

## 14.2 Endorsement of Hopetoun Former School Site Feasibility Study and Business Case

*Prepared by Tammy Smith, Chief Executive Officer*

### SUMMARY

This report outlines the findings from the Hopetoun Former School Site Feasibility Study, and Business Case and included recommendations for Council's consideration and endorsement.

#### Recommended Motion:

That Council:

- a) Endorse the Hopetoun Former School site Feasibility Study and Business Case as presented to Councillors during Councillor Forum on 12 July 2023.
- b) Endorse that Council Officers commence the design phase for the residential development included in the Feasibility Study and Business Case.
- c) Endorse that Council allocate \$50,000 of funding from unallocated revenue to the residential development design phase of the project, for the purpose of seeking and/or capitalising on future funding and/or investment opportunities that may arise.
- d) Endorse that Council explores grant funding opportunities for the detailed design and the engagement of a quantity surveyor for the multipurpose venue and accommodation venue component of the project, and the co-contribution be funded via Council's unallocated revenue.

#### Resolution:

Moved Cr A McLean Seconded Cr K Kirk

That the recommendation be adopted

**Carried**

### ATTACHMENTS

[Attachment: Hopetoun Former school Site Feasibility Study and Business Case Executive Summary](#)

### DISCUSSION

On 24 November 2021, Council resolved to purchase the Old School Site, on the corner of Bruce and Garrard Street Hopetoun.

Council engaged Urban Design to undertake Master Planning to reflect the communities long term vision for the site. A building condition report was also undertaken to inform the final Masterplan.

The final plan reflected a vision of the site being utilised for:

- A multipurpose venue and accommodation enterprise
- Residential development
- Historic attraction / museum / visitor experience.

Council resolved to form a Hopetoun Old School Site Advisory Committee of Council to commence the planning for the next stage of the project.

Funding was secured via the Regional Infrastructure Fast Track Investment Fund from the State Government to develop a Feasibility Study and Business Case for the site.

The Advisory Committee was instrumental in assisting the consultant and bringing key stakeholders together to ensure the final document was thorough and well researched.

### ***Outcome of the Report***

#### Residential Development

Shortages of housing for rent and sale have been widely acknowledged as the greatest barrier to filling job vacancies, attracting skilled workers and achieving population growth in small towns across the Yarriambiack Shire. Housing shortages were evident well before the COVID pandemic but have been exacerbated by it. They occur at a time when the region has major economic development opportunities (in renewable energies, mineral sands mining, value added agriculture and tourism) which will diversify the existing industry base for the first time in decades.

Yarriambiack Shire is conscious of the housing crisis currently impacting its towns and has committed to intervening in order to help in addressing the problem, within budgetary and statutory constraints.

Hopetoun is Yarriambiack Shire's third largest town with a 2021 resident population of 694 persons, the median age of residents was 56 years compared with a Victorian median of 38 years. After several decades of slow population decline, Hopetoun's population continued to fall between 2016 and 2021, at an average annual rate of 1.3% per annum. Other towns in Yarriambiack recorded population increases (including Brim, Murtoa and Rupanyup) and there is an expectation that Hopetoun's population will begin to stabilise in the next 10-15 years if housing limitations can be overcome.

It is estimated that a total investment of \$3,896,450 is required for the development of 10 residential allotments with 2- and 3-bedroom modular detached houses.

#### Funding Opportunities – Residential Development

A number of options have been proposed for how the residential model could be funded and/or delivered. It is recommended that Council be agile with their approach, based on potential funding opportunities.

The State Government's recently announced \$1billion housing fund for 1,300 new social and affordable housing homes in rural and regional Victoria is promising, and Council needs to be shovel ready to embrace opportunities from this announcement.

There is also the opportunity to develop a Special Purpose Vehicle for housing investment in conjunction with Wimmera Southern Mallee Development Association.

It is recommended that Council commence the process of planning for the housing development, including the designs for the subdivision to be shovel ready and capitalise on funding and/or investment opportunities.

#### Multipurpose venue and accommodation enterprise

This opportunity involves redevelopment of Hopetoun's former primary school complex (the 1978 constructed buildings/campus) to be utilised as a multipurpose venue and accommodation facility. The multi-purpose facility (the 'Centre') will cater for schools (on 'camps', leadership training programs or other retreats), special interest groups, corporate get-togethers and even functions (like weddings, anniversaries, etc) as well as providing accommodation for visitors (tourists and business travellers) and occasionally as a short-term solution for key worker accommodation.

There are options listed within the attached report relating to the organisation, capital redevelopment and operations for this component of the site.

It is estimated that the capital redevelopment cost for this component of the site is approximately \$4.3million.

### Funding Opportunities – Accommodation Enterprise

Majority of funding opportunities available require a 30% co-contribution for Hopetoun based projects. Council would need to contribute approximately \$1.29million to this project to secure funding.

It is recommended that Council, in the first instance, break the project into two phases, design and construction. It would be recommended that Council apply for funding to undertake detailed designs for the accommodation venue, along with engaging a quantity surveyor to provide an accurate construction cost estimate for the project.

Once this is complete, this will inform future funding submissions, and provide Council with accurate costs to undertake the project.

This approach will also mitigate project and financial risks relating to over commitment and spend, especially in this volatile market, where building construction costs have significantly increased.

### **RELEVANT LAW**

*Local Government Act 2020*

### **COUNCIL PLANS AND POLICIES**

Council Plan – Strategic Objective 2: A Healthy and Inclusive Community.

### **RELATED COUNCIL DECISIONS**

24 November 2021 – 12.2 Purchase of Former Hopetoun School Site

### **OPTIONS**

- a) *Accommodation Venue:* Council could choose to decide now on the direction of how Council wishes to operate the facility once it is built. This seems pre-emptive, as detailed designs and costings need to be established to inform this decision. Due to funding constraints, if the project was to be constructed in stages, then it may be considered a better model to manage risks, that Council operated the site until such time as the full project is realised.
- b) *Residential Development:* Council could choose a specific model to pursue as outlined in the feasibility study and business case, however this could limit Council's ability to capitalise on funding and/or investment opportunities that arise.

### **SUSTAINABILITY IMPLICATIONS**

*Economic:* The accommodation venue will provide an economic stimulus for the Shire and region, as it was noted in the feasibility study and business case, there was limited facilities that could accommodate large groups. This would encourage groups to stay and spend within our Shire.

*Social:* The redevelopment of the site provides an overarching benefit to the Hopetoun and district community. Beautifying and investing in the site, enhances social health and wellbeing outcomes within the municipal district. It creates a sense of pride, and the housing development provides opportunities for people to reside longer in their communities, increasing and/or enhancing social connection.

*Financial:* Council needs to ensure they invest in project planning to inform grant applications. There is a risk, in this current economic environment that Council could be exposed to cost escalation risks.

## COMMUNITY ENGAGEMENT

The development of the Masterplans for the Hopetoun Former School site undertook extensive community engagement.

Council endorsed a Hopetoun Old School Site Advisory Committee of Council, which was established via an open and transparent nomination process.

The Hopetoun Old School Site Committee was engaged as part of the Feasibility Study and Business Case development.

It is important to note, this project has been a community lead and driven project. Council's role has been facilitating and enabling this project to succeed.

## GENDER IMPACT ASSESSMENT

Not applicable at this stage. GIA will be undertaken during the design phase.

## RISK

Utilising the Risk Management Framework the following assessment has been made:

<b><i>Strategic Risk Description and Residual Risk Level</i></b>	<b><i>Action to Mitigate/Reduce Risk</i></b>	<b><i>Does Action maintain or reduce Residual Risk Level</i></b>
Strategy Execution and Change Management Risk - Residual Risk Level Medium	This project is aligned with the Council Plan objectives and strategic priorities, along with the Council's Economic Development Strategy, the Wimmera Southern Mallee Regional Economic Development Strategy, Horizon Highway and WSMD Strategic Plan. It also supports the strategic vision for Tourism outlined in the WMT Strategy.	Reduces Residual Risk Level
Financial Risk - Residual Risk Level Medium	Ensuring funds are dedicated to design and cost estimating will reduce Council's risk of overcommitment.	Maintains Residual Risk Level
Program and Project Risk - Residual Risk Level Medium	Breaking the project into stages / phases will assist with adequately costing and managing the project.	Maintains Residual Risk Level
Reputational Risk - Residual Risk Level Low	Council is committing to supporting this project, having a plan of action to move forward.	Reduces Residual Risk Level

## REGIONAL, STATE AND NATIONAL PLANS AND POLICIES

- Horizon Highway - Wimmera Southern Mallee Regional Partnership Strategy
- Wimmera Southern Mallee Regional Economic Development Strategy
- Wimmera Mallee Tourism Strategy
- Wimmera Southern Mallee 2023-2027 Strategic Plan
- Rural Council's Victoria Strategy 2020-2024

## CONFLICTS OF INTEREST

All officers involved in the preparation of this report have declared that they do not have a conflict of interest in the subject matter of this report.