	20
Financial capacity and capability	10
Track record in commercial partnering	5
Commercial terms	25
<b>TOTAL</b>	<b>100</b>

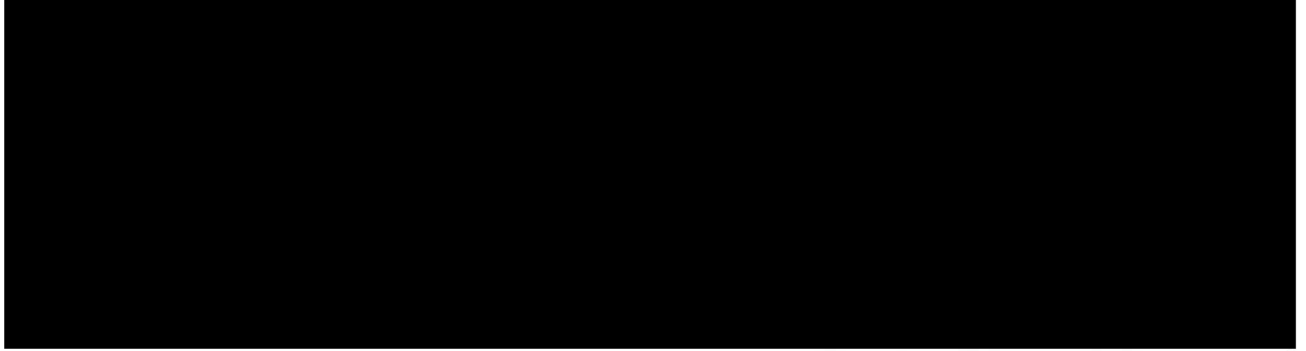
#### EOI Evaluation

- 19. The Expression of Interest closed at 5.00pm on 30 November 2018 (ACST) with a total of six (6) EOI submissions received prior to the closing time including:

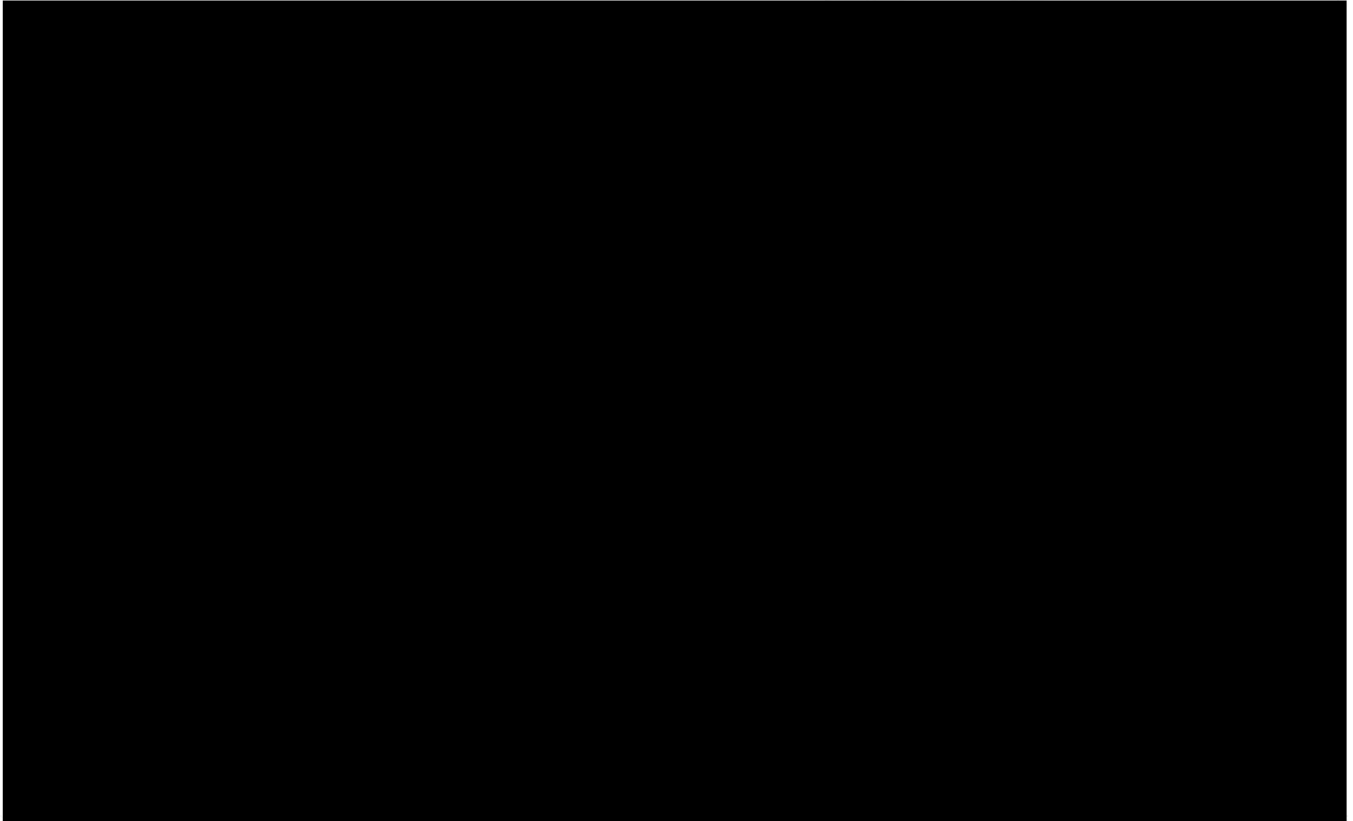



- 20. The above consortia teams comprised a mix of local, national and international organisations.

21. The Evaluation Panel assessed the EOI submissions received against the nominated evaluation criteria with the total scores (from highest to lowest ranked submissions) listed below:

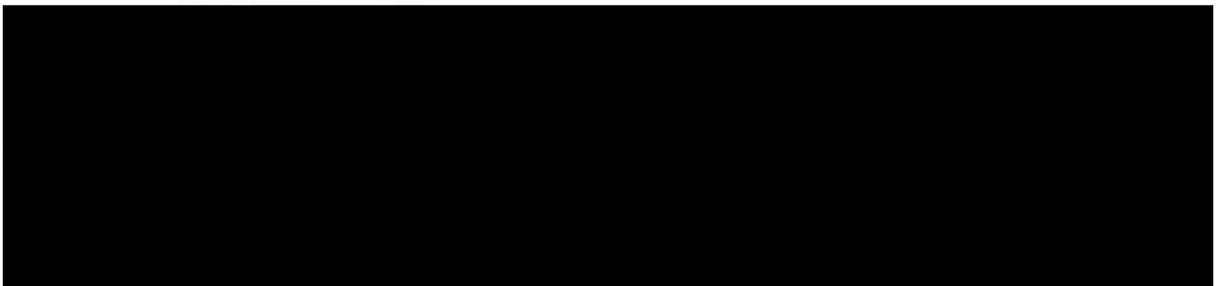


22.



23. The shortlisting of four (4) proponents and the scoring represents the unanimous view of the Evaluation Panel and is supported by the summary review undertaken by JLL as the City of Adelaide's property advisor, available here 
24. The report provides a summary of each EOI submission including their response to the evaluation criteria, supporting commentary and agreed Evaluation Panel scoring.

25.



26. Most proponents provided limited detail on the proposed commercial terms. However, many proponents provided options on this matter indicating an ability to be flexible on the commercial structure.
27. The variation in the level of detail offered was reflective of the nature of the EOI being the first stage in the procurement process. This has identified various clarifications which can be drawn out in the second stage of the process with shortlisted proponents to 'firm-up' their offer by way of the lodgement of a Stage 2 detailed development proposal.

28. The Project Reference Group supported the outcomes of the Evaluation Panel at its meeting held on 11 February 2019.

### **Special Committee Workshop**

29. A special Committee workshop was held on Saturday 23 February to discuss the shortlisting of the proponents and items for inclusion in the Request for Detailed Proposal.
30. As a result of this meeting, Elected Members:
- 30.1. Confirmed support for the endorsed Guiding Principles;
  - 30.2. Generally agreed that the development should provide a catalyst for O'Connell Street;
  - 30.3. Generally confirmed the importance of the principles relating to Attractor, Identity, and Community Needs as key influences in meeting the project objectives;
  - 30.4. Discussed a range of views regarding the nature of what would constitute an 'attractor', ranging from local services such as a supermarket to cultural facilities. There was general agreement that providing an attractive and desirable place with many reasons for people to visit is important;
  - 30.5. Recognised that cultural and community uses might be facilitated through activities and use of public realm or other spaces rather than dedicated cultural building;
  - 30.6. Reinforced the expectation of a financial return in line with Council's long-term financial plan;
  - 30.7. Highlighted the need to quantify or demonstrate the broader public-value of the non-financial aspects of proposals;
  - 30.8. Confirmed that it is neither preferable, nor possible at this point, to prescribe specific outcomes or preparedness to fund elements such as cultural / community facilities, public realm, or precinct carparking.
31. These views indicate that the Request for Detailed Proposal (RFDP) phase should:
- 31.1. Provide proponents with clarity regarding Council's preference for the attractor elements of the site, along with public realm and parking preferences;
  - 31.2. Promote an options-based approach to proposals with a base-case not relying on substantial take-out by Council;
  - 31.3. Utilise interactive design and commercial sessions during the bid process to provide progressive clarity about proposed approaches to key elements (attractor, public realm, parking) and financial structures;
  - 31.4. Allow for engagement with Elected Members to seek progressive clarity about their response to the emerging approaches.

### **Next Steps**

32. In accordance with the process set out within the Information Memorandum, proponents shortlisted from the Stage 1 EOI will be invited by the City of Adelaide to participate in a Stage 2 Request for Detailed Proposals (RFDPs) which may seek further detail on:
- 32.1. Evidence of commitments from proponents;
  - 32.2. Detailed design concepts with associated detailed delivery program;
  - 32.3. Funding strategy including capital sources;
  - 32.4. Response to the City of Adelaide's commercial principles and structure;
  - 32.5. Financial offer and terms with supporting financial models.
33. Feedback will be provided to all proponents following this Council decision in regard to their Expressions of Interest.
34. Stage 2 detailed proposals will be assessed by an independent Evaluation Panel with an external Probity Advisor to select a preferred proponent for the Eighty Eight O'Connell Development.

35. Indicative timing for the next steps in the Eighty Eight O'Connell Development are as follows:

Activities	Indicative Timeframes
<b>Stage 1 EOI</b>	
Notify shortlisted and unsuccessful proponents with associated feedback	March 2019
<b>Stage 2 EOI</b>	
Release RFDP to shortlisted proponents	March 2019
Closing for RFDP responses	Early June 2019
Selection of Preferred Development Partner	July 2018

36. In addition, a new Communications Plan and review of Community Engagement will be prepared as the project enters the next stage, noting the complexities associated with public communications throughout a confidential process.
37. On-going consultation and engagement with Elected Members will be provided throughout Stage 2, request for detailed proposal period.
38. Confidentiality will be maintained throughout engagement and the number and identity of the proponents (both shortlisted and not shortlisted) will not be divulged.

## ATTACHMENTS

Nil

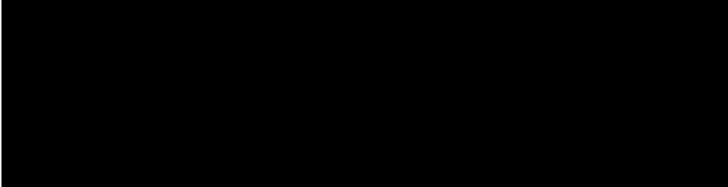
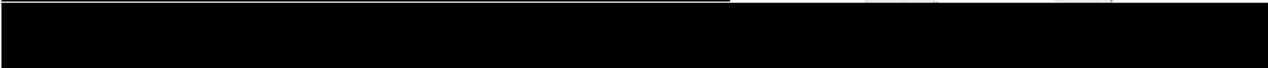
**8. Item 8.2 - Strategic Property Matter [2018/02324] [TC]**

Councillor Abiad (Deputy Lord Mayor) re-entered the Colonel Light Room at 7.27pm.

Item 8.2, distributed separately, was before Council Members.

**THAT THE COMMITTEE RECOMMENDS TO COUNCIL**

**That Council:**

1. Approves the selection of the four (4) shortlisted Proponents from the Stage 1 Expression of Interest (EOI) as recommended by the Eighty Eight O'Connell Evaluation Panel:  

2. 
3. Authorises the City of Adelaide Chief Executive Officer to initiate the Stage 2 Request for Detailed Proposals process.
4. Notes that the Stage 2 Request for Detailed Proposals process will incorporate all of the fourteen (14) Guiding Principles as adopted by Council on 14 August 2018 and prior to the Stage 1 (Expression of Interest) phase as an advisory tool for proponents with an emphasis on the following principles, with the aim of inclusion of a civic or cultural outcome on the site:
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  - 6.3 the Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

Item 8.2, distributed separately to the Agenda is attached for reference below.





# Eighty Eight O'CONNELL

INFORMATION MEMORANDUM











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Eighty  
Eight  
O'CONNELL

## Welcome

### Mark Goldstone - CEO

Thank you for taking an interest in one of Australia's most desired locations.

The City of Adelaide is consistently rated as one of the world's most liveable cities. It is a place purposefully designed for life, with North Adelaide having an integral connection with the CBD. An inspiring city, enriching the lives of its community.

Eighty Eight O'Connell has been identified by Council as a key enabling site that has the potential to enhance the vibrancy of one of the city's premier main street destinations; O'Connell Street.

Following years of inactivity, Council acquired this strategically important site with the aim of facilitating an inspiring development that reflects community needs, while achieving renewal in a timely manner.

With this purpose in mind, Eighty-Eight O'Connell provides significant potential to create an exciting destination for the city.

The City of Adelaide is seeking the expertise, passion and creativity of the wider development community to deliver an outstanding and ingenious mixed use development.

Situated in the heart of historic North Adelaide, a suburb surrounded by the Adelaide Park Lands, home to decades of important heritage architecture and stylish residences, beautiful tree lined streets and civic squares, North Adelaide provides its residents with an enviable and diverse lifestyle.

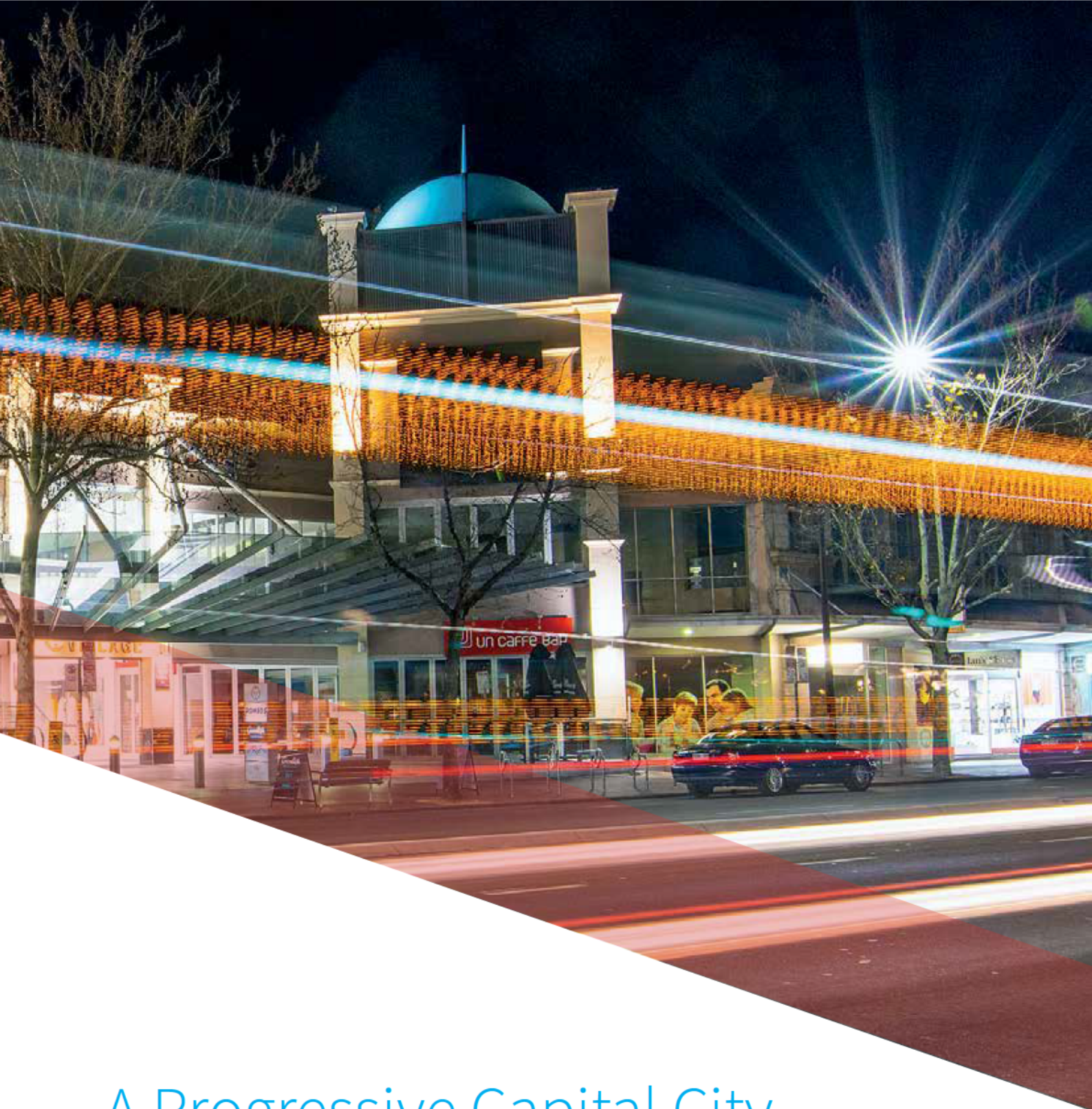
O'Connell Street is one of the key activity hubs that supports this lifestyle, through a mix of retail and business offerings, exciting dining venues and entertainment options.

The City of Adelaide welcomes a development on this site that will be a go to destination for both the North Adelaide community and the wider population of metropolitan Adelaide. A holistic view of the development across the site through curated tenancies and other uses, that is in line with the key destination element, is desired for the site.

Council looks forward to receiving your expression of interest for this prime capital city project which is key to the continued vitality of the O'Connell Street precinct, North Adelaide and the city.







# A Progressive Capital City

Adelaide, South Australia's capital city is one of the top 10 most liveable cities in the world, as consistently rated by The Economist. It is also a city with a bold ambition to achieve more. Adelaide is renowned for its arts, festivals, music, sport, universities, an enviable climate, abundant local produce and Park Lands. As the capital city of South Australia,

the City of Adelaide is a city of unique experiences with a population of 1.3 million across greater metropolitan Adelaide.

The City of Adelaide has clearly defined goals to build on its reputation as a Smart, Green, Liveable and Creative City that thrives on social and commercial innovation. The City of Adelaide

has a global reputation for sustainability and digital technology. It is a city with goals for carbon neutrality and a fibre optic data network with unrivalled speed, bandwidth and security.

Adelaide is a city that is embracing the future and Eighty Eight O'Connell is an opportunity to share in the city's liveability and prosperity.



# Introduction

Eighty Eight O'Connell represents a high profile site, owned by the City of Adelaide. The site is located on the main street of North Adelaide and has had a long history of inaction, having been vacant for nearly 30 years. The site presents an opportunity for the City of Adelaide to facilitate a development that takes into account the needs of the community, provides timely development across the site and contributes to the O'Connell Street precinct.

Following extensive community consultation, the City of Adelaide has appointed JLL to undertake

an international marketing campaign seeking expressions of interest from suitably qualified and experienced developers interested in driving the complete development of the site in accordance with the Guiding Principles.

In line with the City of Adelaide's Strategic Plan, the development must be smart, green, liveable and offer a creative dimension as a destination. In attracting people to support the vitality of the O'Connell Street precinct, the developed site will provide excellent amenity and activation,

with a strong public realm element. Innovative approaches to providing community services and facilities, as well as emerging technologies are encouraged.

The City of Adelaide, North Adelaide residents and businesses, as well as the wider Adelaide and South Australian community, is very keen to ensure an innovative and exemplary development outcome is achieved. Timeliness of delivery will be important with ultimate success of the development defined by a place that residents, locals and tourists alike are drawn to as a destination.







# Investment Highlights

- Catalyst freehold island site of 7,560sqm\* with an extensive frontage to the O'Connell Street retail and dining precinct bordered by Archer, Tynte and Centenary Streets, consisting of 28 allotments on 27 Certificates of Title
- Situated on one of Adelaide's premier 'high streets', just minutes from the Adelaide CBD in the heart of the highly prosperous suburb of North Adelaide and less than 1km to the iconic Adelaide Oval
- Main Street Zoning focusing on retailing, commercial, entertainment, and community activities, restaurants, cafés and tourist accommodation with the opportunity for integrated development to facilitate an increase in the residential population
- Development to provide a mix of complementary uses to meet the needs of an evolving residential and business community and the broader South Australian community, through a mid-rise development with a variety of buildings creating activity and interest in the public realm, with high-quality street frontages and active ground level uses to enhance O'Connell Street
- Investment in one of the world's most liveable cities; benefiting from major developments exceeding \$100 billion<sup>^</sup> in growth sectors such as urban development, medical infrastructure, defence, agriculture and food

\*approximately ^Source: Data SA



# The Opportunity

A landholding in the heart of North Adelaide, Eighty Eight O'Connell, provides significant development potential to create a destination for the city. This will be a major new driver of urban activity within the O'Connell Street precinct, and a key contributor to the identity of the North Adelaide community.

A diverse range of mixed uses can be considered for this signature site including:

- o tourist accommodation
- o active retail





- o commercial
- o community
- o residential
- o retirement living and aged care accommodation

This innovative development will be defined by exceptional architecture, urban design, high quality landscape, vibrant public art, sustainable building solutions and engaging place making.







## EOI Invitation

The City of Adelaide is excited to launch a process to secure an exceptional development outcome for Eighty Eight O'Connell. The City is seeking the expertise, passion and creativity of the development industry to deliver an outstanding and innovative mixed-use development outcome. Eighty Eight O'Connell is being formally offered via International Expressions of Interest closing on Friday 30 November 2018 at 4 pm Australian Central Standard Daylight Time (ACDT). Qualified groups are invited to submit Expressions of Interest (EOI) to develop this high-profile site.

For further information, please contact exclusive agents JLL.

Jamie Guerra  
Managing Director  
South Australia  
0418 849 780  
[jamie.guerra@ap.jll.com](mailto:jamie.guerra@ap.jll.com)

Roger Klem  
National Director  
Sales & Investments, SA  
0423 919 373  
[roger.klem@ap.jll.com](mailto:roger.klem@ap.jll.com)

Tom Bailey  
Executive  
Sales & Investments, SA  
0407 607 266  
[tom.bailey@ap.jll.com](mailto:tom.bailey@ap.jll.com)

Jones Lang LaSalle (SA) Pty Ltd  
GPO Box 1535  
Level 18, 25 Grenfell Street  
Adelaide SA 5000

RLA 1842



# A State of Growth

South Australia opens the door as a gateway for Australia. From an economic perspective, South Australia has extensive trade and export networks and is linked to fast-growing Chinese, Indian and other Asian economies.

For investors and business, South Australia offers an economy benefiting from other recent major developments exceeding \$100 billion<sup>^</sup> in growth sectors. These key sectors include urban development, infrastructure, defence, agriculture and food, aquaculture, health, biotechnology, mining and water management. This project pipeline

is fuelling continued growth in the state's economy. It also reflects a transformation to new economies and industries supporting innovation and entrepreneurship.

The state's world-class education system is producing a flexible and skilled workforce who will be the future leaders in a range of disciplines including research and development. International students are attracted to this education system, with more than 35,000 international students enrolled in universities, education institutions and schools in Adelaide, a number that is experiencing continual growth.

In July 2018, the South Australian Tourism Commission announced that South Australia's international tourism exceeded one billion dollars. A record 475,000 international visits to the State in the year ending March 2018, drove up expenditure by 10 percent to \$1.2 billion – ahead of the national growth rate of 7 per cent<sup>^</sup>. To the year ending March 2018, a record number of visitors have been recorded from China. Visitors from this country were also the biggest spenders, contributing \$415 million to the economy overall and an average of \$6,109<sup>^</sup> per visitor.

<sup>^</sup>Source: Data SA

**\$6.7**  
billion

TOURISM SPEND  
(March 2018)

**5**  
UK  
NZ  
US  
GERMANY  
CHINA

TOP 5 TOURIST  
COUNTRY OF ORIGIN  
(2013-14)

**475**  
thousand

INTERNATIONAL  
VISITORS (March 2018)

**\$22.5**  
billion

RETAIL SALES (April 2017)  
SOURCE ABS



**1.3m**

METRO POPULATION



**1.84m**

FORECAST POPULATION 2-27



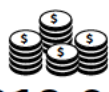
**313,000**

DAILY VISITORS TO THE CBD



**10 mins**

DRIVE FROM CITY CENTRE  
TO ADELAIDE AIRPORT



**\$18.09**  
billion

CITY ECONOMY



**86,000**

TERTIARY STUDENTS



**50+**

CITY HOTELS AND  
ACCOMMODATION



**7,000+**

HOTEL ROOMS IN THE CBD



**10th**  
MOST LIVEABLE CITY  
IN THE WORLD



# Why Invest

The City of Adelaide has an enviable reputation that reflects a diverse and innovative economy, underpinned by significant investment from local and state governments.



As part of the City of Adelaide's 'Smart City' agenda, the Ten Gigabit Adelaide Network will provide an 'interconnect hub', a new global fibre network and cloud-based data centre, to deliver lightning-fast 10Gb/s internet speeds. Once in place, it will enable businesses, institutions, governments, researchers and entrepreneurs to tap into the network is a revolutionary high-speed, high-performance fibre optic data network that is being rolled out to commercial buildings across the city. The network will enable businesses and organisations to access a range of cloud-based services and phenomenal 10Gbps data

speeds. This critical infrastructure will unleash a wide range of new possibilities for businesses and organisations and will be rolled out along the main commercial strips in North Adelaide..

## Globally Recognised Food & Wine

Forming a vital part of the state's economy, SA's food and wine industries are its largest international exporter.

Total overseas exports of food and wine increased by \$419 million to reach \$5.64 billion\* in 2016-17, with food and wine exports now accounting for 49% of total merchandise exports (up from 45% in 2015-16).

\*PIRSA

## Tourist Hotspot

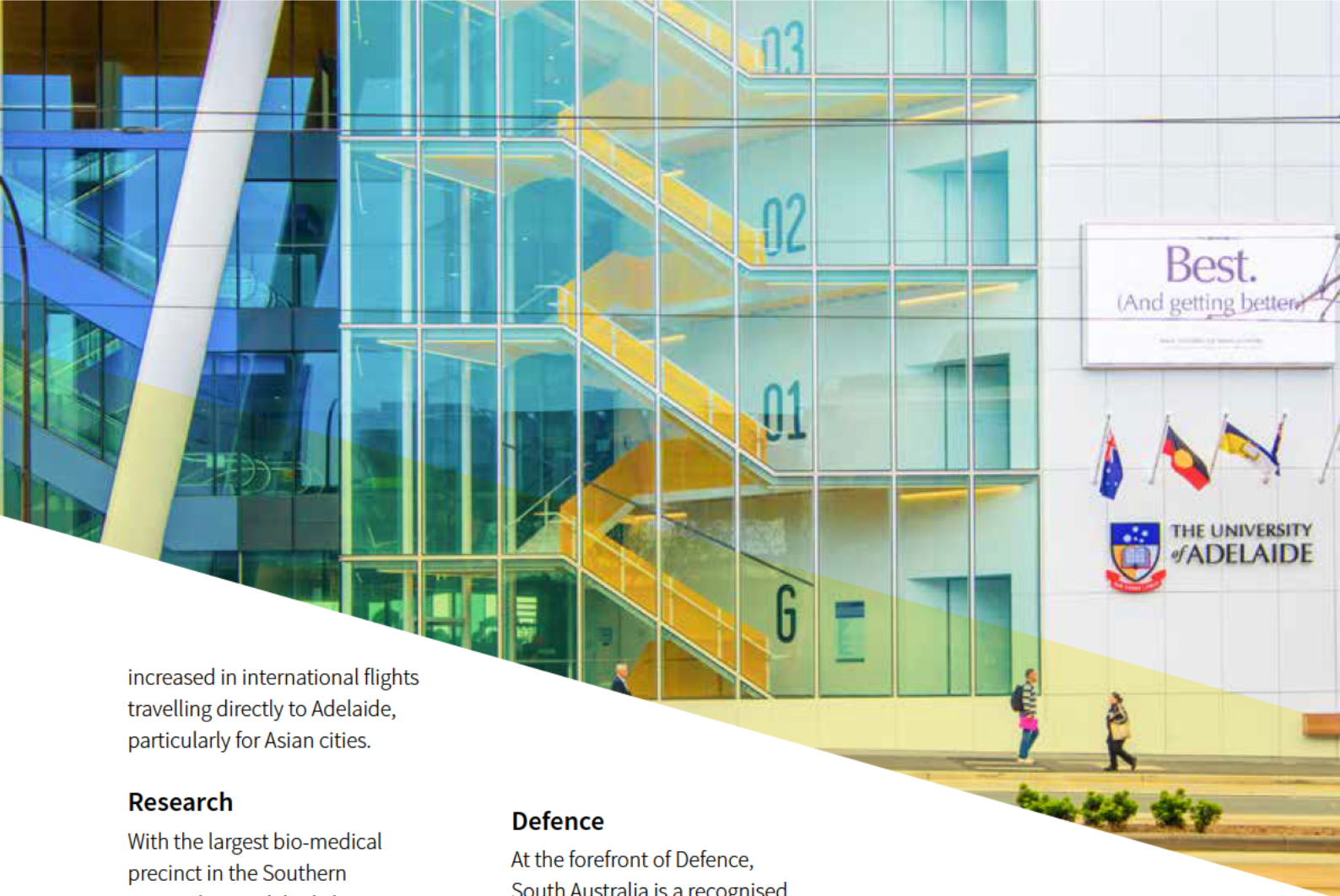
International visitor numbers to South Australia have increased 9 per cent and visitor nights have increased 4 per cent on the year to March 2018. International visitors have accounted for approximately 18 per cent of total expenditure. This growth has been aided by the



Picture: French Navy







increased in international flights travelling directly to Adelaide, particularly for Asian cities.

### Research

With the largest bio-medical precinct in the Southern Hemisphere, Adelaide has cutting-edge capabilities and capacity to advance health-related industries, including commercialising research and development.

### Renewable Energy

Australia's renewable energy resources are among the best globally with South Australia at the forefront of the shift towards a low emission economy. Showing exponential growth in the renewable energy sector, SA now holds approximately 35 per cent of the nation's installed wind capacity. The City of Adelaide is also an international leader in environmental change and is striving to be the world's first carbon neutral city.

### Leaders in Agriculture

Agriculture, food, wine and forestry are South Australia's most significant industries worth over \$19.7 billion\* annually.

\*AgInsights

### Defence

At the forefront of Defence, South Australia is a recognised defence technology agglomeration economy, attracting a substantial proportion of global and Australian technology firms associated with the defence industry. With significant national defence spending, including the \$50 billion Future Submarines Program, South Australia is attracting the best and brightest minds in the country.

### Unique Aquaculture

South Australia is home to the most diverse range of aquaculture in Australia with over 80 per cent of the marine life in SA not found anywhere else on Earth. South Australia's aquaculture industry is supported by low costs of production, world-leading research and development and strong policy and regulatory environment.

### Strength in Mining

South Australia is internationally recognised for its wealth of mineral resources hosted in diverse mineral

provinces which are prospective for a broad range of mineralisation styles and exploration models.

The state hosts the majority of Australia's resources of copper, uranium, graphite, and significant resources of gold, silver, zircon, iron ore (Geoscience Australia 2018), and other industrial minerals and construction materials.

### International Education

Globally respected universities and quality education providers combined with an enviable lifestyle are attracting growing numbers of international students to South Australia. With six universities – four with campuses in the city centre – there is an abundance of choice with regard to subjects, range of courses and degrees. The city also offers an extensive Vocational Education and Training as well as highly regarded primary and secondary schools.





## Location

North Adelaide is a thriving commercial, cultural and residential neighbourhood, located north of the River Torrens, within the City of Adelaide boundaries. The suburb, with its rich historical, social, architectural and cultural heritage, comprises two main commercial hubs, centred around O'Connell Street and Melbourne Street respectively. Each street has its own unique character and blend of retail, hospitality and professional services providers, as well as established and vibrant residential communities.

Eighty Eight O'Connell is in the heart of North Adelaide, 2km from the CBD and walking distance to the River Torrens and Adelaide Park Lands. O'Connell Street is a major thoroughfare linking the city through North Adelaide and on to Adelaide's northern suburbs.

O'Connell Street has over 200 retail shops and an atmosphere of bustling sophistication, just around the corner from some of Adelaide's most beautiful and historic residences. The street is also home to a cinema complex and provides a choice of over 40 food outlets,

from casual cafés and English-style pubs to trendy restaurants, as well as easy access to a supermarket and other amenities. It is renowned for being one of the city's best lifestyle precincts with boutique offices, stylish residences, landscaped squares and parklands.

The precinct is less than 1km from Adelaide Oval, which has recently been transformed into a world-class sporting and cultural precinct through a \$610M redevelopment that has contributed to the revitalisation of North Adelaide and the Adelaide CBD.





City  
light  
CONNELL

Since 2005, Adelaide has been expanding its tram network, which now extends from the City's best known metropolitan coastal tourism destination, Glenelg, through the CBD to the Entertainment Centre, with an eastern spur along North Terrace due for imminent completion. Free throughout the CBD, the tram brings people within easy access of Rundle Mall, Adelaide Oval, Adelaide Entertainment Centre, Bowden Village, University of South Australia, the Health and Biomedical Precinct and the new

Royal Adelaide Hospital. The City of Adelaide is highly supportive of a proposed State Government plan to expand this tram network north along King William Street, through North Adelaide and on towards O'Connell Street.

O'Connell Street's central North Adelaide location is also exceptionally well serviced by Adelaide's high-quality cycling and pedestrian infrastructure, making this location the fifth most walkable in metropolitan Adelaide. The City of Adelaide's has recently

invested in the North-South 'active' cross-city link, a \$15m upgrade that creates a pedestrian and cycling route from North Adelaide, the Adelaide Oval and the Riverbank Precinct to the Adelaide Central Market and through to South Terrace.

This spectacular location offers one of the City's best residential lifestyle precincts. It offers potential for exceptional views with extensive frontage to the O'Connell Street retail precinct with quality retailers and restaurants.





Eighty  
Eight  
O'CONNELL

O'CONNELL STREET

# Property Overview

## Site Details

Site Area	7,560sqm*
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### Frontages

O'Connell Street	129.40 metres*
Tynte Street	58.32 metres*
Archer Street	58.23 metres*
Centenary Street	129.50 metres*

## Town Planning

LGA	City of Adelaide
Zoning	Main Street (O'Connell) Zone

\*Approximately



# Development Potential

This is a high profile and prominent site that demands a bold and considered design response. Once developed, it will have commanding views towards the Adelaide CBD and Adelaide Hills beyond. It is a highly desirable location for living and visiting.

The ultimate vision is for a development of high-quality architectural built-form that fully realises the many attributes displayed by this site.

As a destination in itself and as an attractor of visitors to the O'Connell Street precinct, the development will provide a legacy to future generations and the community. The size of the site, some 7,560sqm\* provides a capacity for a medium density mixed use development that provides a strong contribution to O'Connell Street. Equally, the development will need to complement the scale and character of surrounding historical places throughout North Adelaide.

The O'Connell Street site presents an opportunity to realise the City of Adelaide's sustainable, liveable city goals through the built form

outcomes. Eighty Eight O'Connell has the potential to showcase best practice aspects for new buildings in materials, energy and water use, sustainable mobility, health & wellbeing, greening, and climate change resilience to provide an inspiring and desirable place to live, play and work.

An innovative development outcome is sought which will include a unique and vibrant mix of land uses that may include retail, dining, entertainment, commercial, medical, cultural and civic elements. The scale of site allows for public realm aspects to be delivered that can be integrated with an internal arrangement of private and public spaces for the enjoyment of residents and visitors alike.



# Development Vision

The following provides an overview of the City of Adelaide's agreed principles for the Eighty Eight O'Connell development. Proponents should have regard to this information in their EOI Responses as outlined in the Evaluation Criteria at section 2.2 and Response Forms in the data room. Proponents will be requested to submit further detail in relation to the delivery of the development in subsequent stages of the Competitive Bid Process.

## Guiding Principles

The following guiding principles address specific expectations or deliverables that the City of Adelaide is seeking through the development process.

### Strategy

Development must be smart, green, liveable and creative, exemplifying and helping to achieve the City of Adelaide 2016-2020 Strategic Plan.

### Attractor

Create a destination and attract people to support the vitality of the O'Connell Street precinct. Provide sufficient intensity of activity and various reasons for people to visit, stay and spend time during the day and night.

### Community needs

Provide a mix of complementary uses to meet the needs of an evolving residential and business community. Innovative approaches to providing community services and facilities, as well as emerging technologies are encouraged.

### Place

Create a great place for people, defined by exceptional architecture, urban design, landscape, public art, and engaging place-making.

### Amenity

Provide excellent amenity for new residents and maintain and improve the amenity of neighbouring properties. Potential impacts such as traffic, noise, overshadowing, must be addressed through site configuration and appropriate built form.

### Built form + context

Respond sensitively to the urban context, respecting and matching the scale and qualities of adjacent heritage places and the predominantly 2-storey O'Connell Street streetscape. A mid-rise development with a variety of buildings of up to nominally 8 storeys is preferred, with any high rise elements set back at least 12 metres from the street frontages.

### Activation

Create activity and interest in the public realm, with high-quality street frontages and active ground level uses. Multiple small-format retail tenancies and other public uses should enliven primary street frontages and new public spaces, while predominantly residential frontages should address Centenary Street.

### Housing diversity

Provide a significant amount of well-designed housing for a diverse range of people. Innovative housing models and a variety of housing types and tenures are encouraged.

### Identity

Create an interesting and distinctive place with multiple owners, partners and/or operators providing a variety of high-quality, cultural, artisanal, and boutique offerings.

### Public realm

Enhance the O'Connell Street public realm and provide additional generous high-quality open space for the enjoyment of the community. The public realm should be integrated and provide safe and attractive pedestrian connections.

### Parking

Incorporate predominantly underground car-parking to support local business, residents and events, in a way that does not dominate the site or detract from street frontages.

### Sustainable mobility

Promote sustainable mobility through integration with public transport, and the incorporation of measures such as car-share and cycling facilities.

### Sustainability

Exemplify environmental sustainability, including high-performing buildings, smart technology, and the incorporation of extensive planting and green infrastructure.

### Delivery

Provide a well-planned and timely outcome with early delivery of public amenity.









# Planning Regulations

North Adelaide is part of Colonel Light's original plan for the City of Adelaide. The historic character of North Adelaide provides strong cultural and historical evidence of the creation of the colony, the establishment and consolidation of early settlement and the subsequent development of South Australia's capital city over time.

The site is located within the Main Street (O'Connell) Zone of the Adelaide (City) Development Plan. This is a 'catalyst site' by virtue of the site area exceeding 1,500sqm. The desired character statement for the Main Street (O'Connell) Zone provides some narrative in respect to the manner in which catalyst sites may be developed.

Catalyst sites provide opportunities for integrated developments to assist in the transformation of a locality. Such developments will facilitate an increase in the residential population of the City, while also activating the public realm and creating a vibrant main street feel. A range of land uses will be provided that add to the range of local employment opportunities and the availability of service and shopping facilities within the main street.

Developments on catalyst sites will exemplify quality and contemporary design that is generally greater in intensity than their surroundings. However, development will be designed to

carefully manage the interface with sensitive uses in the North Adelaide Historic (Conservation) Zone, particularly with regard to massing, proportions, overshadowing, and traffic and noise related impacts.

While a more intensive form of development is provided for, the Development Plan acknowledges the need to manage the interface with 'sensitive uses' in the adjoining North Adelaide Historic (Conservation) Zone and the Guiding Principles govern the intensity of use expected by the Council from this site.

## 1. Competitive Bid Process

### 1.1 Competitive Bid Process Overview

The Competitive Bid Process (the Process) is proposed to be conducted in two stages, as outlined below.

The City of Adelaide reserves the right to alter the proposed Process including by suspending or terminating the Process, changing the nature of, or varying stages in the Process. This Information Memorandum is specifically related to the EOI Stage in the Process.

Through the Process, Proponents are to demonstrate how they best meet the Guiding Principles and Evaluation Criteria, including having requisite development experience, financial capacity and ability to deliver the Project in a timely manner.

### 1.2 Stage 1: Expression of Interest (EOI)

Interested groups will need to pre-qualify their interest with the Marketing Agent, JLL. Following pre-qualification including execution of the Acceptance and Confidentiality Deed, Proponents will be provided access to the Online Data Room and Due Diligence Documents.

Proponents should familiarise themselves with the Site to the extent necessary to present an EOI in accordance with this Information Memorandum.

Following EOI Closing Time, an Evaluation Panel will assess the submissions in accordance with the Evaluation Criteria and Process to establish a shortlist of suitable proponents to move forward to the RFDP Stage of the Process.

#### Acceptance and Confidentiality Deed

As part of the EOI Stage, Proponents are required to execute the Acceptance and Confidentiality Deed prior to obtaining access to the Online Data Room and Due Diligence Documents in accordance with section 3.5 of this Information Memorandum.

### 1.3 Stage 2: Request for Detailed Proposal (RFDP)

Subject to the City of Adelaide's approval, Shortlisted Proponents will be invited to proceed to the RFDP Stage, during which a detailed proposal will be requested which responds in more detail to identified Guiding Principles.

In this regard, it is intended that the RFDP Stage of the Process will seek detailed offers from Proponents consisting of but not limited to detailed design, financial and legal components proposed to deliver the Project.

Shortlisted Proponents who are invited to participate in the RFDP Stage, will be provided with further detail about the City of Adelaide's preferred structuring of the transaction, including the commercial principles and terms and conditions for the Project.

As guidance, it is proposed that the RFDP will request Shortlisted Proponents to provide further detail on matters including but not limited to:

- evidence of commitments from the Shortlisted Proponent, its consortia and other key parties (such as contractors and financiers) to the Project and the proposed roles and responsibilities;
- detailed design concept and materials, including more substantially resolved architectural plans for the proposed development works;
- detailed development and delivery program;
- funding strategy, including details and documentation of capital sources;
- agreement to the City of Adelaide's provided draft Contractual Documentation, including any specified departures from the terms;
- the financial offer, including proposed payment terms; and
- feasibility / financial models.

It is intended that there will be structured interaction between the City of Adelaide (including their representatives and advisors) and Shortlisted Proponents during the RFDP Stage of the Process. This may take the form of a number of technical and commercial clarification sessions where Shortlisted Proponents will be provided with the opportunity to discuss their proposed approach to the delivery of the Project and commercial or contractual issues.

Full details of the requirements of the RFDP Stage of the Process will be provided to Shortlisted Proponents in the RFDP Stage.



## 1.4 Indicative timeline

An indicative timeline for the Process is outlined below.

Timeframes provided are indicative only and subject to change. The exact timing of future stages in the Process may be reviewed by the City of Adelaide at the completion of the EOI Stage. Full details of the timetable for the RFDP Stage will be set out in the RFDP.

Activity	Indicative Timing
Stage 1: Invitation for Expressions of Interest	
Closing date and time for EOIs – EOI Closing Time	4 pm ACDT, 30 November 2018
Clarification to submitting Proponents	December 2019
Notification to Shortlisted Proponents	February 2019
Stage 2: Request for Detailed Proposal	
Release of RFDP to Shortlisted Proponents	March 2019
Briefings and interactive workshops	March & April 2019
Closing date for RFDP Responses	May 2019
Evaluation/clarification of RFDP Responses and commercial negotiations	Q3 2019
Contractual Close with Preferred Proponent.	Q4 2019

## 1.5 Enquiries and Terms and Conditions

Proponents are to direct any questions about the Process in writing to the Property Agent Representative Jamie Guerra at [jamie.guerra@ap.jll.com](mailto:jamie.guerra@ap.jll.com) in accordance with section 3 of this Information Memorandum.

Attention is drawn to the 'Conditions applying to the Competitive Bid Process' set out in section 4 of this Information Memorandum.

### Interpretation

Capitalised terms used in this Information Memorandum are defined in the Glossary, at section 5 of this document.

## 1.6 Probity Advisor

The City of Adelaide has engaged a Probity Advisor for the duration of the Process. The Probity Advisor's role will include:

- ensuring that the procedure adopted in the receipt and evaluation of EOIs is fair and equitable;
- to monitor the evaluation process and to provide independent validation of this to the City of Adelaide;
- providing guidance to the City of Adelaide as to how probity issues can be resolved; and
- monitoring communications with the Proponents during the period between issue of this Information Memorandum and announcement of the Preferred Proponent and signing of Contract Documentation.

The Probity Advisor is an independent observer of the evaluation process and will not be involved in the evaluation of the EOIs or the RFDP Responses.

Proponents who have any concerns about the conduct or probity of the Process should promptly bring their concerns to the attention of the Probity Advisor. The Probity Advisor's contact details are:

Brenton Ellery, Consultant, Nexia Edwards Marshall  
Phone +61 08 8139 1105  
Email [bellery@nexiaem.com.au](mailto:bellery@nexiaem.com.au)

## 1.7 City of Adelaide Engaged Advisors

The City of Adelaide has engaged a number of external advisors to assist in the Process.

For the purposes of preparing EOIs, Proponents are not to contact or engage the services of the City of Adelaide Advisors listed below, without the prior written approval of the City of Adelaide.

City of Adelaide Advisors

Stage Advisors	
Role	Firm
Legal	Norman Waterhouse (Phase 1 EOI)
Probity Advice	Nexia Edwards Marshall
Commercial Advice	Jones Lang LaSalle (JLL)
Marketing Services and Transaction Management	Jones Lang LaSalle (JLL)

## 2. Evaluation

### 2.1 Evaluation Process

The evaluation of each EOI will be conducted by the City of Adelaide within an established probity framework and based on the Evaluation Criteria outlined below. Specialist advisers may provide support and advice to the City of Adelaide in evaluating the EOIs.

The evaluation will involve a review by the City of Adelaide of each EOI to:

- confirm that the Proponent has provided satisfactory information relating to the information requirements detailed in the Response Forms available from data room; and
- assess each EOI against the Evaluation Criteria.

### 2.2 Evaluation Criteria

The Evaluation Criteria that the City of Adelaide will use to evaluate the EOIs are outlined below.

Further information on how Proponents should respond to criteria is included in Guiding Principles and detailed in the Response Forms available from the data room:

Evaluation Criteria	
1. Capability and capacity to design, develop and deliver the Project	<p>Demonstrated experience, capability and capacity in the development of recent projects of a similar nature, scale and complexity to the Project.</p> <p>This includes an overview of the experience of the Proponent in relation to the below. Projects completed in the last 10 years are preferred.</p> <p>Provide the following details:</p> <ul style="list-style-type: none"> <li>○ nominated project completion value</li> <li>○ start and completion date</li> <li>○ location</li> <li>○ reference to any award winning projects (or project elements) if applicable, to further demonstrate track record</li> </ul> <p>of recent developments that delivered:</p> <ul style="list-style-type: none"> <li>○ high quality and unique mixed use projects with a key destination element, commensurate with an 'urban village', 'town centre' or 'high street' outcome</li> <li>○ innovative and diverse housing product</li> <li>○ innovative high quality commercial and office spaces, co-working spaces or medical and consulting rooms</li> <li>○ leading outcomes in sustainable design and construction</li> <li>○ mixed use projects, including high quality public realm and civic spaces</li> </ul> <p>In addition, provide an organisational structure for the nominated project delivery team, including architectural and lead consultant firms.</p>
2. Alignment with Guiding Principles and the City of Adelaide Strategic Plan	<p>Demonstrated understanding of and ability to deliver on the Guiding Principles. An individual response addressing each of the principles is required</p> <p>Show alignment and understanding of the City of Adelaide's Strategic Plan (<a href="https://www.cityofadelaide.com.au/your-council/strategic-corporate-planning/strategic-plan/">https://www.cityofadelaide.com.au/your-council/strategic-corporate-planning/strategic-plan/</a>), including the four themes:</p> <ul style="list-style-type: none"> <li>○ Smart</li> <li>○ Green</li> <li>○ Liveable</li> <li>○ Creative</li> </ul>

Evaluation Criteria	
3. Development intent and timeframe for delivery	<p>a) Development intent, including:</p> <ul style="list-style-type: none"> <li>○ An indicative curated tenancy mix, civic and other elements that will drive the site as an appealing destination with a competitive point of difference (tenancy types are sufficient)</li> <li>○ The provision of concept scheme(s) highlighting an indicative spatial layout of key uses (detailed architectural plans are not required)</li> </ul> <p>b) Timeframe for Delivery:</p> <ul style="list-style-type: none"> <li>○ An indicative delivery and staging plan, which demonstrates a clear strategy to prioritise early activation of public amenity</li> <li>○ A demonstration of the ability to deliver the Project in a timely manner; and</li> <li>○ An outline of the strategy for how the Council, local community and stakeholders will continue to be engaged to maintain strong support for the project.</li> </ul>
4. Financial capacity and capability	<p>Demonstrated financial strength, capacity and capability to successfully meet all of the obligations, responsibilities and liabilities associated with funding and delivering a development of the magnitude and scope proposed for the Project.</p> <p>Include letters of confirmed support and form of commitment from all parties to the project.</p>
5. Track record in commercial partnering	<p>Demonstrated experience in collaborative partnering arrangements with landowners for comparable projects/transactions. EOI responses should include a summary of three (3) example projects/transactions for key metrics including:</p> <ul style="list-style-type: none"> <li>○ project profile</li> <li>○ end value</li> <li>○ key dates of deal/project delivery</li> <li>○ completion status</li> <li>○ development partners, and</li> <li>○ the deal structure adopted.</li> </ul>
6. Commercial terms	<p>Provide an indicative commercial offer that optimises value from the Site (may include staged or structured payments).</p> <p>Innovative commercial structures are able to be nominated.</p> <p>An outline of the proponent's preferred commercial structure (e.g. staged payments, sharing in sale proceeds or profits) including quantification of indicative returns to the City of Adelaide. Offers may be presented as a value range with appropriate qualifiers and limitations.</p>

The Evaluation Criteria listed are not exhaustive, they are not in any order of importance, and it is not to be presumed that they will be given equal weight.



### 2.3 Variations and Clarifications

The City of Adelaide reserves the right (at its absolute discretion) to:

- vary or amend the Evaluation Criteria at any time;
- take into account any information from its own or other sources in evaluating EOIs;
- accept or reject any EOI at any time irrespective of the extent to which it satisfies any of the Evaluation Criteria;
- give preference to any one or more Evaluation Criteria over another; and
- make requests of one or more of the Proponents for clarification of any aspect of its EOI, however, Proponents should not rely on being invited to make further submissions prior to the City of Adelaide's evaluation of EOIs being finalised.

## 3. Lodgement & Enquiries

### 3.1 Acceptance and Confidentiality Deed

Any Recipient wishing to submit an EOI must complete the Acceptance and Confidentiality Deed.

Where a Recipient is comprised of one or more entities, each of the Participants must sign an Acceptance and Confidentiality Deed.

Acceptance and Confidentiality Deeds must be returned via email [jamie.guerra@ap.jll.com](mailto:jamie.guerra@ap.jll.com) and marked attention to:

#### **Property Agent Representative**

Jamie Guerra  
Managing Director  
South Australia  
Phone: +61 418 849 780  
Email: [jamie.guerra@ap.jll.com](mailto:jamie.guerra@ap.jll.com)

### 3.2 EOI Information Required

The response forms contained in the online data room outline the information requirements that Proponents are to address in their EOI submissions.

Responses which do not address all of the items in the response forms may be disregarded by the City of Adelaide at its absolute discretion.

### 3.3 Lodging of EOI documents

Expressions of Interest documents must:

- include fully completed response forms, in accordance with the Response Forms in the data room; and
- include (or reference earlier delivery of) all necessary Acceptance and Confidentiality Deed/s.

Expressions of Interest must be received no later than 4pm Australian Central Standard Time (ACDT) on 30 November 2018 via email to JLL at [88\\_OCon.gymmf0se0cgvyypax@u.box.com](mailto:88_OCon.gymmf0se0cgvyypax@u.box.com).

The City of Adelaide reserves its right, in its absolute discretion, to accept or reject any EOI lodged after the EOI Closing Time.

### 3.4 Questions and Clarifications

Any questions or requests in respect of the Project or Competitive Bid Process must be directed to the Property Agent Representative, provided the Proponent has executed and delivered to the Acceptance and Confidentiality Deed. Questions, requests for clarification and requests for further information must be submitted by email only to the Property Agent Representative at: [jamie.guerra@ap.jll.com](mailto:jamie.guerra@ap.jll.com)

Proponents should clearly identify each question, request for clarification or request for further information.

Responses to any questions or requests will be posted in the Online Data Room. Where a Proponent is of the view that their question or request is not general in nature but relates to proprietary aspects of their EOI, the Proponent may identify that question as such (and must do so at the time of submitting the question). If the Property Agent Representative agrees that a question or request relates to the proprietary aspects of the Proponents EOI, the response will not be posted in the Online Data Room.

If, however, the Property Agent Representative is of the view that the question or request is not proprietary, the Property Agent Representative will advise the relevant Proponent, who will then have the option to withdraw the question or request.

If the Proponent continues to request a response to that question or request, the question and the response will be posted in the Online Data Room.

The closing date for questions, requests for clarification and requests for further information is 4 pm (ADST), 30 October 2018.

(Proponents should note this is not the EOI Closing Time).

The City of Adelaide may, in its absolute discretion, refuse to respond to any questions, requests for clarification and requests for further information submitted. All information disclosed as part of the question and answer process will constitute Disclosed Documents and will be subject to the provisions of the Acceptance and Confidentiality Deed.

### 3.5 Due Diligence Investigations and Online Data Room

The onus is on each Proponent to complete its own enquiries, investigations and analysis of the Site prior to submitting their EOI.

To assist Proponents, the City of Adelaide has assembled some documents, data and other information about the Site (being, the Due Diligence Documents). This information is posted in the Online Data Room.

Only upon the City of Adelaide's verification of a Proponent's submitted Acceptance and Confidentiality Deed (in accordance with section 3.1 of this document) will Proponents be granted access to the Online Data Room.

The Online Data Room exists to provide a secured site (accessible by login only) for posting the Due Diligence Documents, updates and addenda relevant to the Competitive Bid Process and questions and requests (and City of Adelaide's responses) as set out in section 1 of this document.

All information disclosed in the Online Data Room constitutes Disclosed Documents and is subject to the terms and conditions set out in the Acceptance and Confidentiality Deed.

## 4. Conditions applying to the Competitive Bid Process

### 4.1 Order of Precedence / Definition

- 4.1.1.2 The parties agree that in the event of any discrepancy or inconsistency between the terms of these conditions or the EOI invitation that the terms of these conditions will prevail.
- 4.1.1.3 In these conditions the term "EOI Submission" includes all documents submitted by the Proponent as part of the Competitive Bid Process.

### 4.2 Proponent's Warranties

The Proponent warrants to the City of Adelaide that in presenting any EOI Submission that:

- 4.2.1 the Proponent has the necessary skills, knowledge and experience to develop and deliver the Project as outlined in the EOI Submission; and
- 4.2.2 the Proponent has fully informed itself of all facts, and conditions of all things relating to the EOI invitation and the requirements of the Project.

### 4.3 Copyright and Intellectual Property

The Proponent grants an irrevocable license to the City of Adelaide or its representative to reproduce and use the whole or any portion of any EOI Submission for any purpose related to the Project despite any copyright or other intellectual property right that may subsist in the EOI Submission.

### 4.4 No obligation to accept any EOI Submission

There is no obligation on the City of Adelaide to choose or select any EOI Submission and the City of Adelaide may at its sole discretion determine not to proceed with the Project or this EOI invitation before or after the receipt of any EOI Submissions.

### 4.5 Conflict Of Interest

A Proponent must identify any actual or potential conflict of interest in their EOI Submission.

### 4.6 Further Information

- 4.6.1 The City of Adelaide reserves the right in its absolute discretion at any time to seek clarification or additional information orally or in writing from a Proponent within a timeframe nominated by the City of Adelaide. The Proponent will respond promptly (and in not more than seven days) to any request from the City of Adelaide.
- 4.6.2 The City of Adelaide may in its absolute discretion:
  - 4.6.2.1 provide additional information to all Proponents; and
  - 4.6.2.2 make enquiries of any person, company or organisation to ascertain information regarding the Proponent and/or its EOI Submission.

#### 4.7 Recipients/Proponents to conduct own enquiries

- 4.7.1 All information and statements set out in the Competitive Bid Process Documents are provided in good faith but the Proponent should not rely on them as statements or representations of fact, but must satisfy themselves by inspection or other enquiry as to the correctness and completeness of all such information and/or statements.
- 4.7.2 The Proponent is required to have satisfied themselves as to specific conditions associated with the Project and obtain such other particulars as may be required. The Proponent has no claim on grounds of insufficient information being made available to them.
- 4.7.3 The Proponent is required to make all investigations at their own expense as they consider necessary in connection with the EOI Submission.

#### 4.8 Costs borne by Proponents

All costs and expenses incurred by the Proponent in any way associated with the consideration of the Competitive Bid Process and any EOI Submission including but not limited to attendance at meetings, or providing any additional information requested/required by the City of Adelaide will be borne entirely and exclusively by the Proponent.

#### 4.9 Right to amend or discontinue the process

The City of Adelaide reserves the right in its absolute discretion at any time to:

- 4.9.1 vary, amend or discontinue the Competitive Bid Process; and
- 4.9.2 change the scope of the Project or vary the nature of the Project,

and the Proponent shall not be entitled to any claim, action or demand against the City of Adelaide in respect thereof.

#### 4.10 Right to extend closing time

The City of Adelaide reserves the right to extend any timeframe nominated in the Competitive Bid Process by notifying all Proponents of the extended date in writing or by email or by the Project web site at least one business day prior to the lapse of the nominated timeframe.

#### 4.11 Late and non-conforming lodgements of submissions

An EOI Submission lodged after any nominated timeframe:

- 4.11.1 will be deemed to be late;
- 4.11.2 will be opened separately and registered separately; and
- 4.11.3 may be admitted and considered by the City of Adelaide in the Competitive Bid Process in the absolute discretion of the City of Adelaide.

Non-conforming EOI Submissions may or may not be considered by the Evaluation Panel in its discretion. Any non-conforming submission must be submitted in conjunction with a fully conforming submission.

#### 4.12 No obligation

No legal or other obligation other than those associated with this Competitive Bid Process shall arise between a Proponent and the City of Adelaide unless and until formal legally binding documentation has been signed by the Proponent and the City of Adelaide. The City of Adelaide is not obliged to proceed with the Project (or part thereof) described in this EOI Invitation, nor is the City of Adelaide obliged to proceed with any EOI Submission or any Proponent. The City of Adelaide may in its absolute discretion elect to continue the Project with a party other than one of the Proponents. No compensation will be payable by the City of Adelaide to the Proponent and no claim may be made by the Proponent against the City of Adelaide should the City of Adelaide elect not to proceed with any EOI Submission or any Proponent, or decide not to proceed further with the Project.

#### 4.13 Negotiation of terms of an agreement

The City of Adelaide may in its absolute discretion negotiate with any one or more Proponent or any other person who is not a Proponent to the exclusion of any other Proponent or other person at any time during the Competitive Bid Process.

#### 4.14 News releases

The Proponent is not permitted to make any announcement or publish any information regarding the Competitive Bid Process or the Project without the prior written approval of the City of Adelaide. This includes publishing via social media, internet or other electronic media.

#### 4.15 Confidentiality

- 4.15.1 All information provided by the City of Adelaide (or its agents), other than information in the public domain without any breach of confidence, shall be treated as confidential.
- 4.15.2 The Proponent will ensure that no person receiving such City of Adelaide confidential information may use, copy or disclose any of it to any person except for the purpose of preparing an EOI Submission and in that case only to the extent that the person requires the information for that purpose. Before so disclosing any information, the Proponent shall inform the person to whom it proposes to disclose the information that the information is confidential and, both as principal and as disclosed agent of the City of Adelaide, obtain an undertaking from him or her to keep the information confidential and to use it solely for the purposes of the Proponent's EOI Submission.
- 4.15.3 Upon receiving a written request from the City of Adelaide, the Proponent must immediately destroy (or in the case of electronically held information, permanently delete) all documents provided in respect of the Competitive Bid Process, all notes, memoranda, summaries or other writings relating to this Competitive Bid Process prepared by such Proponent or its agents and all copies of any of the above.

#### 4.16 Information Section

- 4.16.1 Where any of the information obtained by the Proponent as part of the Competitive Bid Process comprises a list, schedule, report or interpretation based on other information, the City of Adelaide makes no representations, express or implied, in respect of its accuracy, reliability or completeness. The Proponent should not assume the accuracy of the information but, to the extent possible, verify the source information independently.
- 4.16.2 The Proponent waives and releases the City of Adelaide in respect of all claims, actions or demands and any loss or damage (including any loss of profit or capital value) arising out of, or in connection with, any use or reliance by the Proponent of any information provided as part of the Competitive Bid Process or otherwise

provided by the City of Adelaide or arising from the City of Adelaide's act or omission in the Competitive Bid Process.

- 4.16.3 Nothing in the Competitive Bid Process obliges the City of Adelaide to disclose any particular information to a Proponent or its subcontractors, representatives or external advisers. The City of Adelaide has an absolute discretion as to the information, which it may choose to disclose
- 4.16.4 The Proponent should be aware that the Freedom of Information Act 1991 (SA) (FOI Act) gives members of the public rights to access documents of the City of Adelaide. The FOI Act promotes openness in governance and accountability of government agencies and confers the public with a legally enforceable right to be given access to documents, including contracts entered into by the City of Adelaide, except for those contracts or provisions which should be kept confidential for public interest purposes, the preservation of personal privacy or are commercial in confidence.
- 4.16.5 Proponents should be aware that the Ombudsman Act 1972 (SA) has been amended so that the definition of "administrative act" under that Act includes an act done in the performance of functions under a contract for services with a council. That Act also includes powers enabling the Ombudsman to investigate matters in the public interest. The Proponent must ensure compliance with all obligations arising under that Act and any other applicable legislation.
- 4.16.6 Each Proponent should be aware that, if it is chosen by the City of Adelaide as the successful Proponent, upon entering into a contract with the City of Adelaide, the Proponent will be considered to be a public officer for the purposes of the Independent Commissioner Against Corruption Act 2012 (SA) (ICAC Act) and will be required to comply with the ICAC Act and any Directions and Guidelines issued pursuant to the ICAC Act. The City of Adelaide expects that Proponents will familiarise themselves with the provisions of the ICAC Act and any Directions and Guidelines issued pursuant to the ICAC Act. Each Proponent acknowledges that it is its sole responsibility to undertake this familiarisation.



- 4.16.7 A Proponent must not engage in the below behaviours, or attempt to, in connection with the EOI process:
- 4.16.7.1 collude with any other Proponents or potential Proponents;
- 4.16.7.2 engage in anti-competitive conduct, conduct that is misleading or deceptive or contrary to law;
- 4.16.7.3 obtain improper assistance of a current or former employee of the Council;
- 4.16.7.4 use information improperly obtained from the City of Adelaide;
- 4.16.7.5 violate the City of Adelaide's policies regarding the offering of inducements to Councillors or employees; or
- 4.16.7.6 influence the outcome of the evaluation process by lobbying any Councillor or employee of the City of Adelaide or any potential member of the evaluation panel.

## 5. Glossary

**Acceptance and Confidentiality Deed:** means the Acceptance and Confidentiality Deed contained in Section 3.1.

**Bid Process Documents:** this Information Memorandum, the RFDP, the Acceptance and Confidentiality Deed and any other confidentiality deed(s) required to be executed by Proponents or Participants during the Competitive Bid Process and includes the Due Diligence Documents.

**City of Adelaide:** Means Adelaide City Council.

**Competitive Bid Process:** means the bid process for the Project, also referred to as the Process, comprising the EOI Stage and the proposed RFDP Stage as described in section 1 of this document, and any subsequent negotiation of Contract Documentation with the Preferred Proponent. The Competitive Bid Process commences on the release of this Information Memorandum and ends on the earlier of termination of the Process by the City of Adelaide and execution of the Contract Documentation with the Preferred Proponent.

**Contract Documentation:** means the proposed contractual documentation between the Preferred Proponent and the City of Adelaide (or third parties where necessary) to develop the Project.

**Disclosed Documents:** means the Bid Process Documents and any information, data or document (including designs, drawings data and reports):

- (a) issued, disclosed or made available to any Proponent by or on behalf of the City of Adelaide in connection with the Competitive Bid Process or the Project; or
- (b) referred to or incorporated by reference in the Bid Process Documents or any other Disclosed Document, irrespective of when that information, data or document is issued or made available.

**Due Diligence Documents:** the documents made available to Proponents through the Online Data Room upon completion and return to the City of Adelaide of an Acceptance and Confidentiality Deed in accordance with section 3.1 of this document and includes further information in relation to the Site and the Project, including the Accommodation Brief.

**EOI or Expression of Interest:** means the expression of interest for the development of the Project submitted in response to this Information Memorandum by a Proponent.

**EOI Closing Time:** means the date and time for the closing of EOIs specified in this Information Memorandum as may be varied from time to time under the terms and conditions of the Information Memorandum.

**EOI Invitation:** means an invitation for expressions of interest as described in this document, the Information Memorandum.

**EOI Stage:** means Stage 1 of the Competitive Bid Process, being the Expression of Interest stage outlined in section 1.2 of this document.

**Evaluation Criteria:** means the criteria that will be used to evaluate the EOIs, outlined at section 2.2 of this document.

**Guiding Principles:** means the principles set out in the section titled "Guiding Principles" in this document.

**Information Memorandum:** means this document, containing information on the Project and associated EOI submission requirements, and which acts as an EOI Invitation.

**Marketing Agent:** means the marketing agent known as JLL or Jones Lang LaSalle engaged by the City of Adelaide to provide marketing services for the Project.

**Online Data Room:** means the data room established by the City of Adelaide for the Competitive Bid Process as described in section 3.5 of this document.

**Participants:** means where a Proponent is a consortium (being of one or more entities), those entities who comprise the Proponent.

**Preferred Proponent:** means the Proponent selected as the preferred proponent during the RFDP Stage.

**Probity Advisor:** means the probity advisor identified in section 1.6 of this document.

**Project:** means the financing, design and delivery of the redevelopment of the Site as described in this document.

**Property Agent Representative:** means the person nominated by the City of Adelaide as the **Property Agent Representative** for the Project.

**Project Objectives:** the City of Adelaide's objectives set out in Guiding Principles.

**Proponent:** means a party who submits an Expression of Interest (and includes Participants where the context permits or requires). Where the context requires, it includes a potential Proponent that is a recipient of this Information Memorandum.

**Proponent Documents:** means all documents and information submitted by a Proponent during the Competitive Bid Process, including its EOI and RFDP Response.

**Related Entity:** has the same meaning as in the *Corporations Act 2001* (Cth).

**RFDP or Request for Detailed Proposal:** means the request for detailed proposals referred to section 3.1 of this document.

**RFDP Response:** means a proposal submitted by a Shortlisted Proponent as part of the RFDP Stage in response to the RFDP.

**RFDP Stage:** means Stage 2 of the Competitive Bid Process, being the Request for Detailed Proposal stage outlined in section 1.3 of this document.

**Shortlisted Proponent:** means a Proponent who is shortlisted in the EOI Stage to participate in subsequent stages of the Competitive Bid Process.

**Site:** means the site identified and described in section Property Overview.



# Eighty Eight O'CONNELL



Jones Lang LaSalle (SA) Pty Ltd  
GPO Box 1535  
Level 18, 25 Grenfell Street  
Adelaide SA 5000

Jamie Guerra  
Managing Director  
South Australia  
0418 849 780  
jamie.guerra@ap.jll.com

Roger Klem  
National Director  
Sales & Investments, SA  
0423 919 373  
roger.klem@ap.jll.com

Tom Bailey  
Executive  
Sales & Investments, SA  
0407 607 266  
tom.bailey@ap.jll.com

RLA 1842

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# Eighty Eight

O'CONNELL



# Eighty Eight O'Connell Expression of Interest Probity Plan – Stage 1

Issue and Revision Record					
Revision	Date	Originator	Checker	Approver	Description
A	8/10/18	K Wescombe	R Tassone	C Rae	Draft for Evaluation Meeting
B	19/10/18	K Wescombe	R Tassone	C Rae	Revised following meeting
1	8/11/18	K Wescombe	R Tassone	C Rae	Final
2	26/11/18	K Wescombe	C Rae	C Rae	Amendment to Weightings – PRG Mtg

TRIM reference: ACC2018/198578

Container: 2018/02333

## Probity Overview

### The Project

88 O'Connell Street was purchased in early 2018 by the City of Adelaide as a strategic development project. The site is located in the main street in North Adelaide and has had a long history of inaction, having been vacant for approximately 29 years. The site presents an opportunity for the City of Adelaide to facilitate a development that takes into account the needs of the community, provides timely development across the site and contributes to the O'Connell Street precinct.

The City of Adelaide has commenced a staged procurement process as it releases Eighty Eight O'Connell to the property market through an Expression of Interest process.

### Probity Principles

The acquisition and disposal of land within the City of Adelaide is governed by the Acquisition & Disposal of Land & Infrastructure Assets Policy. The objective of this policy is to ensure that there is an accountable and transparent process in place when considering the acquisition or disposal of land and other infrastructure assets.

Additionally, the Local Government Act 1999 sets out Council's responsibilities in relation to the management of land and other infrastructure assets. These include:

- Council must seek to ensure council resources are used fairly, effectively and efficiently (Sections 8 (h)).
- Council is required to develop a policy for contracts and tenders when disposing of land or other assets to ensure ethical and fair treatment of participants and probity, accountability and transparency in all disposal processes (Section 49).
- Council is required to ensure appropriate policies, practices and procedures of internal controls are implemented and maintained to safeguard the council's assets (Section 125).

The objectives of this probity plan are to implement appropriate actions to ensure the above responsibilities are discharged throughout the Expression of Interest process.

### Applicability

The probity processes outlined in this document apply to all project staff working within the procurement phase of the project. This includes consultants, contractors and other external parties acting on behalf of the City of Adelaide.

Departure from this plan must be agreed to by the Project Manager with advice from the Probity Advisor and documented in the project records.



## The Competitive Bid Process

A developer is sought for the site, through a two stage Expressions of Interest process. This probity plan relates to Stage 1 of the process and may be amended as a revised version to cover Stage 2.

### Stage 1

This consists of the release of an initial Expression of Interest (EOI) seeking preliminary development proposals for the Eighty Eight O'Connell site. Detailed proposals (e.g. detailed designs) are not envisaged during this stage to reduce submission costs for registrants. Stage 1 will have a focus on:

- the capability and capacity to design, develop and deliver the project
- alignment with Guiding Principles and the City of Adelaide Strategic Plan
- development intent and timeframe for delivery
- the financial capacity and capability
- track record in commercial partnering
- commercial terms

Following receipt of the submissions for this stage, the submissions will be evaluated in accordance with the Stage 1 Evaluation Process (refer [Evaluation Process](#)) against the Stage 1 Evaluation Criteria (refer [Evaluation Criteria](#)). It is anticipated that this will lead to a shortlist of proponents to move forward to the Stage 2 process. The outcome of the Stage 1 evaluation process will be referred to the Project Reference Group to support Council administration to prepare a report to Council for consideration.

### Stage 2

The most likely scenario following Stage 1, is as described below. However, Stage 2 may consist of another process entirely (subject to the outcome of the Stage 1 procurement process).

Shortlisted proponents are expected to further develop the proposals for the site in line with desired outcomes for the City of Adelaide. Stage 2 may include workshops with shortlisted proponents and members of the City of Adelaide project team refining concepts around the proposed design, the commercial structure for the project and other key items in line with the vision for development of the site.

A select tender process is envisaged, including detailed development proposals with design refinement and full financial proposals.

A preferred proponent will be selected in accordance with the Stage 2 Evaluation Process (to be determined) against the Stage 2 Evaluation Criteria (to be determined). Following

evaluation, the preferred proponent will be referred to the Project Reference Group to support Council administration to prepare a report to Council for consideration. Following this process, an appropriate agreement will be finalised with the preferred proponent.

## Personnel

### Project Team

The project team includes all City of Adelaide staff and consultants, contractors and other external parties acting on behalf of the City of Adelaide, as per the organisational chart (refer Attachment A).

### Probity Advisor

Brenton Ellery (Nexia Edwards Marshall) has been appointed as the Probity Advisor for the project. The Probity Advisor will attend the opening of the EOIs and all evaluation panel meetings. The role of the Probity Advisor is to ensure that the principles of this probity plan are enacted across the procurement process.

### Project Reference Group

A separate Project Reference Group has been selected to assist with oversight of the project. The Project Reference Group will operate under their own Terms of Reference and are required to act in accordance with this Probity Plan.

### Evaluation Panel

An Evaluation Panel has been established to review the EOI submissions in accordance with the Evaluation Procedure and the Evaluation Criteria. The Panel includes members of the Project Reference Group and internal staff from the City of Adelaide.

The Evaluation Panel may also refer to other advisors or panels established to workshop specific aspects of the submissions, including the Property Agent, the Design Panel or the Commercial Panel, to assist with assessment of either Stage 1 or Stage 2 submissions. Specific questions shall be addressed in writing to the lead of the appropriate panel.

### Design and Commercial Panels

The design and commercial panels will comprise PRG members, as well as City of Adelaide internal staff members and potentially other external experts. The panels will meet on an ad-hoc, as required basis during Stage 1 of the process. The basis of meetings in this period will be to assess any individual queries raised by the Evaluation Panel and directed to either panel. The relevant panel will consider the requests made by the Evaluation Panel and will respond in writing directly to those requests. The entirety of the EOI submissions will be made available to the relevant panel to prepare their responses and all confidentiality measures in place for these documents will apply to this process.



It is anticipated that a more structured workshop approach will apply for these panels during the Stage 2 evaluation process. A schedule of proposed workshops will be issued to all shortlisted proponents to allow for presentations and discussions on key aspects of each proponent's proposal. Individual workshops will be conducted for each shortlisted proponent. Potential topics for workshops include:

- Proposed program and development timing, including early delivery of public amenity
- Approach to stakeholder engagement
- Commercial terms
- Collaborative governance process
- Ongoing activation of the site
- Financial schedule
- Sustainability
- Architectural aspects of the design
- Public realm design

Further detail on the Stage 2 process will be developed as a revision of this plan.

### Opening Group

The Opening Group will include a representative from the Property Agent, the Probity Advisor, and City of Adelaide's Project Manager, as a minimum. Other members of the project team may be in attendance at the discretion of the Project Manager.

### Probity Action Plan

The following actions will be undertaken by the listed parties over the course of the procurement period.

Records must be maintained throughout the process and submitted to the City of Adelaide to be stored in the project records. Any records generated by external members of the project team shall be submitted to the project manager for storage within the City of Adelaide's project records system.

### Conflict of Interest

<b>Summary of Requirement</b>	Declaration by applicable parties that there is no actual or perceived conflict of interest in relation to the project or role
<b>Applies to</b>	Proponents participating through the two stage procurement process and their consultants and partners
<b>Action</b>	Include clause in EOI documentation requiring that Conflicts of Interest are declared
<b>Responsible Person</b>	Property Agent
<b>Date</b>	Prior to release of EOI documentation

<b>Applies to</b>	Project Reference Group members or Evaluation Panel members
<b>Action</b>	Include declaration in letter of appointment requiring agreement that there are no existing Conflicts of Interest and that any future conflicts are identified
<b>Responsible Person</b>	Legal Advisor
<b>Date</b>	Upon issuing of letters of appointment

### Confidentiality Agreements

<b>Summary of Requirement</b>	All information provided to the applicable parties is to be treated as confidential and an agreement is to be signed in this regard
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<b>Applies to</b>	Proponents participating through the two stage procurement process and their consultants and partners in order to be permitted access to the online data room
<b>Action</b>	Obtain signed confidentiality agreements from proponents and maintain a register of parties that have signed
<b>Responsible Person</b>	Property Agent
<b>Date</b>	Prior to allowing access to the data room

<b>Applies to</b>	Project Reference Group members or Evaluation Panel members
<b>Action</b>	Require signed agreement as part of letter of appointment
<b>Responsible Person</b>	Project Manager
<b>Date</b>	Upon issuing of letters of appointment

### Confidentiality Procedures

<b>Summary of Requirement</b>	All information provided to the applicable parties is to be treated as confidential
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<b>Applies to</b>	All items provided by City of Adelaide during the procurement process
<b>Action</b>	All confidential items provided by City of Adelaide are to be placed in a confidential online data room to be maintained by the property agent, with access restricted to those proponents and their partners who have signed a confidentiality agreement
<b>Responsible Person</b>	Property Agent
<b>Date</b>	Access to proponents as required



## Probity Checks

<b>Summary of Requirement</b>	Ensure fair, accountable and transparent actions are taken throughout the course of provision of information and negotiations during procurement
<b>Applies to</b>	All project team members including consultants, contractors and other external parties acting on behalf of the City of Adelaide, under the guidance of the probity advisor
<b>Action</b>	Probity advice in regard to documentation and project records to ensure compliance
<b>Responsible Person</b>	Probity Advisor
<b>Date</b>	Prior to issue of documents and as needed during negotiations

## Communications

<b>Summary of Requirement</b>	Communications with proponents and potential proponents is to be consistent and recorded
<b>Applies to</b>	Project team members being contacted by proponents
<b>Action</b>	All communications are to be referred to the personnel named in the EOI Information Memorandum
<b>Responsible Person</b>	All project team members
<b>Date</b>	As contact with proponents occurs
<b>Applies to</b>	Project team members being contacted by proponents
<b>Action</b>	File notes are made of conversations, including date, time, personnel involved and information divulged. No information should be provided for the benefit, or detriment, of particular parties.
<b>Responsible Person</b>	All project team members
<b>Date</b>	As contact with proponents occurs

## Public Communications

<b>Summary of Requirement</b>	Ensure consistency of message to the public
<b>Applies to</b>	Project team members
<b>Action</b>	All public communications will be conducted through the City of Adelaide's project manager in consultation with the City of Adelaide's media advisor for the Eighty Eight O'Connell

<b>Responsible Person</b>	project. Advertising will be produced by the property agent and approved by the project manager before release
<b>Date</b>	Project Manager As required by project milestones or media queries

## Requests for Information

<b>Summary of Requirement</b>	Ensure equitable access to all information provided during the process for all proponents, through addenda to be issued via the data room
<b>Applies to</b>	Project team members responding to requests, in particular the property agent
<b>Action</b>	Where a request for information is made by a proponent, the property agent is to ensure that all proponents are made aware of the response through an addendum issued in the data room with notifications to all proponents (does not apply to proprietary information supplied by proponents). All responses must be prepared or approved by the project manager prior to release.
<b>Responsible Person</b>	Property Agent
<b>Date</b>	Upon response to Requests for Information

## Policy Awareness

<b>Summary of Requirement</b>	All project staff and members of panels must be familiar with the City of Adelaide's policies and act in accordance with these policies.
<b>Applies to</b>	All project team members and panel members
<b>Action</b>	Familiarise each team member with the relevant policies, in particular: Acquisition and Disposal of Land and Infrastructure Assets Policy & Operating Guidelines Employee Conflict of Interest Operating Guideline Gifts and Benefits Operating Guideline Media Contact Policy Procurement and Contract Approvals Operating Guideline Procurement Policy Project Management Framework
<b>Responsible Person</b>	Project Manager
<b>Date</b>	Throughout the project



## Expressions of Interest Process

### Commencement of EOI

A soft launch is scheduled for Monday 10<sup>th</sup> September with an event at the Town Hall for invited developers, consultants and partners. An associated press release will make the launch public. Available at the event is an information brochure with brief details regarding the proposed release, including the Guiding Principles.

Formal open will occur when the Information Memorandum is completed, anticipated for Monday 2<sup>nd</sup> October. The following communications activities will occur:

- All registered proponents from the launch will be notified via the contact details supplied
- Press advertising will commence that week (locally and nationally)
- Online advertising through commercial real estate websites will commence
- Over the course of the EOI period the property agent will visit developers nationally and internationally to make them aware of the project

The Information Memorandum will be publicly available, and proponents will be required to sign confidentiality agreements prior to entering the data room for the project, containing further project details.

Any Requests for Information will be dealt with according to the Probity Action Plan outlined in this document.

If changes are made to the Information Memorandum or any of the documents within the data room, all proponents will be notified and provided with the same time and opportunity to re-submit amended submissions (if required).

### Close of EOI

All submissions will be made to a JLL email address, created specifically for the project. The submissions must be made prior to the closing date and time (as defined and determined in accordance with the Information Memorandum), with late submissions considered at the discretion of the project manager. The submissions will be date and time stamped at the time received via the email system. No correspondence received to the submission email address will be opened or viewed prior to the Opening Meeting.

### EOI Opening Meeting

The submissions will be opened at a meeting, including the participants indicated as the Opening Group. The meeting will be held on Monday 3<sup>rd</sup> December at 9:30am (unless varied in line with a variation to the closing date and time for submissions – refer Close of EOI above).

The following information will be recorded at the EOI opening:

- Proponent name (including all partner organisations and consultants)
- Date and time EOI received

All participants in the Opening Group will record their names and signatures to declare that EOIs were opened in their presence.

This record will be provided to all members of the Evaluation Panel. The members must then review their declarations in relation to Conflict of Interest and advise if there are any new conflicts presented given the proponents who have submitted an EOI.

For each proponent that submits an EOI, the property agent will send an email to that proponent acknowledging receipt of its submission.

The EOI submissions will be treated as Confidential and be stored in a confidential file within the City of Adelaide's record system. Only participants in the Evaluation Panel (and specialist advisors from other panels as specifically requested and approved by the Project Manager) will be granted access to the confidential electronic file. All hard copy or local files used as working copies by the Evaluation Panel members are to be treated as confidential and destroyed following the evaluation.

### EOI Evaluation

The EOIs will be evaluated in accordance with the Evaluation Process, and responses will be assessed against the pre-determined Evaluation Criteria.

Reasons for the choice of the shortlisted proponents must be detailed by the Evaluation Panel, ensuring these reasons are clear and defensible.

It is currently anticipated that following the Stage 1 evaluation, a proposed Stage 2 process (if any) and the Shortlisted Proponents to participate in Stage 2 (if any) will be recommended to a confidential Council Meeting for decision. Successful and unsuccessful proponents will be notified by the Project Manager, following the Council decision. The details of the shortlisted proponents to proceed to Stage 2 will remain confidential, as will the number of short listed proponents, to maintain competitive tension through the Stage 2 process.

All proponents (both successful and unsuccessful) will be separately debriefed by the Project Manager, along with a representative from the Evaluation Panel. Feedback based on the Evaluation Criteria will be provided to the proponents, but no scores or indications of commercial terms or offers will be disclosed, nor will any other information contained within other proponents' EOIs.

Subject to the Council decision, shortlisted proponents will proceed to Stage 2 of the EOI process, to complete a detailed proposal for consideration.



## Evaluation Process

### Screening

Following the Opening Meeting, the EOI documents will be screened by the Project Manager to determine that they have been submitted in accordance with the 'Conditions applying to the Competitive Bid Process' as outlined in the Information Memorandum. If there are any discrepancies, including missing schedules, incomplete or non-conforming EOIs not associated with a conforming EOI, the Project Manager shall make a relevant file note. The Project Manager will then provide the file notes of any EOIs identified as such to the Probity Advisor for advice on the applicability of those EOIs. Where a technical or administrative error has been made in submitting the EOI, the proponent may be contacted to submit the missing information, at the discretion of the Project Manager. Should any EOIs be deemed inapplicable to be evaluated, the reasons for this will be documented and the EOI excluded from evaluation.

All applicable EOIs will then be distributed to the Evaluation Panel members through access to the City of Adelaide's secure file.

### Scoring

The EOIs will then be evaluated individually by the members of the Evaluation Panel, without conferring, and in accordance with the Evaluation Criteria. This will be undertaken within one week of the Opening Meeting. The scores will be given out of 10 for each criteria, except for Criteria 3, which will be scored as 0, 1, 2 or 3, in accordance with the weighting table provided in the Evaluation Criteria.

Following this preliminary evaluation, each Evaluation Panel member's scores will be forwarded to the Project Manager, to be recorded in the Evaluation Spreadsheet, as a Preliminary Evaluation Score. No aggregation or total score will be calculated at this stage of the evaluation.

An Evaluation Meeting will then be held to discuss each evaluation criteria and the range of scores proposed by the Evaluation Panel Members. Following the discussion, members may choose to:

- Request clarifications from proponents to assist with scoring
- Request additional advice from City of Adelaide staff within the Internal Reference Group or from the Design or Commercial Panels to assist with scoring and provide advice on a particular discipline
- Modify the scoring following reconsideration or receipt of advice from staff or as a result of clarifications
- Maintain the original Preliminary Evaluation Score

Management of clarifications will be undertaken by the Project Manager – no individual Evaluation Panel Member will directly request a clarification from a proponent. The Project Manager will collate all clarification requests for each proponent and make the request through the Property Agent, along with a required timeframe for receipt of a response.

Once all individual Evaluation Panel Members' scores have been finalised, a revised Finalised Evaluation Score will be entered by the Project Manager into the Evaluation Spreadsheet for each criterion. The scores will then be averaged across the members, to provide an Average Evaluation Score for each criterion. The scores will then be weighted according to the Evaluation Criteria weighting. A total score for each proponent will be summed from the weighted scores. This will result in a rating table of the proponents, listed in order of Total Score.

The Evaluation Panel will then meet again to determine the preliminary shortlist based on a "natural break" in the list of total scores. Where such a break might not be evident, the preliminary shortlist will consist of a minimum of two proponents, with the Evaluation Panel considering the merit of shortlisting additional proponents.

### Due Diligence

The Project Manager will then perform due diligence of the preliminary shortlisted Proponents. This will include checks against corporate information including ownership, litigation, director's profiles, financial security and past history.

Referee checking will also be carried out by the Project Manager. As the sole reference checker, the Project Manager will ensure that the queries and procedures are substantially the same between proponents and that confidentiality is assured. All reference checks shall be written up in a file note.

Following the due diligence checking, the Project Manager may flag potential issues with the proponent and these are to be documented in a file note. All such file notes shall be identified as such to the Probity Advisor for advice on whether the proponent should be removed from the preliminary shortlist. Should any EOIs be deemed inapplicable to be evaluated, the reasons for this will be documented and the EOI excluded from evaluation.

The revised Preliminary Shortlist will then be summarised in a Confidential Report to a Council Meeting. The resulting Final Shortlist will be determined as a result of the agreed shortlist from the Council Meeting.

### Reporting

The Project Manager will prepare a justification report to document the reasons for selection and non-acceptance of bids. This report will contain the scoring and file notes relevant to the Evaluation Process.



The Probity Advisor will make a separate report, detailing all of the probity actions and issues encountered through the EOI and evaluation process.

## Evaluation Criteria

The published evaluation criteria are listed below:

<p>1. Capability and capacity to design, develop and deliver the Project</p>	<p>Demonstrated experience, capability and capacity in the development of recent projects of a similar nature, scale and complexity to the Project.</p> <p>This includes an overview of the experience of the Proponent in relation to the below. Projects completed in the last 10 years are preferred.</p> <p>Provide the following details:</p> <ul style="list-style-type: none"> <li>▪ nominated project completion value</li> <li>▪ start and completion dates</li> <li>▪ location</li> <li>▪ reference to any award winning projects (or project elements) if applicable, to further demonstrate track record</li> </ul> <p>of recent developments that delivered:</p> <ul style="list-style-type: none"> <li>▪ high quality and unique mixed use projects with a key destination element, commensurate with an 'urban village', 'town centre' or 'high street' outcome</li> <li>▪ innovative and diverse housing product</li> <li>▪ innovative high quality commercial and office spaces, co-working spaces or medical and consulting rooms</li> <li>▪ leading outcomes in sustainable design and construction</li> <li>▪ mixed use projects, including high quality public realm and civic spaces</li> </ul> <p>In addition, provide an organisational structure for the nominated project delivery team, including architectural and lead consultant firms.</p>
<p>2. Alignment with Guiding Principles and the City of Adelaide Strategic Plan</p>	<p>Demonstrated understanding of and ability to deliver on the Guiding Principles. An individual response addressing each of the principles is required.</p> <p>Show alignment and understanding of the City of Adelaide's Strategic Plan (<a href="https://www.cityofadelaide.com.au/your-council/strategic-corporate-planning/strategic-plan/">https://www.cityofadelaide.com.au/your-council/strategic-corporate-planning/strategic-plan/</a>), including the four themes:</p> <ul style="list-style-type: none"> <li>• Smart</li> <li>• Green</li> </ul>

	<ul style="list-style-type: none"> <li>• Liveable</li> <li>• Creative</li> </ul>
3. Development intent and timeframe for delivery	<p>a) Development Intent, including:</p> <ul style="list-style-type: none"> <li>• An indicative curated tenancy mix, civic and other elements that will drive the site as an appealing destination with a competitive point of difference (tenancy types are sufficient)</li> <li>• The provision of concept scheme(s) highlighting an indicative spatial layout of key uses (detailed architectural plans are not required)</li> </ul> <p>b) Timeframe for Delivery:</p> <ul style="list-style-type: none"> <li>• An indicative delivery and staging plan, which demonstrates a clear strategy to prioritise early activation of public amenity</li> <li>• A demonstration of the ability to deliver the Project in a timely manner, and;</li> <li>• An outline of the strategy for how the Council, local community and stakeholders will continue to be engaged to maintain strong support for the project.</li> </ul>
4. Financial capacity and capability	<p>Demonstrated financial strength, capacity and capability to successfully meet all of the obligations, responsibilities and liabilities associated with funding and delivering a development of the magnitude and scope proposed for the Project.</p> <p>Include letters of confirmed support and form of commitment from all parties to the project.</p>
5. Track record in commercial partnering	<p>Demonstrated experience in collaborative partnering arrangements with landowners for comparable projects/transactions. EOI responses should include a summary of three (3) example projects/transactions for key metrics including:</p> <ul style="list-style-type: none"> <li>▪ project profile</li> <li>▪ end value</li> <li>▪ key dates of deal/project delivery</li> <li>▪ completion status</li> <li>▪ development partners, and</li> <li>▪ the deal structure adopted.</li> </ul>
6. Commercial terms	<p>Provide an indicative commercial offer that optimises value from the site (may include staged or structured payments).</p> <p>Innovative commercial structures are able to be nominated.</p> <p>An outline of the proponent's preferred commercial structure (e.g. staged payments, sharing in sale proceeds or profits) including</p>



	quantification of indicative returns to the City of Adelaide. Offers may be presented as a value range with appropriate qualifiers and limitations.
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Criteria shall never be altered to give advantage to any particular party and all proponents shall have access to the same information regarding the Evaluation Criteria. Should the Evaluation Criteria be modified, a notification shall be provided simultaneously to all proponents.

### Weighting

To ensure all bids are compared on the same basis, the following weightings have been determined:

Criteria	Weighting	Comments
Capability and capacity to design, develop and deliver the Project	15%	
Alignment with Guiding Principles and the City of Adelaide Strategic Plan	25%	Each Guiding Principle will be assessed individually with a score of either: <ul style="list-style-type: none"> <li>• 0 – not addressed, or addressed completely insufficiently</li> <li>• 1 – addressed, but in a minor way</li> <li>• 2 – addressed satisfactorily</li> <li>• 3 – innovative, surpassed expectations</li> </ul>
Development intent and timeframe for delivery	20%	
Financial capacity and capability	10%	
Track record in commercial partnering	5%	
Commercial terms	25%	

It should be noted that scoring on the matrix provides a guide to evaluation only, and the resultant scores are to be interpreted by the Evaluation Panel in determining the shortlist.

## Attachment A – Governance Structure

