



# OSBORNE HOUSE PRECINCT

Masterplan and Feasibility Report  
October 2007



## Acknowledgements:

The City of Greater Geelong and Tourism Victoria commissioned GHD to prepare a draft Masterplan report for the sustainable future use of Osborne House. GHD completed their engagement with the successful completion of the draft Masterplan which included financial analysis.

After seeking public comment on the draft Masterplan, the City of Greater Geelong engaged Sinclair Knight Merz to conduct an independent design review of the marine industry area, particularly the reclamation/marina area. The design result of this review is included as part of this Masterplan, and as detailed in this report may have implications for some aspects of the financial analysis.



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# 1. Executive Summary

The Osborne House Precinct is to be the primary location for recreational boat servicing in Victoria. It is to further strengthen Geelong as a boating capital while building on existing industrial and tourism advantages.

The Osborne House Precinct Masterplan seeks to facilitate an industrial marine precinct to primarily serve recreational craft, inclusive of manufacture, maintenance/repair, storage and slip/lift facilities. This is to be accompanied by complementary uses of marine based retail, hotel, clubhouse facilities and food establishments. The Masterplan envisages four main sectors:

- **Sector 1 – Marina Services** (Northern Land – Lower Level)
  - Reclaimed land of approximately 5.4 hectares
  - Excavated land of approx. 1.8 hectares.
  - Medium - light industrial uses with hardstand.
  - Enclosed workshops for short-term maintenance and repair of aluminium and fibreglass hulled craft.
  - Enclosed 300 dry stack boat storage shed
  - Consolidated car parking.
  - Working marina including 100 maintenance berths plus lay-by berths for the dry stack facility and travel lifts.
  - Approx. 50 short-term berths in the public part of the marina.
  - Two travelifts with a maximum 400 tonne limit.
  - Restricted vehicle and public access to industrial and hardstand areas.
  
- **Sector 2 – Marine Industry** (Northern Land – Upper Level)
  - Medium - light industrial uses.
  - New east-west road access to the marina / reclamation zone.
  - Boat sales (show-rooms and open-yard adjacent to the new east-west road).
  - Chandlery / marine retail showrooms associated with the service providers in the marine industrial zone.
  - Enclosed workshops for the manufacture, maintenance and repair of water based craft.
  - Limited access from the new east-west road to the industrial areas to the north.
  
- **Sector 3 - Osborne House** (Southern Land – Osborne House)
  - Re-use of existing heritage buildings
  - Food and drink premises, including restaurants and cafes.
  - Small scale marine retail, tourist based and speciality retail.
  - Public access.
  - New buildings respectful of heritage and foreshore context.
  - Hotel of 80 – 120 rooms.
  - Function and / or business centre for up to 200 people
  - Clubhouse facilities.

- Maritime artefacts and memorabilia retained if feasible.
- **Sector 4 – Public Marine Facilities** (Southern Land – Lower Level – Public)
  - Public access, recreational facilities, open space and car park.
  - Pedestrian and bicycle path from St.Helens Beach to Osborne House.
  - Updated facilities at the St.Helens boat ramp, including wash down facilities and lay-by.
  - Facilities and buildings for marine-community based organisations, including Geelong Coast Guard and Trailable Yacht Club
  - Minimise impacts on adjacent residential areas.
  - Complementary attractions for tourist/recreational visitors, including café /kiosk.



Osborne House Precinct Masterplan – Concept Plan

The Osborne House Precinct Masterplan responds to the need for the City of Greater Geelong to have a sustainable use for Osborne House and develop the underutilised land in and around the Osborne House site. The object of this Masterplan is to provide a framework for the redevelopment of the precinct, encouraging and guiding development interest and facilitating State and Local Government processes and provide the required environmental and planning controls in and around the precinct. The Masterplan reflects the outcomes of consultation with nominated stakeholders and the needs of the Victorian boating community. It provides an opportunity for Geelong to deliver required services to the boating community of Port Phillip whilst stimulating job growth in marine manufacturing and tourism.

An economic feasibility is included in Section 5 of this Masterplan report. The key data contained within the feasibility model has been provided to Council's Economic Development department and entered into the Remplan model. It is expected that the Osborne House precinct would generate annual revenue of \$48 million and 446 jobs, not inclusive of the possible expansion zone north of Mackey Street. It is considered that no other location exists within Port Phillip offering the potential that the Osborne House site offers with its combination of industrially zoned land, elevated water views, proximity to deep water, integrated hotel facility and proximity to services, skilled labour and educational facilities. The indirect benefits and economic multipliers of providing a marine precinct as detailed in this Masterplan close to Geelong are:

- A capital expenditure of \$75 million, generating 298 direct jobs and an additional 373 jobs throughout the construction period.
- An additional 902 permanent flow-on jobs in other related sectors
- A expected value added impact on the region of \$131 million
- An increase in the Gross Regional Product (the G21 Region) from \$8,139 billion to \$8,270 billion (1.6%).

The proposed Masterplan provides for services that have been identified in previous reports as a necessity for Port Phillip and is in part based on the successful Coomera model on Queensland's Gold Coast. An adopted Masterplan would facilitate a marine precinct within Port Phillip to satisfy the increasing servicing and maintenance needs of the recreational boat and small commercial boat markets within Victoria. These precincts, or cluster developments are successfully operating in Queensland and New South Wales and are experiencing considerable growth and development.

The Masterplan is responsive to the Geelong Boating Needs Strategy, which has been strongly endorsed in the State Government Coastal Action Plan, identifying St Helens as an ideal site to develop a Marine Precinct with manufacturing, repair, refit, educational and ancillary uses such as retail and tourism based businesses. The provision of a hotel facility within the precinct meets the twin needs of Council to implement the Boating Needs Strategy and find an acceptable sustainable use for Osborne House whilst further stimulating the tourism sector with possible water based major events. The provision of marine manufacturing and maintenance to the north of the Osborne House site provides a compliant use under the current planning scheme and the buffer setbacks of the Geelong Port Management Strategy.

The Masterplan creates an integrated tourism based boating facility with potential to host significant water based events. The views to and from the bay, the natural amphitheatre to the forecourt of Osborne House and the access to deep water provide the potential for major events to be hosted by the Marine Cluster. The short term wet berth moorings provide an ideal location for the inclusion of a Touring Yacht Club within the Osborne House building and attached to the hotel. The reclamation and improvement works proposed in the St Helens public area will enhance the safety and amenity of this area, activating the water's edge with a public boardwalk and passenger boat

docking facilities. The existing boating and fishing zones will either be retained or enhanced and a flexible use building will be provided to improve facilities for the existing disparate community groups that will be displaced or have synergies with the precinct.

To ensure the successful implementation of the Masterplan there is a commitment required by State and Local Governments to facilitate satisfactory solutions to issues that will arise from the development of the precinct.

The Masterplan proposes reclamation work to provide a large hardstand area at water level to allow the marina to successfully operate the launch and retrieval of boats with the travelifts and forklifts. To ensure risk to a potential investor is minimised, it is recommended that all environmental, planning and regulatory compliance issues are addressed and resolved to provide a framework for the reclamation and development of the site. This would include a rezoning of the land and environmental analysis of the existing seabed and foreshore area.

The Masterplan proposes the refurbishment of Osborne House as part of the hotel redevelopment. To ensure risk is minimised to the potential developer it is recommended that redevelopment be in accordance with a revised Conservation Management Plan that is agreed to by Heritage Victoria and is informed by potential development. It is also recommended that further funding be sought from Heritage Victoria to contribute to the refurbishment works to Osborne House.

A partnership is required between investors/developers and the State and Local Government to:

- Support the relocation of the displaced local organisations and the enhancement of the existing public facilities, reclamation works and a new building in Sector 4 to ensure the success as an integrated marine precinct.
- Incentives for businesses to relocate to or set up in the new precinct and facilitation of relocation through processes similar to the Queensland Marine Industry Task Force.

Given the level of investor interest in the precinct, with the appropriate level of support from Government, the Osborne House site could be transformed into a State significant marine cluster promoting Geelong as the boating destination of choice and placing it “on the map” within the boating community.

## 2. Context & Existing Conditions

City of Greater Geelong (CoGG) and Tourism Victoria commissioned GHD to prepare a Masterplan report and design solution for the sustainable future use of Osborne House. The scope of the study included the existing Osborne House site, the former shire depot to the north, and further to the north industrial land (excluding port related industries), sporting reserve area to the west of Osborne House and St Helens recreational boating area, carpark and foreshore to the south.. The brief from COGG is to provide recommendations on the optimum use for Osborne House and the surrounding site areas mentioned above after analysis of previous studies, projects previously proposed and the best development mix.



Study Area

The Osborne House precinct provides challenges and opportunities for the development mix in and around the historic homestead, which are expanded on in more detail below. Together Osborne House, the stables and adjacent land form part of a heritage place that is listed on the Victorian Heritage Register. COGG would like to provide continued access to the public, the original

homestead and the stables building which currently houses the Maritime Museum. In their current uses, the Maritime Museum provides limited public contact and the homestead is used for commercial purposes as office space leased by COGG.

To the north of Mackey Street and Macleod Street are heavy industrial activities relating to the Port operation. The ongoing operation of the Port is supported by City of Greater Geelong and is supported in the Department of Infrastructure (DOI)/Toll draft Geelong Port Strategic Land Use Plan. The Port of Geelong is the second largest port in Victoria and had a throughput of approximately 12 million tonnes in 2004/2005 with an estimated cargo trade value of \$5.6 billion. Crude oil and petroleum products are the key products traded in volume terms with grain, woodchips and fertiliser also significant components.

In 2004/2005 there were 543 ship visits to the Port of Geelong by commercial cargo vessels. On average each ship resulted in an output of \$543,000 in the Barwon region. It was estimated that in 2004/5, 609 direct (full-time equivalent) jobs were supported by the port with a flow on of 579 jobs. This represents 1.7 per cent of total employment in the Barwon region.

A small section of the former shire depot and the land to the north extending to Mackey Street are within the recommended setback between sensitive uses (including residential) and the heavy industry north of Mackey Street. The land between the former shire depot and Mackey Street is zoned industrial. Previous proposals for the site including a theme park, residential development and aged care have been previously rejected by Council because of their incompatibility with the land use context and lack of feasibility. .

There is a definite need for this area to be developed as the site is currently under-utilised, however any future redevelopment of this precinct would need to acknowledge the allowable uses under the existing zoning and the importance to maintain existing buffer distances to protect existing port operations.

Geelong is increasingly building a reputation as a tourism destination within Victoria enhanced over the past 10 years with the re-vitalisation of the waterfront and the attraction of major events such as Skandia week, Australian Triathlon series and World Cup cycling events. It is no longer a town to be passed through on the way to the Surf Coast, Great Ocean Rd and the Bellarine Peninsula, but a destination in its own right. There is an opportunity, recognised by both City of Greater Geelong and Tourism Victoria, to build on this base and invest in the continued development of Geelong as a tourist destination. A growing market within Victoria is the recreational boat market particularly with developments such as Docklands in Melbourne and the proposed Rippleside development on the Western shore of Corio Bay. There is a potential for waterside cities such as Geelong to prosper from the increased boating activities by providing attractive facilities to water based tourists and day-trippers in the form of short stay destination berths within Port Philip. In addition to these leisure activities there is a potential to build on the success of Skandia Week and attract more water-based major events which will enhance Geelong's reputation as a tourism destination. The Osborne House site has the potential to be a unique tourist destination due to it's breathtaking views, waterside location, historic atmosphere and access to deep water

The report will examine the existing site constraints and opportunities including Statutory, Heritage and Land Tenure Issues, details of the proposed Masterplan and a feasibility assessment of the Masterplan design.

## 2.1 Past Studies

### **Marine Manufacturing Precinct Feasibility Assessment**

Arup Environmental & Planning undertook a study to determine the viability of a Marine Manufacturing Precinct in Victoria. This report stated that there is an opportunity for a stand-alone marine manufacturing sector with very real prospects for growth and referred to Queensland's Marine Industry Taskforce which helps industry through the three levels of government with new development. The report notes that an increase in Victoria's recreational boating activity would drive demand for marine manufacturing products. The report also provides comment on the suitability of locations around Victoria. Geelong rated poorly against the evaluation criteria, however the Osborne House site was not specifically identified in the report. The Osborne House site performs well against the evaluation criteria. There is a potential for up to 30 hectares of land north of the site to be developed. It provides the infrastructure capability, it is suitably zoned, it has compatible land use, direct water access (if developed), has access to deep water, provides minimal social and environmental impacts and is an ideal site to provide compatible facilities adjacent. There is also little likelihood of the land being developed for residential purposes, which was a key criticism of Geelong in the report.

### **Geelong City Foreshore - Boating Needs Strategy**

A Boating Needs Strategy was prepared for COGG in February 2004. The State Government's Corio Bay Coastal Action Plan identifies the implementation of this Strategy as a high priority. In addition to this, the Draft Boating Coastal Action Plan prepared by State Government states that any development in accordance with the Boating Needs Strategy would be encouraged.

Some of the recommendations the Boating Needs Strategy provides in relation to the Osborne House precinct are:

- St Helens Boat Harbour is retained as a key boating asset for launch and retrieval of small trailer boats
- That the concept of a boating precinct be explored, including:
  - Boat training centre
  - Skills centre for marine industry
  - Relocation of marine servicing from Western Beach including a slipway or similar facility
  - Inclusion of boat activities such as the Geelong Trailable Yacht Club, Naval Cadets and the Victorian Sailing School
  - Dry boat stack / Storage and servicing
- A longer term marina facility be examined
- A walkway upgrade along the existing reclaimed St Helens area to retain land based fishing
- A third boat ramp if required
- Development of attractions in the area to promote boating activity
- The need for transition of uses from the industrial area to the north of Osborne House and the residential zone.

### **Osborne House Condition Analysis**

Bill Hall & Associates undertook a Conditions Analysis of Osborne House in June 2004 and September 2004. These reports identified building restoration works to Osborne House in the order

of \$1.6m and Environmental remediation of the depot site in the order of \$500,000 - \$750,000 depending on the land use of any future site usage.

### **Osborne House Conservation Analysis & Management Plan**

A Conservation Analysis & Management Plan was prepared by Helen Lardner Conservation and Design in May 1999. Any future redevelopment of the site should be informed by a revised Conservation Management Plan and respect the heritage integrity of the Osborne House site.

### **Past Proposals for Osborne House**

Development proposals for Osborne House previously prepared and rejected for the Osborne House site and surrounding precinct include:

- Heritage theme park
- Aged care and apartment complex
- Residential development

### **Identification of Marine Precinct Sites - City of Greater Geelong**

Prior to this Masterplan study being undertaken, City of Greater Geelong undertook a desktop study of sites identified for a potential Marine Precinct. The study included the Moolap Salt Pans, Leopold, Avalon, Pt Lillias, Pt Wilson, St Helens, Port of Geelong and Portarlington. This study identified St Helens as the most appropriate site for a marine precinct which included value add uses such as tourism and retail. A number of the sites required dredging to provide the required deep-water access, had environmental overlays, lacked appropriate service connections and incompatible zoning restrictions.

## **2.2 Site Context**

The site analysis extended to a review of the existing context at a state and regional level and the opportunities this may provide to the development of Osborne House as a sustainable commercial entity with retention of public access to heritage buildings required by COGG. This context was gained through discussions with key stakeholders including City of Greater Geelong, Tourism Victoria, Geelong Otway Tourism, local commercial marine companies, Boating Industry Association of Victoria, Royal Geelong Yacht Club, Regional Channel Authority, Regional Development Victoria, Melbourne and regional based marine manufacturers and suppliers and developers

Some of the key elements identified during these discussions and explored through the Masterplan are listed below:

### **State Issues**

- The Marine Manufacturing Precinct Feasibility Assessment, by Arup, identifies a need for a marine cluster in Victoria. Geelong has been identified in this report as a possible location, however the Osborne House site was not mentioned specifically.
- The State Government is supportive of regional investment within Victoria. Geelong is Victoria's second largest city and is increasingly being looked upon favourably for regional investment opportunities due to its infrastructure, ports and tourism potential.
- Port Philip does not currently provide an adequate number of berthing facilities and whilst there are more planned around the bay there are limited short-term berths. This results in a small

number of 'destination points' for recreational craft in and around the bay which limits travel in and around the bay and from outside the bay.

- There is currently significant expenditure outside Port Phillip for the maintenance of large vessels such as the Port Tugboats in Portland and Tasmania. There will be a need in the short term for a significant slip facility to provide maintenance to vessels such as the ferries, tugs and larger fishing boats. The Yarra River ferries would require special permission to cross the bay to berth in Geelong if a facility were to be provided for their maintenance.
- Geelong has the potential to provide an events space for major on-water events with natural amphitheatres at Osborne House and Eastern Gardens. This would allow the State to host new events such as Formula 1 power boat and sailing events and other national boating events
- BIA claims that industry is leaving Victoria because boat owners cannot get their boats serviced in Victoria
- Recreation vessels moored in wet berths require yearly maintenance. Many of the facilities do not provide appropriate environmental controls or the land space could be better utilised for other purposes. Port Phillip is in need of an integrated, comprehensive maintenance and repair facility similar to those in Queensland and New South Wales.
- Geelong's manufacturing past is being severely tested by the new world economy. Replacement of faltering manufacturing sectors with new growth industries will have a direct positive economic impact on the city and provide regional development for the state.

#### **Local Issues**

- Geelong has traditionally been a predominantly manufacturing and industrial based economy with Ford, Shell and Alcoa major employers and the associated support businesses providing a high proportion of employment opportunities. As these markets evolve, cities such as Geelong must also evolve and embrace new growth areas such as Tourism. A marine manufacturing precinct has obvious synergies with Geelong's existing skills base, educational institutions such as the Gordon TAFE and its greater tourism market share.
- Osborne House precinct provides industrial zoned land with a waterfront location close to the commercial hub of the City and provides unique potential for a development such as an industrial marine precinct with the associated tourism value-adding.
- Osborne House has cultural and historic significance and provides unique tourism opportunities.
- Developments such as Rippleside, providing 180 apartments and 160 leased wet berths will stimulate water activity in close proximity to Osborne House. There is a potential to supplement the Rippleside development through the provision of services at Osborne House
- There would be an expectation that the city provide short-term wet berths in Corio Bay if it is to be promoted as a boating destination.
- Osborne House is isolated from central Geelong due to a lack of water-based connections and pedestrian connections on the waterfront.
- Geelong can position itself to fill a void in the market when Port Philip no longer has access to a 1500 tonne slipway. Provision of a facility in Geelong opens up a market for the service, maintenance, construction and repair of large commercial and recreational vessels.
- Royal Geelong Yacht Club boats longer than 75 feet are currently required to go to Sandringham or Royal Victorian Yacht Club to be taken out of the water for maintenance.
- There is currently no facility in Port Phillip for 24 hour fuelling.

## 2.3 Physical Site Analysis

A physical site investigation and analysis was undertaken identifying key opportunities and constraints of the site for consideration throughout the masterplanning of the Osborne House Precinct. Refer also to the site analysis diagrams.

- The site is highly accessible by road due to its close proximity to a major arterial route – Princes Highway.
- The site is adjacent a working boat ramp and provides excellent access to the bay for most vessels with minimal dredging required close to shore. The close proximity of the shipping channel provides excellent access to deep water for larger craft.
- Swinburne Street traffic is primarily residential and for boat ramp access. A number of vehicles also access Osborne House from Swinburne Street. Existing heavy vehicular access is along Mackey Street to Pilkingtons, the Powerhouse site and the Port buildings.
- The former railway siding, running north-east from the southern boundary of the Shell service station on Melbourne Road, may provide an opportunity for alternate vehicle access.
- Close proximity of train line and North Geelong Station.
- There are a number of small organisations that inhabit clubrooms along the existing shoreline, primarily the Geelong Trailable Yacht Club and the Volunteer Coast Guard. Whilst these facilities are not landmarks along the foreshore any future redevelopment would need to provide for the relocation of these organisations.
- There is a level differential of approximately 12m between the upper level of Osborne House and the shore. A Steep embankment currently provides vehicular access, however this would require resolution for any future development to provide quality access to the water for both vehicular and pedestrian traffic.
- The Osborne House site provides exceptional views across Corio Bay and back towards Eastern Gardens and Central Geelong.
- There is the potential for the existing industrial sites to provide a land use transition to the north of Osborne House. To achieve this, there would be a requirement to have lighter industrial activities for compatibility of uses.
- There is a potential to develop a relationship between the Osborne House precinct with existing retail premises along Melbourne Road.



Surrounding Land Uses

## 2.4 Statutory Issues

Investigation of the Greater Geelong Planning Scheme has identified the following items for consideration (which are subject to change and should be confirmed prior to decision making):

- Osborne House and the associated buildings on this site are situated in Public Use Zone 6 - Local Government.
- The recreation reserve including two ovals to the west of Osborne House is zoned Public Park and Recreation.
- The bay area to the east is also zoned Public Park and Recreation.
- The Powercor substation and Powerhouse sites to the north of Osborne House are zoned Industrial 1 Zone.
- Pilkington and the Shell fuel station to the northwest are zoned Industrial 2 Zone. This also includes a wedge shaped parcel of land currently unused along the north boundary of the ovals (former railway siding).
- To the south of Swinburne Street a large pocket of Residential 1 Zone allotments exists with established dwellings. This area leads around south to the recently approved Rippleside development, which adds to the residential zoning of the foreshore.
- Threshold distances between industry/warehouses and sensitive uses (including residential) that may have an adverse amenity potential are identified within the Greater Geelong Planning Scheme. Some of these distances affect Osborne House.



Land Use Zones

## 2.5 Heritage Context

The Geelong area was within the traditional language group territory of the Wada wurrung who are counted among the Wathaurong people.

"Europeans first made written observations on the Aboriginal people of the Bellarine Peninsula from 1802, when explorers began to chart the entrance of Port Phillip. Most of the documentary accounts relate to after 1836 at a time when there was a permanent European presence. Clark (1990) collated the primary sources of the ethnohistory in his reconstruction of traditional language boundaries in western Victoria. These sources include journal entries and government correspondence produced by explorers such as Matthew Flinders and Charles Grimes, as well as settlers and missionaries, particularly G.A Robinson, the Chief Aboriginal Protector.

Clark (1990) indicated that at the time of European contact Geelong was part of the Wada wurrung language area. The Wada wurrung territory extended along the coast from Painkalac Creek at Aireys Inlet east into Port Phillip to the Werribee River and extended north to Fiery and Mt Emu creeks.

The presence of Wada wurrung people in the Geelong area was documented in various sources but mostly in government correspondence, with the remaining Aboriginal people forced onto missions stations such as Buntingdale or until their integration into the broader community. In 1861, the surviving Wada wurrung were gathered onto the Duneed Reserve on a parcel of land at Mt Duneed, on which a 'shelter hut' had been constructed (Clark 1990: 300). The remnant population, which around this time appears to have numbered eleven people, were encouraged to stay at the Duneed Reserve, however, they were prohibited from staying in the Geelong township after sundown".

Osborne House has reflected the history of Geelong through pastoral, maritime and civic eras.

Built in 1858 the 'Muirhead Building' designed by Webb and Taylor architects is the original portion of Osborne House. It was built for Robert Muirhead who emigrated from Leith, Scotland, in 1838, Osborne House at the time was a two storey stone building of eleven rooms set on twelve acres on the bay front. Robert Muirhead, had pastoral interests and was a squatter on the Yarram Yarram run in the Grampians. It is thought that Osborne House was named after Osborne House in the Isle of Wight, where pastoral Orders in Council of 1847 were issued by Queen Victoria. Mr. Muirhead died there on the 13th March 1862, followed by his wife on the 26th August the following year. From this time until the turn of the century Osborne House had a number of private owners.



In 1903 the Geelong Harbour Trust formed, the Commissioners paid the State Government £6,000 for Osborne House and in 1910 a dining room and seven additional bedrooms were added to Osborne House.

In 1912 the Navy accepted an offer from the Trust and decided to occupy the premises as a Royal Australian Naval College. £10,000 was spent on improvements and equipment. The Naval College was officially opened in 1913 by Governor-General Lord Denman, in March accompanied by Prime Minister, The Rt. Hon. Andrew Fisher. 200 guests travelled from Melbourne, by special train, motor cars and boats. Lord Denman arrived in a naval torpedo boat, with a naval escort.

In 1915 the Navy shifted the Naval College to Federal Territory at Jervis Bay and the property was used for a time as a convalescing hospital in the 1914-1918 war years. Osborne House reverted to the Harbour Trust's control in 1929.

In 1938 Shire of Corio transferred its offices from Lara to Osborne House. However in 1941 Municipal business was stopped when, during the war years, the building was taken over by the Department of the Army and operated as a training establishment. In 1943 Osborne House' was re-occupied by the Corio Shire.

In 1948, the Shire purchased the adjacent Stables (Coach House) building and adjacent land from the Geelong Harbour Trust, thus re-uniting under one ownership the original house and stables buildings. The building continued its use as a Municipal office until the mid-1990s when amalgamation of Local Council's created the City of Greater Geelong.



## 2.6 Heritage Issues

Heritage building restrictions may impede the potential redevelopment through constraints on layouts to existing building fabric.

Several sites, including heritage places and buildings are listed either within Heritage Overlays in the Local Planning Scheme or on the Heritage Victoria Register. These buildings, restrictions and recommendations are as follows:

- Osborne House and the associated Stables including adjacent land are listed with Heritage Victoria as a “Heritage Place”. Any works to the buildings and or the site including subdivision would require agreement with Heritage Victoria and subsequent Planning Permit Application and possible re-zoning.
- Heritage Victoria has stated a preference to maintain and restore the existing gates to Melbourne Road.
- The removal of the existing childcare centre on the south east corner of the oval site to open views to the entry of Osborne House.
- Heritage Victoria showed support for the removal of the caretaker’s cottage from the Osborne House site.
- The existing furnace, stairwell and stairs fronting Melbourne Road on the Pilkington site is listed as part of the associated Heritage Overlay map. Under the HO1772 schedule provisions Internal Alteration Controls Apply.
- Further to the north of Mackey Street the existing Classweave Industries buildings are registered with Heritage Victoria. Nominated as a “Heritage Place” any alterations to these buildings require Heritage Victoria and Town Planning approval.

- Stella Maris, owned by the Sisters of Mercy, is located to the south of the Osborne House site and is also listed under the Council's Heritage Overlay, HO236.
- Heritage Victoria has expressed a wish that vistas between the bay and Osborne House are to be maintained and improved if possible.

## **2.7 Land Tenure Issues**

- The steep embankment along the foreshore between the east border of Osborne House, the Powerhouse site and the bay is owned by the Crown and under management by COGG. There is currently no indication of any title.. Therefore other than broadly coming under the Public Park and Recreation Zone the potential uses available to these areas would need to be discussed and approved as part of the reclamation studies with Parks Victoria and DSE.
- The Osborne House site and the former Shire depot to the north of Osborne House are owned by the City of Greater Geelong.
- The site to the north of the former Shire depot site (being the Powerhouse site) and the site to the west of the Powerhouse (being the Powercor substation) are both currently owned by Powercor. The Powercor site is currently leased to a private party. Powercor require access to the substation site along the substations east boundary. Any future sale of this site or private development must recognise and provide for the access for essential services.
- The site to the west of the Powercor substation is known as the former railway siding and is owned by the City of Greater Geelong. This land is to the south of Pilkington site and to the south/east of the Shell Petrol Station and the adjacent fuel depot. The former railway siding land is strategically position as it has frontage to Melbourne Road (though currently no access) and lends itself to a potential east-west road serving as the primary access point..
- The existing Pilkington's site on the south side of Mackey St is owned and operated by Pilkington's and would not be available for redevelopment in the short term.
- The former Pilkington's site, Henderson's site and the Classweave site, to the north of Mackey Street, are all in private ownership. Redevelopment of these sites will be dictated by commercial reality. However the planning controls of the sites will dictate potential uses, and lend themselves to marine related industry.

The recently approved Rippleside residential and marina development will have a significant impact on the overall image of development to this portion of the foreshore. However in terms of land tenure it has little impact on the Masterplan as it is outside the boundary of the study.

## **2.8 Environmental Issues**

Previous use of a portion of the Osborne House site for the Shire of Corio Depot has created environmental contamination issues. Items identified in previous reports include:

- Environmental contamination of existing Osborne House site from operations of previous Shire depot.
- Potential increase of traffic along Swinburne Street.
- Existing underground fuel tanks.
- Use and possible spillage of fuels and solvents and other dangerous materials during previous operations.
- Former operation of the plant nursery, chemical use and storage.

These items have been discussed and identified in the 1999 report by Woodward-Clyde. Assessment suggests them to have little impact on the overall Masterplan other than a monetary value for rectification.

On a broader scale other items considered would include any works to the existing beach and foreshore areas effecting land stability and the foreshore marine environment.

Demolition of the former Powerhouse building and excavation of the site would need to consider environmental audits, especially if material were to be re-used onsite. Cliff faces in front of the Powerhouse site are suggested to be unstable in their present state and would require structural stabilisation during civil works to ensure safe passage for marine activities. Heavy vehicular access such as for travel-lifts will require major upgrades to the subsurface conditions to maintain safety and practicality.



View looking west to the existing cliff face, access ramp and former Powerhouse building

While past uses have been explored within the Masterplan site analysis a detailed environmental audit is outside the scope of this study.

## 3. Stakeholder Consultation

The Project Steering Group identified the following Strengths, Weaknesses, Opportunities and Threats relating to the development of a marine precinct and marine themed hotel development. A workshop was then undertaken to address the issues that must be addressed in a successful Masterplan and were assessed under the categories 'Industrial Precinct', 'Accommodation', 'Major Event Space' and 'Public Space'. The outcomes of these workshops are outlined below.

### 3.1 Strengths

- Geelong is increasingly being looked upon favourably for 'regional' investment.
- Geelong's waterfront location and marine history provides unique potential for development of an industrial marine precinct close to the commercial hub of the City.
- The industrial nature of Geelong Port complements the proposed marine industry.
- Alcoa's Geelong plant produces marine grade aluminium (3mm-6mm) for the boating industry.
- Geelong has a manufacturing and industrial heritage and future opportunities can take advantage of a skilled workforce.
- Increased tourism trade can support and complement the Osborne House site with the Marine Precinct.
- Arup's report identifies a need for a marine cluster in Victoria.
- Current disjointed locations of marine based businesses locally in Geelong and generally throughout Victoria.
- Location of shipping channels enables deep water access for larger vessels without large scale additional dredging.
- Osborne House cultural and historic significance provides a unique tourism opportunity.
- Rippleside development will encourage pedestrian and recreational boats close to Osborne House and the potential for synergistic developments.
- Proximity of major arterial route – Princes Highway linking to Melbourne.
- Proximity of train line and North Geelong Station.
- Requirement for short-term wet berths in Corio Bay.
- Existing land use zones within the Greater Geelong Planning Scheme support industrial marine precinct.
- Existing land use zones within the Greater Geelong Planning Scheme supports maritime museum or similar public use to Osborne House buildings.

### 3.2 Weaknesses

- Heritage building restrictions may impede the potential redevelopment through constraints on layouts to existing building.
- Steep embankment and access issues from waterline to upper land levels for both boats and pedestrians.
- Access to landlocked COGG owned site to west of sub-station.

- Environmental contamination of existing Osborne House site from operations of previous Shire depot.
- More flat land at just above sea level would be desirable.
- Probable cost of reclamation to create flat land.
- Perceived distance from Geelong's Central Geelong for visitors.

### **3.3 Opportunities**

- Industrial zoning to the north of the Osborne house site could be used as a marine industrial precinct.
- Future expansion of marine based industries into industrial land north of Mackey Street where heritage buildings are a constraint to use by the Port of Geelong.
- Provision of a large slipway to provide maintenance, repair and construction facilities for the larger commercial boating sector to meet Port Phillip's needs. This could include the relocation of the existing slipway (1500t) from the Rippleside site.
- Location of existing jetties and boat ramps enables potential extension and reuse.
- Walking and bike tracks providing pedestrian connection to central Geelong from Osborne House.
- Iconic architecture and landscaping providing a destination to enhance the location.
- Exceptional quality of views back towards Central Geelong will value add to any tourism based development.
- Marine industries could provide industrial transition to heavy industrial uses to the north of Mackey Street.
- Light industry, marine based retail, food and drink premises and a Hotel could provide transition from the marine industrial uses to the north of Osborne House to residential uses to the south.
- Provide certainty and protection for industrial operations to the north of Mackey Street.
- Improvement of vistas to the foreshore from Corio Bay.
- Potential relationship with retail premises along Melbourne Road.
- Increased opportunities for commercial use of bay area based out of centralised facilities including scuba diving, wind sports, charter boats and peripheral businesses.
- Provide the local community with employment opportunities in a growing manufacturing / industrial sector.
- Provide synergies between potential manufacturing / industrial businesses and local education facilities such as Deakin University, Gordon TAFE and Technical Colleges.
- Provision of maintenance, repair, refit and construction services to the recreational boat industry in Port Phillip, including Royal Geelong YC.
- Reasonable location to service all Port Phillip based vessels.
- Synergies to Rippleside and Royal Geelong Yacht Club setting Geelong up as a boating destination.
- Potential to draw in vessels from outside bay.
- Combining public and small organisations into new shared multi-purpose facilities.

### **3.4 Threats**

- Not achieving a transition of uses that manages interfaces, while complementing and protecting the adjacent industrial and residential areas.
- If the marine precinct concept is not embraced by existing land owners (apart from Council).
- Uncertainty with the future use of the former Pilkington site.
- Competition from Queenscliff harbour.
- Competition from elsewhere e.g. Gippsland Ports, Portland, Launceston and Port Macquarie.

### **3.5 Masterplan Working Brief**

After establishment and agreement of the Strengths, Weaknesses, Opportunities and Threats the Project Steering Group attended a workshop to identify the future direction of the Masterplan.

It was agreed that the Masterplan should proceed on the basis that the Osborne House precinct would develop under four key Criteria outlined below and address the issues noted:

#### **Marine Industrial Precinct**

The industrial zoned land to the north of the Osborne House site and former Shire depot and south of Mackey Street, could operate as a marine manufacturing, repair and maintenance precinct if the following issues were addressed:

- Sufficient land area to provide a functional and viable hardstand area at close to water level. This would require reclamation works to be undertaken.
- The site would need to provide appropriate and workable access within the site, to the site and between the upper and lower areas.
- Layering – provide an appropriate transition of land use between Osborne House and industrial uses to the north of Mackey Street..
- Commercial – value adding between Osborne House and the Powercor site.. This must be sympathetic development.
- Effective linkage to hotel and public event space.
- Functional/Aesthetic design that has operational efficiencies and maintains visual amenity and marine character.
- Private / Public partnerships may be required to deliver parts of the project.

#### **Hotel Accommodation**

- Public access to the Osborne House site to be maintained.
- Heritage values respected and managed.
- Able to support maritime museum.
- 80 rooms (plus 40 in future) themed hotel maximising water views.
- Commercial restaurants and cafes.
- Management/treatment of public area between hotel/water.
- Residential amenity.
- Conference space for 200 people.
- Provide adequate parking, including underground parking.

- Provide a transition from light industrial and residential uses.

#### **Use as a Major Event Space**

- Better public/recreation marina infrastructure.
- Better/deeper harbour.
- Boat wash down facilities.
- Power/toilets/parking.
- Improved Coast Guard/Trailable Yacht Club facilities.
- Ferry access – Melbourne/Geelong/Other.
- Bus parking/access.
- Water linkage – central Geelong.
- Sewerage pump-out capacity.
- Viewing.
- Pedestrian access.
- Channelling to appropriate spaces.
- Kiosk close to water level.

#### **Public Space**

- Treatment of war memorials.
- Availability.
- Walkway between St Helens and Osborne House.
- Retention/enhancement of North Geelong oval/space.
- Garden/public park enhancement.

### **3.6 Review of Gold Coast City Marina**

As part of the Masterplan development process a visit was made to the Gold Coast City Marina on 1 November 2006. An extensive inspection was made of the marine precinct, along with a meeting with the precinct General Manager.

The key points from that visit follow:

- The owners of Gold Coast City Marina (GCCM) bought 30 hectares of land fronting the Coomera River in the early 1990's as a site for the development of a future marine cluster
- The “start-up” strategy was to attract key players in the marine industry, such as Riviera, to the new site and make the precinct a “magnet” for other marine industry players
- Subsequently 15 of the 30 hectares were sold to Riviera boats as the location for that company's new boat manufacturing facility.
- The remaining 15 hectares were to become the basis for the GCCM.
- This 15 hectares was then subdivided with 30 sites sold, these becoming factory sites of between 200 and 400 square metres

- GCCM is the body corporate manager for those 30 factory sites it does not own, and this generates revenue for GCCM
- This led to the construction, on their 15 hectares, of additional factories between 200 – 400 square metres to house marine service companies such as electricians and boat detailers. A more suitable mix would have been to include sheds between 100 – 150 square metres in the precinct.
- The GCCM administration staffing is 9 people plus 2 full time cleaners for the overall site.
- The site also generates about 80,000 cubic metres of rubbish annually. GCCM get a bulk discount rate and manage rubbish removal as another revenue source.
- GCCM is the operator of the shipyard machinery and travellifts. In the last year 3,000 boats were lifted. This is the major GCCM revenue source.
- GCCM employs 40 outside staff for this work.
- The marina has one Dockmaster / Supervisor to manage boat bookings and movements.
- GCCM generates revenue from the 31 owned and rented factories on its property. It charges a base rental plus outgoings plus a marketing levy
- GCCM controls the number of each marine trade operating in the precinct to ensure that there is not an oversupply of any one trade or service.
- The GCCM property also has 11 refit sheds, which are charged out on a daily rate plus outgoings.
- A table is provided in the appendices which details the current mix of occupants / tenants at the marine precinct. This is only for the 15 hectares owned and / or managed by GCCM.
- The overall cluster of 250 hectares, which includes Riviera and several other major boat builders, employs 4,000 people
- The GCCM site of 15 hectares employs 400 people. The number of employees per tenant company ranges from 3 to 67.
- GCCM covers all insurance for the precinct, which includes a \$20 million public liability for each of the tenants.
- As part of the marine precinct development, the local Council contribution was the provision of major roads and sewerage.
- The Queensland State Government, through its Development Department, established a Marine Industry Task Force specifically for the precinct, with the objective of helping companies to relocate to the precinct. This covered both financial support and help for employees to relocate.
- The precinct has two food and beverage outlets:
  - One is a café / restaurant located in the administration block on the river-front. It is managed by a lessee who has a 5 x 5 year lease. The contract has no payment linked to turnover.
  - The other outlet is located in one of the 30 freehold sites and provides take-away meals. It also runs two mobile food vans which deliver food to the factories located within the precinct (the major boat builders also have their own canteens).
- The usage of the 100 marina berths is as follows:
  - Permanent: 15%
  - Tenancies: 60% (to service the 3,000 annual boat lifts)
  - Linked to Dry Stack: 25%

- The average boat turnaround time for maintenance is 2 to 3 days
- The Super yachts are generally out of the water every 18 months to 2 years for anti-fouling treatment and other maintenance. Major work on the Super yachts can take anywhere from 9 to 12 months and can cost several hundred thousand dollars.
- GCCM does not cater for large commercial vessels – it has as its focus the recreational vessels to a maximum length of around 100 feet and 150 tonnes.
- Dry boat storage “is a goldmine”. GCCM has 280 racks, with stated occupancy of not less than 85%. The maximum boat is 26 to 28 feet in length and up to 10t, and they are stacked four high.
- Fuel is managed by GCCM, and it takes a 20% margin on cost. It is a self-service operation by the boat owners. Annual litres were not provided, other than they are to the order of “several million litres”. As an example, the House-boats fuel use is around 25,000 litres per annum.
- The marina does not have a sewerage pump-out facility. That service is provided by an external contractor. It is seen by GCCM as a potential future revenue source.
- GCCM would not recommend berths less than 12m in length.
- On-vessel maintenance is strictly controlled and discouraged for all except minor works that have no environmental impact.
- There is no on-vessel maintenance facilities for Super-Yachts.
- Coomera operates two travelifts – 40 tonne and 150 tonne. With hindsight the smaller travelift would be more effective if it was around 75 tonne. GCCM see little benefit in a travelift with a greater capacity than 150 tonne. Large boats may be trucked about and in/out of the site. They are also considering a trolley system to transport boats around the site.

### **3.7 Servicing large commercial vessels**

Advice received during consultation included that while a marine maintenance and construction site is required for large commercial vessels within Port Philip, such as for tug boats, the Osborne House site may have limited suitability due to the following reasons:

- ▶ The total land area available at the lower level is not adequate to service a commercial vessel facility.
- ▶ A commercial vessel facility would adversely compromise the maintenance, repair and refit operations for the recreation craft market and should be separated.
- ▶ Access to the upper level by large vessels is likely to be unachievable.
- ▶ A large commercial vessel facility may adversely impact the hotel operations, existing residential area and public space to the south.
- ▶ Medium-light industrial use of this area south of Mackey Street is a more compatible use within the precinct.

Therefore full service facilities for large commercial vessels are not part of the Masterplan. However it is recognised that subject to further investigation and additional infrastructure, some services may be able to be provided on the northern edge of the reclamation area. This area is further away from sensitive uses, takes advantage of deep water and may provide direct benefit to port operations.

### **3.8 Key Stakeholder Consultation**

Consultation included two workshops that were held with stakeholders identified and invited by City of Greater Geelong. The following issues were raised by the attendees as they related to the presented preliminary Masterplan and the Osborne House precinct.

#### **Workshop 1:**

This workshop was held at Osborne House on 17 October 2006. Participants were from the commercial marine industry and the City of Greater Geelong.

The key issues emerging from the workshop in relation to the proposed marine cluster were:

- Environmental management associated with reclamation (wider benefits).
- Relative position of 'public' facilities adjacent shoreline.
- Use topography of the 'site' to better locate public facilities.
- Slipway capability required for larger commercial vessels within Port Phillip; 1200 – 1500 tonnes.
- Direct access to sheds required at water level for large boat construction.
- Slipway would need to be attractive to the tenants.
- Direct vehicle access to berths – particularly super yachts.
- Relative location of re-fuelling.
- Parking capacity.
- Relative position of moorings to car parking.
- Relative position of dry stack to car park.
- Light industry to top level.
- Heavy industry to lower level.
- What is the best use of the lower level?
- Ability to move between "1" and "2". Access requirements need to be resolved.
- Relative location of dry stack to car park and other facilities.
- What is the best "engineering" solution for movements between zones 1 and 2.
- Areas for charter vessels to drop off people – vehicle access.
- Relative % of berths for servicing may be too high.
- More berths for short-term private use (i.e. supporting industry use).

#### **Workshop 2:**

Community Group Users Workshop – held at the City of Greater Geelong Major Projects Office on 26 October 2006

The key issues from the workshop, which the Masterplan would need to accommodate, were seen to be:

- Effective separation of car traffic and car / boat trailers in zone 4.
- Inclusion of wash down areas in zone 4.
- Access to recreational fishing.
- Ongoing low cost access – (for day and overnight activities).

- Jetties for set-ups of boats nearby ramp (i.e. trailable yachts - as per current floating jetties / pontoons).
- Boat storage for low cost users (dry).
- Storage of rescue boat / security.
- “Clubrooms” nearby ramp / car park.
- Appropriate mix of dedicated v public use in “Clubrooms” facilities in public sector.
- Facilities that are multi-functionality (week v weekend) in public sector.
- Amenities (i.e. BBQ / rotunda) in public sector.
- Educational / training and development facility (i.e. for sailing); plus capacity to launch / pick-up boats in public sector

Implementation of the project must consider:

- Appropriate environment management processes.
- Access to skills for marine cluster (industrial sectors).
- Impact of global warming on water levels.

These issues informed the Draft Osborne House Precinct Masterplan. Council supported the draft Osborne House Precinct Masterplan and resolved to conduct consultation with the wider community. Consultation occurred from December 2006 to March 2007 and included public notices and direct notification. Council received over 35 submissions.

In response to submissions follow-up consultation was held that informed opportunities and how the design could be altered to be improve, particularly interface issues with industrial neighbours to the north. This included the following meetings in 2007:

- Osbourne House Action Group (25/5)
- Toll, DOI, DIIRD, Council, Barrett Burston and Graincorp (19/6)
- Graincorp (24/7)
- Geelong Trailable Yacht Club (26/7)
- Barrett Burston (3/8)
- Coast Guard (7/08)
- Heritage Victoria (9/8)
- International Malting (13/8)

Some key raised emphasised in this follow-up consultation were that development should:

- Not impede or restrict the operation and future investment of the heavy industrial uses to the north, including:
  - Keep proposed activities that are sensitive to dust and smell at least 300m (buffer distances) from heavy industrial uses to the north.
  - Retain Mackey Street as a critical road for heavy vehicles, including avoiding ‘mum and dad’ traffic by providing and directing them to another road option
  - Not impede the shipping channel

- Respect the heritage features of Osborne House and be informed by a revised Heritage Conservation and Management Plan
- Provide for improved boat ramp facilities and accommodation for the Trailable Yacht Club and the Coast Guard.

The Masterplan also had regard to the numerous submissions made to Council's draft Geelong Port Structure Plan that sought public comment in the middle of 2007. The Masterplan was revised and the response to the submissions and final document was put to Council for adoption.

## 4. Osborne House Precinct Masterplan

The Masterplan proposes a 'best use' solution for the Osborne House precinct based on intensive consultation with the Project Steering Group, review of past studies, consultation with identified stakeholders and a review of the Gold Coast City Marina Facility at Coomera. It should be identified that the primary requirement of the Masterplan is to find a sustainable use for Osborne House, including access for the public and as such any uses that may prejudice the ongoing viability of a commercial venture has been excluded from the final Masterplan.

There have been a number of previous studies and proposals for the Osborne House site that have not been adopted to date. The Osborne House precinct is underutilised and Council is determined to provide a sustainable use for the Heritage buildings and the precinct in general. It is a widely held belief that adaptive re-use of heritage buildings for commercial purposes provides the best long term heritage restoration and maintenance solution rather than heritage restoration with no anticipated end use. For this reason this Masterplan focuses on the need to provide compatible commercial uses in and around Osborne House which will in turn provide the city with vibrant public, private and recreation spaces within the Osborne House precinct.

The planning restrictions of adjacent sites requires any development north of Osborne House to be of a medium industrial nature which would be consistent with a marine manufacturing, maintenance, servicing and retail cluster. The City of Greater Geelong Port Structure Plan also supports the use of these sites as medium- light industrial, providing transition of uses between heavy industry and residential properties.

Previous reports have indicated a need for Port Phillip to have a manufacturing precinct with a marine focus. The introduction of a marina for the launch and retrieval of boats associated with the commercial marine activities could be expanded to include wet berth moorings for public use. The transformation of Osborne House into a hotel and touring boat / yacht club and the associated tiered viewing has precedence at the New York Yacht Club and a similar Yacht Club in Adelaide. The integration and dependency of these uses on each other and the development of public use spaces within the precinct is the key to a successful cluster development and consideration has been given in the solution to enhancing and expanding on the existing public facilities such as the boat ramps, pedestrian linkages and the Osborne House forecourt.

To ensure the successful co-habitation of these uses within the precinct it is critical that compatible industry sectors are included within the precinct and non-compatible uses are discouraged or excluded from the precinct. For this reason the Masterplan does not provide for increased heavy industry within the study area and has not provided for the inclusion of a slipway to service large metal-hulled vessels. It was consistently suggested throughout the consultation process that heavy industrial boat building was not compatible with the use of Osborne House as a hotel or the existing residential area to the south. The work processes required to construct and repair large metal-hulled vessels are more consistent with a traditional open-air shipyard and the associated environmental issues relating to noise and waste control. Opportunities may exist for the construction, servicing and repair of large commercial vessels further to north, but are not examined or recommended in the Masterplan and would need to be compatible with existing port related heavy industries. . It is the intention that this marine cluster, as envisaged in the Masterplan, would provide enclosed workshops for the construction, maintenance and repair of aluminium and fibreglass hulled craft that can be lifted from the water with a maximum 400 tonne travelift and transported within the site and to the upper level on a flat bed truck or tractor pulled

trolley. Other vessels could be accommodated if they met the environmental framework established and could be lifted from the water with the equipment provided by the precinct operator.

	<p><b>Heavy Industry</b></p> <ul style="list-style-type: none"> <li>- Heavy port related industry: <ul style="list-style-type: none"> <li>+ Malting works</li> <li>+ Grain elevators</li> </ul> </li> <li>- Boat building</li> <li>- Large vessel maintenance/repair</li> </ul> <p><b>Medium/Light Industry</b></p> <ul style="list-style-type: none"> <li>- Boat maintenance/repair</li> <li>- Recreational boat manufacture</li> <li>- Boat sales to the south</li> <li>- Marina facilities</li> </ul> <p><b>Transition</b></p> <ul style="list-style-type: none"> <li>- Tourist retail</li> <li>- Function/club house facilities</li> <li>- Hotel</li> </ul> <p><b>Residential</b></p> <ul style="list-style-type: none"> <li>- Existing residences</li> </ul>
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Transition of Land Uses

The Masterplan also assessed the feasibility of relocating Royal Geelong Yacht Club (RGYC) to the Osborne House site as part of the Marine Cluster. It was resolved that there is little likelihood of RGYC relocating due to the following reasons:

- RGYC has existing marina infrastructure in place and would be reluctant to pay to reinstate this in a new location.
- The proximity of the shipping channel precludes a full relocation of the RGYC.
- The existing RGYC is prime real estate and the club would be extremely reluctant to move from the city waterfront.
- The site lends itself more to a touring yacht club, associated hotel and marine event management space.
- Cost of upgrading Osborne House to a yacht club without an associated hotel would be prohibitive and RGYC may not have the capital or inclination to develop a hotel on the site.

The Masterplan is detailed in the pages following, however in summary the proposed Masterplan delivers the following benefits for the Greater Geelong region:

- A destination point for short-term berthing, accommodation and boat maintenance.

- A combination of private and public sector development to enhance the Osborne House Precinct and deliver economic benefits to the region.
- It responds to the Boating Needs Study by:
  - Retaining St Helens Boat Harbour as a key boating asset for the launching and retrieval of boats.
  - The potential to provide a boat training precinct within the proposed industrial zone.
  - Development of a skills centre for the marine industry.
  - Providing facilities for the relocation of existing marine servicing currently occupying Western Beach.
  - Provision of facilities for the Geelong Trailable Yacht Club, Volunteer Coast Guard and potentially the Victorian Sailing School.
  - Commercial dry boat stack facility.
  - Encourages pedestrian movement between the city and St Helens.
- Provides Port Phillip with a marine cluster providing boat maintenance, construction and refit facilities for craft up to 400 tonne as identified in the Arup Marine Manufacturing Precinct report.
- A recycled reuse for industrial land currently underutilised and desolate.
- Connections to Geelong Central Activities Area and Port Phillip via pedestrian boardwalks and future water taxi or ferry access.
- Deep-water access adjacent to the shipping channel with minimal dredging required.
- Viewing platform and amphitheatre for major and minor on-water events.
- Compatible infrastructure needs for the Rippleside development such as open space, short term boat berthing and visitor accommodation.
- Integrated access from the water to the upper level buildings.
- Layering of uses to provide land use transition from the heavy industrial activity to the north of the site.
- Job creation in existing manufacturing and industrial workforce and compatible industry for existing education organisations such as Gordon TAFE and Deakin University.

The Masterplan does not deliver the following:

- An assessment was made on whether the inclusion of vessels over 400 tonne suited the 'best-use' criteria of the Masterplan brief. It was resolved that the Masterplan should not include for vessels in excess of 400 tonne, repair, construction and maintenance of large metal hulled boats or inclusion of a slipway for the following reasons:
  - The manufacture and repair of these vessels would require all of the reclaimed land area shown on the Masterplan at the detriment of the maintenance and repair of aluminium and fibreglass hulled craft.
  - Maintenance and repair of boats less than 400 tonne represent approximately 90% of the market share.
  - The manufacture and repair of these vessels would be an incompatible use with the hotel and existing residential area to the south, due to the heavier industrial nature of the works on larger vessels.
  - The Coomera facility is successfully operating with a 150 tonne travelift and a 40 tonne travelift.

- A heavy industrial facility is not consistent with the proposed amenity of the facility.
- Any such facility would have to be located further to the north and would need to be compatible with existing port related heavy industries.
- Dedicated public parking facilities for major events. A traffic management strategy would need to be adopted for events in and around the Osborne House site.
- A third boat ramp at St Helens as identified in the Boating Needs Study. However there is provision for this if required.

#### 4.1 The Masterplan Principles and Sectors

The Osborne House Precinct is to be the primary location for recreational boat servicing in Victoria. It is to further strengthen Geelong as a boating capital while building on existing industrial and tourism advantages.

Development within the precinct is to be guided by the principles within the Masterplan. These have informed the concept plan, which visually represents how the principles can be achieved. It is acknowledged that detailed design, feasibility and environmental analysis will refine the actual design, which should still positively respond to the principles.

Informed by research and consultation the following are the Masterplan principles:

**Principle 1:**

For the Osborne House Precinct to provide for integrated and complementary development, that provides for economic and community benefits.

**Method:**

Facilitate marine industry development and associated facilities for visitors.

Provide for a transition of uses from existing heavy industry to the north of Mackey Street to residents to the south of Swinburne Street.

Ensure new land use, access and buildings minimise negative impacts on port related heavy industry operations and the amenity of existing residents.

Ensure development positively responds to heritage and environmental issues.

Ensure development improves the amenity and facilities in public recreation areas.

Encourage new development and use to create employment generating activity.

**Principle 2:**

Enhance the heritage and public access of Osborne House.

**Method:**

Facilitate private investment in Osborne House that is supported by financial feasibility.

Encourage uses that facilitate public access and attract visitors.

Consider within and adjacent to Osborne House a hotel and associated restaurant/café, function/clubhouse facilities and marine/tourist retailing.

Ensure development design and siting is respectful of Osborne House and its setting (subject to Heritage Victoria approval).

Encourage facilities and themes to celebrate the pastoral, maritime and civic history of Osborne House.

Conduct a review of the Conservation Management Plan for Osborne House.

**Principle 3:**

Facilitate a sustainable and compatible land use north of Osborne House that positively responds to its location.

**Method:**

Encourage development of underutilised and vacant land.

Encourage development that takes advantage of access to the bay, infrastructure and the highway.

Encourage development that takes advantage of views to central Geelong and the bay while managing the difference in level to the foreshore and cliff edge issues.

Encourage development that positively responds to its proximity to residents, heavy industry, heritage buildings and the bay.

**Principle 4:**

Respond to the identified need for commercial maintenance facilities for recreational boats, while creating a marine recreation destination.

**Method:**

Encourage the industrial and marina areas to be primarily used for marine based industry and provide industrial services for other marinas that have limited industrial capacity.

Encourage and facilitate marine based industry, consisting primarily of repair/maintenance and manufacturing facilities, including the potential future expansion to the north of Mackey and west/south of McLeod Street.

Encourage a reclaimed area and excavated land that includes a hard stand, a boat drystack, wet berths primarily assigned for boats awaiting repair/maintenance and boat retrieval facilities (including travellift).

Encourage facilities for boat users and visitors including day and super yacht berths, ferry/charter facilities, clubhouse, restaurant/café, refuelling facilities and marine based retailing.

Consider the future potential of larger vessels being serviced at the northern edge of the reclamation area.

**Principle 5:**

Improve the amenity, attraction and access to public recreational facilities and open space areas.

**Method:**

Provide improved pedestrian and bicycle access from St.Helens Beach to Osborne House and to the recreation (sport) reserve fronting Melbourne Road.

Re-locate facilities for the Trailable Yacht Club (prior to reclamation occurring).

Investigate opportunities for small scale commercial uses at the St.Helens car park that provide facilities for tourist/recreational visitors.

Investigate opportunities for improved and shared facilities/infrastructure for water based non-commercial organisations.

Ensure buildings, structures and uses on public areas minimise negative impacts on views or amenity of adjacent residents.

Ensure car parking facilities are efficiently used and designed.

Update facilities at the St.Helens boat ramp, including wash down facilities and extended lay-by berths.

Maintain the St.Helens boat ramp's position in the boating facilities hierarchy.

Ensure integrated and co-ordinated planning for the St.Helens boat ramp and car parking areas.

**Principle 6:**

Minimise impacts on the environment and landscapes, through design, construction and operation.

**Method:**

Ensure required environmental studies are completed and approved prior to construction and operations.

Ensure the design of the reclamation area, wave attenuation and marina is informed by an understanding of the marine environment and potential impacts.

Encourage methods of site clean up/clearing, modifications to topography and reclamation of land, meet best practice environmental standards.

Improve the stability and safety of cliff edges and slopes.

Ensure the location, design and colour of buildings and structures are compatible with Osborne House and its foreshore setting.

Retain significant trees and encourage high quality landscapes including indigenous vegetation.

Encourage best practice waste water, noise and air pollutant minimisation and management.

Conduct an environment management plan as required.

**Principle 7:**

Avoid new uses from being negatively impacted by and/or compromising the operations of heavy industries north of Mackey Street or the amenity of residents south of Swinburne Street.

**Method:**

Transition uses from existing heavy industry to the north of Mackey Street to existing residential uses to the south of Swinburne Street.

Locate uses that may be sensitive to existing noise and dust/particles remotely from heavy industry to the north of Mackey Street.

Use the position of new buildings (including openings), materials and design to minimise impacts.

Locate accommodation uses adjacent to Osborne House and beyond 300m from existing heavy industries to the north of Mackey Street.

Conduct an impact assessment including reverse amenity considerations as required.

Ensure policy and controls in the Greater Geelong Planning Scheme, facilitate marine based industry and associated land uses, without compromising the preferred setbacks between heavy industry north of Mackey Street and sensitive land uses (such as a Hotel) or allow uses that would compromise the operation of heavy industry north of Mackey Street or amenity of residents south of Swinburne Street.

**Principle 8:**

Ensure traffic movement and volumes are efficient and safe, and avoid visitor traffic negatively impacting on the existing operations of the heavy industries north of Mackey Street or having significant negative impacts on Swinburne Street or Melbourne Road.

**Method:**

Conduct a traffic study to assess the impact of additional traffic generation as required.

Investigate a new primary east-west road for visitor traffic, connecting with Melbourne Road adjacent to the existing Shell Service Station, with left in left out lanes (non-signalised).

Avoid high domestic traffic visitation uses, such as retail, hotel/restaurant/tourist facilities having access from Mackey Street.

Investigate the signalisation of the Swinburne Street-Melbourne Road intersection, informed by residents and users of the St.Helens boat ramp (subject to VicRoads approval).



The Masterplan has been divided into 4 sectors as part of the Feasibility Study. Each sector is described more fully below. The sporting reserves, while within the study area are not identified for change and therefore are not included in any of the sectors.

<p><b>Sector 1 - Marina Services</b> Northern Land – Lower level</p>	<p>Reclaimed land of approximately 5.4 hectares Excavated land of approx. 1.8 hectares. Medium - light industrial uses with hardstand. Enclosed workshops for short-term maintenance and repair of aluminium and fibreglass hulled craft. Enclosed 300 dry stack boat storage shed Consolidated car parking. Working marina including 100 maintenance berths plus lay-by berths for the dry stack facility and travel lifts. Approx. 50 short-term berths in the public part of the marina. Two travelifts with a maximum 400 tonne limit. Restricted vehicle and public access to industrial and hardstand areas..</p>
<p><b>Sector 2 – Marine Industry</b> Northern Land – Upper level</p>	<p>Medium - light industrial uses. New east-west road access to the marina / reclamation zone. Boat sales (show-rooms and open-yard adjacent to the new east-west road). Chandlery / marine retail showrooms associated with the service providers in the marine industrial zone. Enclosed workshops for the manufacture, maintenance and repair of water based craft. Limited access from the new east-west road to the industrial areas to the north.</p>

<p><b>Sector 3 - Osborne House</b> Southern Land – Osborne House, stables, former depot, park interface and immediate foreshore area</p>	<p>Re-use of existing heritage buildings</p> <p>Food and drink premises, including restaurants and cafes.</p> <p>Small scale marine retail, tourist based and speciality retail.</p> <p>Public access.</p> <p>New buildings respectful of heritage and foreshore context.</p> <p>Hotel of 80 – 120 rooms.</p> <p>Function and / or business centre for up to 200 people</p> <p>Clubhouse facilities.</p> <p>Maritime artefacts and memorabilia retained if feasible.</p>
<p><b>Sector 4 – Public marine facilities</b> Southern Land – Lower Level - Public</p>	<p>Public access, recreational facilities, open space and car park.</p> <p>Pedestrian and bicycle path from St.Helens Beach to Osborne House.</p> <p>Updated facilities at the St.Helens boat ramp, including wash down facilities and lay-by.</p> <p>Facilities and buildings for marine-community based organisations, including Geelong Coast Guard and Trailable Yacht Club</p> <p>Minimise impacts on adjacent residential areas.</p> <p>Complementary attractions for tourist/recreational visitors, including café /kiosk.</p>



Osborne House Precinct Masterplan – Concept Plan

### Sector 1 - Marina Services

The Masterplan provides for 6 – 7 hectares of land at 2 metres above the high tide line. It is proposed to create the new area predominantly by reclamation but also by excavation of the Powerhouse site to the same level as the reclamation. It is proposed that this reclamation area would operate similar to the waterfront zone of the Coomera facility and would include the following:

- An enclosed dry stack boat storage shed (4,000 – 5,000 m<sup>2</sup>);
- A covered boat building and manufacturing facility (approx. 10,000 m<sup>2</sup>);
- Boat maintenance and servicing facilities (both public and leased) including workshops, office space and amenities;
- Multi-level car park building to support dry stack facility, manufacturing and maintenance facilities;
- 2.5 hectare hardstand area;
- An administration and office facility at the entrance to the sector.

This sector includes the former Powerhouse site together with the reclamation area. It is considered that reducing the ground level on the powerhouse site (to that of the reclamation area) provides two significant advantages:

- Greater land area at one level that improves operational efficiencies and allows uses such as the consolidated car park to be located next to and at the same level of the drystack.
- Provides fill to be used for the reclamation area (potentially in addition to the remains of the powerhouse building), saving significant costs in the acquisition and transportation of fill.

It is envisaged that manufacturing may be displaced from this level as demand for additional drystack and/or repair and maintenance facilities grow.

Access to the site will be via a new east-west road from Melbourne Road through the vacant CoGG land. A descending ramp is proposed along the boundary between the Pilkington site and the Powerhouse site. This alignment provides adequate length for the roadway to be graded at around 5%.

The dry stack facility would cater for around 300 boats and is sited in the south-west corner of the excavated Powerhouse site. The storage facility would have direct access to the water front along its eastern edge – allowing boats to be launched and retrieved directly from the shed. As this will be a high building it is considered desirable to locate it towards the rear of the marina / reclamation sector so as to minimise its impact on viewscales.

In order to maximise the appeal of the dry-stack facility and cater for the car parking demand generated by the manufacturing and maintenance facilities it is proposed to locate a multi-level car park building adjacent to the dry stack building. This would be close to the point where the new access road enters the site.

Large marine manufacturing and boat building facilities will be located along the northern edge of the reclamation. These building will open toward the south to minimise any impacts from air borne pollutants emanating from the heavy port industries north of Mackey Street.

The central part of the reclamation would be used for hard-standing purposes as needed.

Small maintenance workshops and premises for marine service providers would be located in the buildings along the southern edge of the reclamation. A number of bays could be provided for short term public use by boat owners while others could be leased to small businesses providing marine / boat related services. Office and amenities would be included in this area.

Given the deep water access that will be provided by the reclamation it is proposed to provide for a heavy ship berth on the north eastern corner of the reclamation. This berth could be used for conducting work on larger vessels that cannot be lifted out by the straddle carriers. For example, the reclamation would provide access for mobile cranes to a larger vessel, allowing the removal of engines or other heavy components that could then be worked on in the workshops. There would be potential in the longer term to convert this berth to a ship-lift type facility if market demand warranted.

A new harbour would be created on the south side of the reclamation area and will provide safe berthing and access for boats using all the facilities. The harbour will notionally be split along the SE-NW diagonal. To the north of this line will be the private area consisting of maintenance berths, travel lifts, lay-by and access for the dry stack facility. To the south of this line will be a more public zone which will include the public boat ramp and related lay-by berths and new short term public berths.

Approximately 100 berths are proposed for manufacturing / maintenance precinct. We believe this is an adequate number based on a review of the operations at the Gold Coast City Marina. Lay-

berths for the travel lifts could be used temporarily for super yachts if needed. Around 100m length of lay-by has been provided for the operation of the dry stack facility.

The public part of the harbour will include around 50 short term berths for visitors (day-trippers from Melbourne), guests of the hotel and charter operators and ferries. Realignment of the groyne protecting the St Helens boat ramp will allow extended lay-by berths to be added to the public boat ramp in an east/west alignment.

As described, major infrastructure works will be required for the reclamation of the land area, the excavation of the Powerhouse site, construction of the marina berths and construction of the access road. Access in and around the reclaimed and hardstand area will be by travelift and forklift and launching of vessels will also be by these means. It is proposed to have strict controls on working on vessels whilst they are still on the water due to associated OH&S, environmental issues and due to these reasons no vehicular access will be provided to berths. Generally vessels are to be removed from the water and work undertaken either on the hardstand area or in short term maintenance sheds that can be leased on a day rate. Either low loader trucks or trolley systems will provide transport of vessels from the lower level to the upper level. It is not proposed that travelifts or forklifts will traverse the proposed ramp due to low gradient requirements, the length of ramp required, high wheel loadings and the associated traffic management problems that would occur.

The maximum boat size will be determined by the developer of this sector to best fit the local market. The Coomera site has two travelifts and two forklifts operating. The smaller travelift is 40 tonne and the larger travelift is 150 tonne. We have been advised that the 150 tonne is more than adequate for the vessels that are serviced at the site, however a 70 tonne lift would be a better alternative for any new facility instead of the 40 tonne travelift. The Masterplan does not propose any facilities for vessels in excess of 400 tonne, although there is recognition that further opportunities for servicing facilities should be investigated, including at the northern edge of the reclamation area.

It is expected that the majority of businesses at this lower level would be short turnaround industries providing boat maintenance such as cleaning, antifouling, painting and refits. Any additional space may be used for manufacturing until demand exists for a greater area for servicing, maintenance and/or dry-stack facilities.

The boundary between the private reclamation/marina area and the public area to the south is proposed to be along the southern side of the dry stack facility. The coastal path will terminate at this point and public access into the marine precinct will be restricted. Marine retail and facilities, adjacent to the dry-stack, will facilitate connection between the reclamation area and Osborne House, and is to include a vertical link, ideally in the form of a public lift.

Due to the industrial operations within the Marina Services sector, movement of large boats and travelifts and to manage safety risks, the area is to have controlled access. This will manage public access, both vehicle and pedestrian. Parking of passenger cars will be preferred in a consolidated location and avoid passenger car movements through the hardstand area.

## **Sector 2 – Marine Industry**

The Marine Industry sector is located on the existing industrial zoned sites to the north/west of Osborne House at approximately 14m above the high tide mark. With the Marina Services sector (including reclaimed area) approximately 2m above the high tide mark, the Marine Industry sector is 12m higher than the sector that supports it. It is proposed that industry not requiring constant

access to the water's edge would be located at this level such as manufacturing/construction and longer term boat maintenance/refit.

Associated activity is to include marine electronics manufacturers and smaller specialised marine manufacturing businesses. Also located in this sector would be the boat building factories that require large, cheap land area, with heavier industrial operations encouraged adjacent to and north of Mackey Street.

Currently Victoria's boat builders are not located anywhere near the water and do not require direct access to the bay. The Coomera facility also has large boat manufacturers without direct access to the waters edge. Boat launching would be via a low loader or trolley from the upper level to the lower level and then launched by either travelift or forklift depending on the size of the boat.

The land available at the upper level is approximately 10 hectares in area and a similar size parcel of land is located to the north of Mackey Street totalling a potential 20 hectares of land for a marine industry cluster. The sites north of Mackey Street (including the former Pilkington, Classweave and Henderson buildings) are urgently in need of a sustainable industrial use. The former Pilkington and Henderson buildings could be transformed into boat manufacturing factories and the former Classweave would be ideal for specialised manufacturing, communications and electronics businesses or associated training facilities.

This sector includes the former railway siding and it is proposed to utilise part of this land for the new east-west access road for the marine precinct, however this use will not require all of the available land. Other uses could include boat sales (showrooms / open yards) or showrooms for associated suppliers located in the marine precinct. Such uses with a lower amenity impact or higher amenity sensitivity are to be located towards the southern edge of the sector and adjacent to a new east-west access road.

An existing Powercor substation is located on the eastern edge of the sector (to the west of the Powerhouse site). This substation is significant and unable to be relocated and is therefore retained as part of the Masterplan design. There may be potential for the substation to reduce its footprint and be relocated within the site, however this is likely to be at the full cost of any developer. It is noted that the substation requires access along the east boundary for maintenance and any future development of the Powerhouse site should defer to Powercor and provide for the necessary access.

The other areas of industrial land are the Pilkington site and the land north of Mackey Street. Should this land become available it could be utilised for further marine industry not requiring direct access to the water front. In the event that this occurred, it is suggested that a north-south road be included linking Mackey Street to the new marine precinct access road and obviating the need for traffic between these areas and the reclamation zone travelling onto Melbourne Road.

The idea of a dry stack was contemplated, however the level differential make this impractical and a far better resolution is to have the dry stack at the waters edge in the Marina Services sector.

The access road to Marina Services sector is proposed to be a ramp starting at the western edge of the Powercor substation land and heading in a north-east direction. This road is required as the existing access to the water would not be acceptable for large vehicles. This road avoids the potential conflict between visitors (passenger cars) and large trucks that service the port related heavy industries along Mackey Street. The scope of this report does not include civil design and environmental studies of the access ramp and surrounding areas.

A road linkage to Osborne House is proposed, which includes a ramp to east of the Powercor site and west of the Powerhouse site. Also a future road is identified to the east of the current Pilkington factory, linking with Mackey Street. This road is not essential in the short-term but would provide alternate access between industrial areas, and is to minimise its use by domestic/visitor traffic that may disrupt port related heavy industrial operations.

The land in this Marine Industry sector is mostly under private ownership apart from a small parcel of land at the south-west corner (former railway siding) which is currently owned by the City of Greater Geelong. It is proposed that this land may be sold by the city to facilitate the internal road networks required by the Masterplan, particularly a new east-west road (from Melbourne Road) that will be the primary access. The existing service station may lend itself to becoming a refuelling point for the cluster and distributor of fuel in and around the site.

### **Sector 3 – Osborne House**

The City of Greater Geelong requires a use for the Osborne House building and surrounds. The existing buildings are currently used as office accommodation for local organisations, which does not provide public access to the building. Osborne House's historical significance dictates that a more sustainable and public use be afforded the building and is the impetus for this Masterplan design and report. Osborne House is ideally located with views across the water and back towards the Central Geelong, Eastern Beach and the Eastern Gardens, however the site is isolated along the foreshore due to the Rippleside shipyards. With the redevelopment of these shipyards into residential apartments and the associated boardwalks and beach regeneration, an opportunity is presented for Osborne House to be the final destination point along the City Foreshore. Osborne House and the Maritime Museum also represent a Tourism opportunity for accommodation and an adjacent marine precinct with a marine themed hotel.

The design of this sector provides for a retail component to the north of the site, which will act as a central destination point and land use transition for both the hotel guests and the marine cluster visitors. It is expected that this retail would be required to have a marine and visitor focus such as food, gear, communications and electronics.

It is suggested that a building be included along the southern side of the dry stack shed that will meet the following needs:

- Marine retail;
- Club facilities (showers, locker room etc) for tenants of the dry stack facility with secure access through to the dry stack facility and car parking;
- Public cafeteria and bar;
- Vertical connection between foreshore and upper Osborne House precinct;
- A linkage from the non-public marine industry precinct to the public zones around Osborne House.

It is suggested that a terraced building could meet these objectives and have the benefit of great viewing of the harbour and marine activity.

The existing Maritime Museum may be maintained, however there is a belief that this is not an ideal location for the Maritime Museum. Options for the Maritime Museum are to relocate closer to the city centre, along the waterfront or to distribute the artefacts throughout the site to provide the

theming elements for the hotel and Osborne House. This would then present an opportunity for the building to be refurbished as either a small function space or other facility associated with the hotel.

It is proposed that a 80-120 room 4-star marine themed hotel sympathetic to the existing heritage structures be developed to the rear of the existing Osborne House and Maritime Museum Buildings. The hotel would have control of approximately 25% of the marina berths for guests and other visitors to the precinct, Rippleside development or Central Geelong (with water taxi, bike or pedestrian access back to Central Geelong). The hotel would be required to provide sufficient parking, including underground parking and would be accessed from Swinburne Street.

A condition of the development must be that public access is maintained to the Osborne House buildings. The Masterplan proposes that the Osborne House building to adopt Yacht Club style usages with themed meeting and dining rooms, function spaces and an open restaurant / café pavilion opening onto a landscaped forecourt overlooking Corio Bay. It is envisaged that the Osborne House building be developed to replicate the ambience of the New York Yacht Club.

Significant civil works are proposed for the existing east facing slope to provide a tiered viewing / amphitheatre space to view events on the water. The combination of Osborne House as secondary, informal yacht club in Geelong and such a breathtaking viewing podium and the deep water access could attract major water based events to Corio Bay such as Super Yacht Racing.

#### **Sector 4 – Public marine facilities**

The Masterplan proposes to enhance, maintain and where possible increase public access to the St Helens boat ramp area with improved facilities including BBQ's, toilets and playgrounds. The existing boat ramp will be retained and upgraded if required.

It is proposed to truncate and realign the groyne that currently protects the St Helens boat ramp. With construction of the new harbour the groyne becomes redundant and the suggested realignment will allow improvement to the ramps lay-by facilities to be considered. An extension of the lay-by pontoons would improve the efficiency of these ramps and could ease congestion on busy boating days. Running new lay-by pontoons in an east-west alignment will maximise the number of new public short term berths that can be included in front of Osborne House.

The Trailable Yacht Club is currently located along the foreshore near the end of Mackey Street. The Masterplan promotes removal of this buildings as part of the works in the Marina Services sector. . In addition to the organisations located at St Helens there are other marine based organisations located along the Corio Bay foreshore that would benefit in relocating to a shared, flexible facility. Most of these organisations use the clubhouses sparingly and at different times of the week and there is a potential to develop a multi user facility within the public space. The upgrading of the existing Coast Guard building would provide a multi-user facility for marine based community organisation including the Geelong Trailable Yacht club.

There is potential for a combined small scale public and commercial building to provide a public café and kiosk, with public conveniences to service St Helens beach and recreational fisherman. This could also include a public meeting space, with commercial operations offsetting part of the cost of construction and maintenance of this building. This building and activity would also activate the foreshore and use of the pedestrian/cycling path to Central Geelong.

There is also a social requirement for the Masterplan to seek to assist parties displaced by the proposed commercial operations.

The creation of a marine precinct, hotel and event space should provide tourism based opportunities within the precinct. Public infrastructure such as the public area design is required to offer linkages to Rippleside and Central Geelong and to provide non-marine experiences such as walking, bike riding and fishing. This is to create an activation of the waterfront. It is proposed to continue the Rippleside boardwalk around to the Osborne house precinct and provide short stay vessel berthing, water taxis / shuttles to and from the Central Geelong which is synergistic with the hotel development and a public café / kiosk to service St Helens Beach visitors. The Osborne House precinct could possibly become a destination point from central Geelong for walkers and cyclists. It is proposed that public and private buildings could be an iconic structure while responding to their context. The upgrade of public facilities may require private and Government funding to ensure the tourism value is protected and that important community assets are not lost in the redevelopment of the precinct.

There is a need within Port Phillip and Geelong to provide boating destination points including short term wet berthing and facilities such as cafes and restaurants at the destination. Sector 4 provides a destination point for those traveling within Port Phillip by boat and those looking for an 'experience' by traveling via water to a restaurant and/or café from either Geelong or Melbourne.

The development of Sector 4 is integral to the precinct as a whole. A poorly developed Sector 1, 2 & 4 will have a negative effect on the hotel marketability and financial performance, particularly the linkages to Rippleside and central Geelong. The displacement of local organisations and any reduction of publicly owned land should be translated to better public facilities within Sector 4.

## **4.2 Statutory Issues**

There are a number of planning scheme amendments required to allow the development proposed within the Masterplan to proceed. It is recommended that Council facilitate these amendments and approvals to reduce uncertainty with regard to planning approvals.

### **Osborne House – Public Use Zone 6 Local Government**

To enable the proposed hotel and marine retail development to proceed within the Osborne House site the planning scheme will require amendments. It is envisaged that City of Greater Geelong would initiate this amendment to provide an appropriate zone and if required design controls (i.e. Design Development Overlay) with schedules and special conditions defining the type of development encouraged and allowed to occupy this site. Clauses requiring the tenants to be of a "marine" nature or theme would assist the overall cohesion of the site with the marine cluster. Controls would also be applied to the land to ensure that sensitive uses such as accommodation (other than caretakers house) are not permitted within 300m of heavy industrial uses on the north side of Mackey Street (i.e. Barrett Burston Pty Ltd). Should the intended outcome for COGG be to sell off the land, or part thereof, then subdivision approval would be required. Development approvals on land on the Victorian Heritage Register, would also be required, and should be informed by a reviewed Conservation Management Plan that has been developed in concert with Heritage Victoria.

### **Corio Bay and Foreshore – Public Park and Recreation Zone**

This zone is currently managed by City of Greater Geelong. There are a number of approvals required, including environmental studies required to re-zone the land to be reclaimed, the bay area related to the marina wet berths and the cliff faces between the water and Osborne House / Powerhouse site.

The following approvals and strategic planning issues need to be resolved:

- ▶ A framework to be agreed by Council and State Government departments for the reclamation of this area and development of the reclaimed land.
- ▶ A planning scheme amendment to provide appropriate zoning for industrial marine and associated marina.
- ▶ Approvals to develop the area directly in front of Osborne House tiered landscaping to the existing slope breaks up the steep bank and allow for a stadium type amphitheatre effect for major events viewing.
- ▶ Excavation of the cliff face directly in front of the Powerhouse site (in addition to excavation of the Powerhouse site itself) is required to enable a level marina services area.

#### **Sites north of Osborne House and Former Shire Depot**

The industrial zoning to the north of the former shire depot are entirely appropriate for the use as medium-light industrial under the Masterplan. There is no need to rezone this land for the Masterplan, however alternate rezoning may better reflect and facilitate marine focused industry. The Masterplan will be compromised if these sites are developed for uses other than marine based. We would recommend controls requiring and/or facilitating marine based development.

Approvals, including environmental analysis would be required to excavate the Powerhouse site and for the excavation and remodelling for the associated graded vehicle access from the upper level to the reclaimed marina level. This has been identified as a vital part of the marine cluster for connection of the water berths and reclamation area to the existing industrial land on the upper levels.

### **4.3 Heritage Issues**

Due to the heritage significance of Osborne House and its surrounds, a reviewed Conservation Management Plan is recommended to be developed to the satisfaction of Council and Heritage Victoria. A previous Plan has been developed by Helen Lardner, which identified potential building envelopes. However it is considered appropriate to allow a specific proposal including a hotel and other uses as envisaged, to inform a revised Conservation Management Plan. This would allow the Masterplan, specific design detail and financial feasibility, to achieve the best outcome for Osborne House.

#### **Osborne House**

The 'Conditions Analysis' prepared by Bill Hall & Assoc. suggests Heritage Victoria supports the belief that any part of those buildings constructed after 1910 are not considered historically significant and therefore are preferred to be removed (subject to approval). The Masterplan has investigated the potential uses of these buildings including all extensions and believe that while there is a preference to remove all additions, there may be benefit in considering the retention of buildings that lend themselves to remodelling and that would otherwise not be able to be replaced, such as the eastern pavilion style extension to the front of the site. With careful integration and planning both the pavilion extension and the proposed new hotel, together with other buildings, would complement and enhance the Heritage buildings.

#### **Stables**

Initial discussions with Heritage Victoria and COGG's Heritage Advisor indicated that creating openings to the east side of the stables would be considered. With careful attention to detail and consultation with the above authorities an appropriate proposal for entries/exits and fenestration is

possible. Possibilities therefore exist for uses such as function facilities, eateries etc with views and connections to the bay.

### **Heritage Gates**

In line with the Burra Charter the existing location of these gates is to be maintained and possibly enhanced. Although highlighting them as the original entrance to the Osborne House site is seen as appropriate it is not seen as detrimental to the project if they are maintained in their existing condition. This may be an item that could be debated with Heritage Victoria and enhanced in lieu of other modifications.

### **Other Issues**

An important outcome for the Masterplan is to achieve an increased street presence of Osborne House when travelling east along Swinburne Street. To relocate the existing childcare centre on this corner is seen as both appropriate and practical to achieve the best possible view corridor to the Heritage site. A more appropriate location is yet to be determined.

The caretaker's cottage is seen of little significance to the overall performance of the site and restoration of the heritage buildings and site.

It is understood that Heritage Victoria would prefer that the existing vistas from the bay to Osborne House be maintained. The Masterplan provides for this through placement of new buildings across the site. A clear and open area of landscaped lawns and tiered natural seating is expected to allow both use of this area for general recreational use and special major event viewing. Improvement of views back to Osborne House by the general public will be increased and enhanced.

## **4.4 Environmental**

There are surmountable environmental issues with the implementation of the Masterplan. This report provides comment on known environmental issues and environmental issues that have presented throughout the process. This report does not detail normal environmental testing and reporting processes required for all projects, however we would recommend a framework be established to reduce risks to investors.

In addition to the direct environmental impacts, assessment should also be conducted to understand and respond to the potential for impacts on adjacent land uses. This includes the amenity of residents to the south and operations of port-related industrial uses to the north. Therefore an Environmental Management Plan (EMP) is recommended that also addresses reverse amenity impacts from the precinct on port-related industries to the north of Mackey Street.

### **Clean up of depot operations**

The clean up of the former shire depot site would likely be a pre-condition of any sale or lease of the site by Council. The extent of clean up required will be dependant on the final form of development on the site. We would recommend that clean up of this site would be a negotiated position between Council and the future investor.

### **Reclamation works and Marinas**

Reclamation is seen as a major and vital component of the proposed Masterplan. For the Marina to operate effectively a low level flat area is imperative to provide adequate facilities to the associated berths and dry stack. Extensive research and reporting regarding environmental impacts to the Department of Sustainability and Environment is required to ensure a healthy bay

environment is maintained and potentially enhanced. This affects both the marine cluster industrial and public reclamation areas.

It is recommended that environmental assessment studies of the existing sea beds, cliff faces, vegetation and water quality are conducted. From these assessments an environmental framework can be prepared and adopted for any future reclamation and redevelopment required for the implementation of this Masterplan. This framework could be formalised under the planning scheme as an environmental overlay.

It is recommended that in conjunction with the works noted above, there would be a shared responsibility for potential investors and developers to undertake environmental studies as part of a due-diligence reporting process.



Proposed Extent of Reclamation Area and Re-Sculptured Foreshore

#### **4.5 Land Tenure**

Current ownership and possible future development of the existing industrial and public foreshore land in line with a marine cluster has been identified as a major component of the proposed Masterplan. A successful outcome as a dedicated marine cluster of state and possibly national significance depends initially on the immediate adjacent owners/tenants of the industrial sites, such as the Powerhouse site, agreeing to align with marine based industry. Future cooperation and

expansion to extended surrounding sites would also ensure a strong basis for growth and longevity.

### **Public Foreshore**

The steep embankment along the foreshore between the east border of Osborne House, the Powerhouse site and the bay is owned by the Crown and under management by COGG.

There is currently no indication of any title and subsequent zoning on the planning scheme maps. Therefore other than broadly coming under the Public Parks and Recreation Zone the potential uses available to these areas would be discussed and approved as part of the reclamation studies with Parks Victoria and DSE.

### **Privately Owned Land**

Whilst the Masterplan allows for preferred development on the privately owned sites to the north of Osborne House, these sites are not restricted to marine based industrial development and existing owners are therefore not required to develop in accordance with the Precinct Masterplan. This could be rectified with effective planning controls to ensure that development proceeded in line with an endorsed Masterplan

The existing powerhouse building is not seen as significant or required for the project and therefore for the Masterplan to show the optimal outcome for the site this building has been shown as demolished. This makes way for marina facilities including a drystack and multi-level car park at a grade equal to the reclamation area.

The City of Greater Geelong has refused to grant a planning permit to redevelop this particular site for a nursing home. This suggests a desire, from the statutory bodies, for the site to remain as an industrial zone rather than increasing long-term residential zones in line with the industrial buffer setbacks created about existing heavy industrial sites.

### **Pilkington**

Expansion of the marine based industrial precinct into the Pilkington sites is seen as appropriate to create a strong and effective base for a marine cluster. There is no implication that Pilkington will vacate their current location within the next 5-10 years.

Initial discussions with the new owner of the former Pilkington site located on the corner of Melbourne Road and Mackey Street indicated interest in the potential of a marine cluster. There is potential for the initial investment in the marine precinct to be provided north of Mackey St and would be welcomed under the precinct Masterplan.

### **Classweave (Mill Markets)**

As a heritage listed property a potential use for the Classweave site has also been keenly sought over the years. Wholesale retail outlets have occupied the majority of the spaces, however a marine based retail/industrial ancillary use to the cluster would be appropriate for the area. While not essential for the success of a marine cluster there definitely appears to be potential for expansion into these buildings for small workshops and manufacturing operations.

### **Rippleside Development**

The recently approved Rippleside residential and marina development will have a significant impact on the overall image of development to this portion of the foreshore.

Potential benefits to the Osborne House site may include:

- ▶ Increased awareness and activity within the area both on the land and within the marina environs.
- ▶ Creation of a cluster of public destinations within an urban setting to an existing unfriendly and somewhat unsightly bay foreshore.
- ▶ Modern beautification and rectification of the existing shoreline.
- ▶ Connections with existing pedestrian links along the waterline from the south will be enhanced and extended.
- ▶ Beautification of the existing assets such as Rippleside and St. Helens beach areas and foreshore including environmental concerns. St. Helens beach is proposed to have a new sand beach base included within the development.
- ▶ Commercial precinct will retain residents and draw population to the area.

## 5. Financial Feasibility

The development of a preliminary Masterplan for the Osborne House Precinct was followed by financial feasibility study to assess the viability of the proposed Osborne House Precinct.

The process included:

An assessment of the viability of each of the proposed development mixes in relation to:

- ▶ Commercial and financial viability
- ▶ Job creation
- ▶ Regional and community benefits
- ▶ Economic multipliers

For each of the proposed development mixes an analysis of:

- ▶ Existing operations in the area (e.g. motels), including desk research to identify and assemble the key statistical data for the area to develop:
  - A profile of the area
  - Annual visitor numbers and reasons for visit
  - Number of existing competitive entities in the area
- ▶ Potential for each of the proposed new facilities, identifying their “destination” value
- ▶ Barriers and opportunities
- ▶ Impediments or threats to success and to identify strategies to address those

Interviews were conducted with:

- ▶ People and organisations which could contribute to the project, such as Geelong Tourism
- ▶ Officers of the City of Greater Geelong to address the issues identified as relevant to them
- ▶ Companies and organisations located within the region to identify their existing employee and visitor accommodation arrangements and their interest in using new facilities offered at Osborne House
- ▶ Melbourne based companies to enquire on the possibility of relocation to a Marine Precinct in Geelong

### 5.1 Sectors 1 to 4 – Key Findings

#### 5.1.1 Findings in Relation to Sectors 1 and 2:

The consultancy process also involved a detailed review of previous reports into the marine industry in Victoria as background to this Masterplan. The key reports reviewed (Marine Industry Cluster Development prepared for the Boating Industry Association; the Marine Manufacturing Precinct Feasibility Report, also prepared for the Boating Industry Association; and the Bellarine Peninsula Safe Harbour Report prepared for Parks Victoria) have all identified the potential for a marine precinct within the Port of Melbourne because of:

- ▶ A shortage of slipways
- ▶ A shortage of wet and dry berths

- ▶ An inability of facilities in the bay to service larger recreational and commercial vessels
- ▶ The lack of fuel points
- ▶ The lack of a “one-stop-shop” for boat owners

The key findings were:

- ▶ There is ongoing growth in the number of registered boats in Melbourne, and although there are planned increases in the number of marina berths, the existing and planned numbers are well short of demand.
- ▶ There is no integrated marine facility in Melbourne such as that proposed for the Osborne House precinct where recreational boats can be maintained and serviced.
- ▶ The overall attitude, from the interviews conducted, was positive in relation to a marine cluster similar the Gold Coast City Marina at Coomera. Comment was made that “a new marine precinct in Melbourne which provided high level efficient and reliable service would “make a killing” because there is nothing currently which meets that need”.
- ▶ There is a potential conflict between the needs of the commercial and recreation interests. Those people and companies operating in the commercial sector see a need for a 1,500 tonne slipway to be able to slip and service large commercial vessels which a not able to be serviced in Melbourne – and presently have to travel to Portland, Tasmania, NSW or Queensland. There is an argument that Melbourne loses this business now, and the Osborne House precinct represents an opportunity to build a new industry for Melbourne.
- ▶ The Gold Coast City Marina does not address these commercial interests. It is focussed totally on the marine recreation industry.
- ▶ The potential conflict between the commercial and recreational interests relates to Osborne House, the subject of this Masterplan. The point was often made that Osborne House already has some negatives in relation to its location where it adjoins a residential area to its south, and a heavy industrial area to its north, as well as being somewhat isolated from central Geelong. If the land to the immediate north of Osborne House, proposed for the marine precinct, was to house a 1,500 tonne slipway and be designed for large vessel repairs, maintenance and fit out, that would make it even more difficult for Osborne House to be redeveloped as a four star marine themed “destination” hotel.
- ▶ The Osborne House precinct must also provide for public access to the Osborne House grounds, along with improvements to the southern public area presently used for recreational boating.
- ▶ Tourism Victoria believes that the development of the Osborne House precinct as a marine recreation destination has the capacity to attract national and international boating events.
- ▶ The Royal Geelong Yacht Club has capacity constraints in relation to both moorings, slipping and boat maintenance. It is potentially a user of the marine precinct if the services offered and charges were comparable with those charged by the club to its members. The RGYC has 220 marine berths, and is at capacity
- ▶ The provision by the marine precinct of a full fuel service would be a significant attraction to both local boat owners and visiting boats.
- ▶ The Rippleside Apartments development will have marina berths for 180 boats, and will have a ship chandlery. The marine precinct would be the logical place for those boats to be serviced and maintained, and relationships should be developed with the Rippleside Apartment management.

- ▶ A Geelong based operator already provides dry stack storage away from the water. It was suggested that this company could take up to 200 dry stack berths on the water if they were available.
- ▶ There were several comments that even if the marine precinct was based on the Gold Coast City Marina model, the commercial viability of an adjoining hotel was questionable because there was unlikely to be much synergy between the two.
- ▶ There needs to be a clear demarcation between commercial and recreational use in the allocation of the marine precinct marina berths so that the interests of each are not compromised.
- ▶ Boat manufacturers contacted as part of the project has a mixed response to the marine precinct concept. Some are clearly interested, others are well established at their present locations, but the key comments made about the precinct were that cost, infrastructure, and backing (financial and incentives) by Council and Government would be determining factors in any decision these companies may make to re-locate their businesses.
- ▶ The Geelong region is already home to a broad range of marine based companies whose businesses are well aligned to the proposed marine precinct. The issue will be whether these companies see enough benefit in the proposed marine precinct to re-locate.
- ▶ For marine based companies to be interested in relocating to the new precinct, their rentals would need to be in line with existing costs, or the potential for their businesses to expand be clearly demonstrated.
- ▶ The Gold Coast, because it is seen as a boating “destination”, attracts on a per capita basis more major boating events than Melbourne, creating an opportunity for a marine precinct in Geelong to compete for other major events by marketing the precinct as an “events” base.
- ▶ The Gold Coast City Marina is clearly a thriving marine business centre, housing 58 businesses over 15 hectares, and employs about 400 people.
- ▶ A significant difference between the Gold Coast City Marina and the Osborne House precinct is that the GCCM developer was able to purchase, and had clear title to the land. The land forming the Osborne House precinct will have three separate owners, with the developer / operator not having the potential to own the land. It will be important that the three owners of the properties align all development and usage issues, along with a clear long term lease proposition.
- ▶ As with the Gold Coast City Marina, the development will be made easier if a major tenant is attracted to the precinct, as the GCCM owners were able to do with Riviera Boats.
- ▶ The help provided by the Queensland State Government, through its Marine Industry Task Force established specifically for the GCCM precinct, with its objective of helping companies to relocate to the precinct, played an important part in its success. Comments made from interviewees in relation to the Osborne House precinct indicate that similar Victorian Government support would be an important of their decision making processes.

### **5.1.2 Findings in Relation to Sector 3**

**Tourism Victoria and Geelong Otway Tourism** see the key issues in the development of a 4 star hotel linked with Osborne House as:

**Positives:**

- ▶ It could become a boating industry “destination” – currently the Melbourne Boat Show is held on the promenade at Docklands.
- ▶ The Osborne House precinct could host events such as the Wooden Boat Festival.
- ▶ The precinct could attract new visitors to Geelong – such as the Formula 1 boating events and other national boating events.
- ▶ The Rippleside Apartments development will enhance the attractiveness of both the hotel and the area. Osborne House could become the “magnet” for the area.
- ▶ Transport from Osborne House to Geelong city could be enhanced with the use of a water taxi.
- ▶ The historic nature of Osborne House will enhance its potential as a destination.

**Issues and Potential Problems:**

- ▶ There is potential for the Maritime Museum to be relocated – it has no intrinsic economic value in its present location. It was suggested that it could be combined with the Wool Museum or the museum artefacts could be spread around the Osborne House hotel, restaurants and cafes as part of the maritime theme.
- ▶ The key issue with the hotel development will be whether COGG will be looking for up-front capital from the developer for the land. It will be far easier to attract a developer / investor / operator if COGG is prepared to offer a long term lease with no up-front payment.
- ▶ The biggest issue for Osborne House is its isolation from Geelong, and therefore the need to link any plans to the Rippleside development, and make it a “destination”, with a boardwalk link along the foreshore.
- ▶ A current negative is that the Osborne House area is seen as an industrial zone, and not conducive to a resort destination
- ▶ The Geelong Ring Road will take traffic away from the area.
- ▶ A potential issue with the hotel viability is whether any development would have height restrictions.

**Other findings include:**

- ▶ Hotel / motel occupancy rates, at about 60%, are in line with Victoria outside of Melbourne.
- ▶ Geelong has six hotels / motels of 4 star and above, with a total of 142,000 available annual room nights.
- ▶ Average 4 star room rates in Geelong are \$125.00 per night.

There is a clear business development strategy for the proposed hotel, as detailed below:

- ▶ Develop a “brand name” for the hotel, which reflects its unique location as a marine tourist destination, a rewarding experience, and high quality accommodation and service for business / convention people.
- ▶ Ensure that the appointed hotel manager (or Group) is an experienced hotel operator with a flair for customer relations and promotions.
- ▶ Organise a formal opening of the hotel supported by the local television and print media, ideally in association with a major event in or coming to Geelong.

- ▶ Ensure that all the key businesses in Geelong are kept informed of the hotel development and the benefits they will enjoy when it is completed. It may be appropriate to offer these businesses a special “opening incentive” to have their visitors initially stay at the hotel.
- ▶ Develop a close working relationship with the Marine Precinct management to ensure that there is a “seamless” association between the two.
- ▶ Develop joint marketing and promotion programmes with the Marine Precinct, which link maritime events with accommodation and functions at the hotel.
- ▶ Support the Marine Precinct in its marketing plans .
- ▶ Develop a working relationship with the Rippleside Apartment developers so that the two entities can develop and run joint marketing and promotion programmes.
- ▶ Work closely with the City of Greater Geelong major events and tourism personnel to ensure that the hotel receives accommodation references and is part of the region events programme.
- ▶ Promote the hotel within Geelong so that city residents refer incoming friends and relatives to the hotel.
- ▶ Promote the hotel and its function spaces to those businesses that specialise in organising functions.
- ▶ Develop promotion programmes with the Boating Industry Association.
- ▶ Develop roadside signage advertising the hotel and its features.

Other issues for consideration in relation to the hotel development will include:

- ▶ Length of lease available to the hotel operator (50 to 99 years),
- ▶ COGG requirement (if any) for an upfront capital payment in relation to the land component.
- ▶ Level of rent paid to COGG,
- ▶ Guest access to marina berths.
- ▶ Public access to Osborne House and its lawns / gardens.

#### **Hotel Occupancy Rates:**

The financials for the proposed hotel consider a hotel with 80 or 100 rooms. These will have 29,200, or 36,500 room nights available annually.

Business Usage:

- ▶ There were 86,000 visitors to Geelong in 2005 who stayed in hotels / motels with more than 15 rooms for an average of 2.7 nights, a total of 230,000 room nights. The visitor statistics published by Geelong Otway Tourism indicate that 5% of the Geelong visitors are business related (and it is assumed that in the larger hotels / motels of more than 15 rooms an estimated 10%). This represents a total of 23,000 business room nights.
- ▶ Given that there are six 4 star hotels in Geelong with a total of 142,000 available annual room nights, if the Osborne House hotel attracted its proportion of the business visitors, in line with room numbers, that would represent 4,600 room nights, or 13% occupancy based on 100 rooms

#### **Geelong Events:**

- ▶ There are a number of events held annually in Geelong. Based on data provided by the City of Greater Geelong, for the 2005 – 2006 year major events in the Geelong area, of the type that could be staged at the Osborne House precinct, attracted an estimated 150,000 visitors.

- ▶ From those selected events, it is estimated that 120,000 of the visitors attended events of more than one day duration, and therefore requiring at least one night accommodation (and assuming 1.5 nights, in line with Tourism Victoria's data on the average length of stay), the room nights which could be expected from these events (presuming all attendees are visitors to the region) and 10% stayed in hotels / motels, that would be 18,000 for the Geelong area.
- ▶ Based again on the Osborne House hotel attracting its proportion of the visitors, this would represent 3,600 room nights, or 10% occupancy.

**Geelong Functions / Conferences:**

- ▶ In the past twelve months Geelong hosted 58 conferences attracting 16,125 delegates.
- ▶ The delegates stayed for an average of 4.5 nights, and represented 54,445 room-nights with an estimated 90% staying in the Geelong area.
- ▶ Based again on the Osborne House hotel attracting its proportion of the visitors, and with 100 rooms, this would represent 9,800 room nights, or 27% occupancy.

**Walk-in Guests:**

- ▶ Walk-in guests are a feature of the operation of any hotel / motel, and while the number will vary dependent on the season, material provided by other hotel / motel operators indicates that "walk-ins" represent anywhere between 5% and 20% of accommodation, with this seen as an increasing trend.
- ▶ It has been assumed that walk-in guests represent an annual average of 10% of available room nights.

The assumptions for these three categories represent potential hotel occupancy of 60%, in line with the Geelong hotel / motel occupancy rates. This is without consideration of marketing the hotel with its maritime theme and its link with the marine precinct.

**5.1.3 Findings in Relation to Sector 4**

- ▶ The development of Sector 4 is integral to the precinct as a whole, particularly providing for better use of public land and the facilities offered to local organizations.
- ▶ Poorly developed Sectors 1, 2 & 4 will have a negative impact on the hotel marketability and its financial performance.
- ▶ The regeneration of St Helens beach, the nearby Rippleside development, and the proposed Masterplan for Osborne house will provide greater activation of the foreshore. Current facilities are poor and require upgrading.
- ▶ With the activation of the waterfront there will be a need for a cafe / kiosk to service the public.
- ▶ Relocated groups could be housed in a flexible multi purpose building providing all the needs of each group with greater utilisation than their current status in disparate buildings.
- ▶ For Geelong to be a boating destination, short term wet berthing needs to be available. Sector 4 provides this.

## **5.2 Financial analyses of the alternate development mixes:**

The financial analysis presented below takes the following format:

- ▶ Three Summary scenarios, covering Sectors 1 to 4, which present the overall potential revenue from the precinct, the estimated capital expenditure, and the number of jobs created. The Summary scenarios also illustrate the impact on the City of Greater Geelong from the overall precinct development, including the capital repayment time, based on rental income from Sector 3 and 4 activities, if the City of Greater Geelong was to finance the Sector 4 capital expenditure.
- ▶ Three scenarios for the Sectors 1 and 2 Marine Precinct development, where the key variables are the capital expenditure contingency levels, and the financial return the developer / operator of the precinct could expect.
- ▶ Three scenarios for the Sector 3 hotel development, where the key variables are occupancy and room rate. These also indicate the financial return the developer / operator of the precinct could expect.
- ▶ One scenario for the Sector 3 retail development.
- ▶ One scenario for the Sector 4 development.

### Sectors 1 to 4 – Summary Scenario 1

The key variable in Scenario 1 has the hotel occupancy at 60% with the room rate averaging \$125. This returns \$187,000 in annual rental to COGG and results in a five-year repayment period for the Sector 4 capital expenditure if the capital income of the land sales are offset against expenditure.

On an ongoing annual basis COGG would receive \$290,000 more than it currently generates from Osborne House.

#### Financial Overview

Income Source	Revenue \$AU	Investment \$AU	Jobs
Sector 1 & 2 Marine Cruise	\$13,419,000	\$47,980,000	51
Sector 1 & 2 Marine Duesseport	\$25,000,000	\$0	390
Sector 2 Retail	\$1,200,000	\$1,200,000	24
Sector 3 Hotel, Osborne House & Maritime Museum	\$8,248,000	\$25,200,000	18
Sector 4 Public Area	\$400,000	\$2,000,000	2
	<b>\$48,267,000</b>	<b>\$76,180,000</b>	<b>481</b>

#### Impact on Council - \$

	Current	Potential Recurrent	Potential Capital
<b>Income</b>			
Osborne House rental	\$32,000		
Sale of Council land - Osborne House Depot site			\$800,000
Sale of Council land - Osborne Park Industrial site			\$600,000
Sector 3 Annual Hotel Rental		\$187,344	
Sector 4 Annual Rental		\$87,300	
<b>Total</b>	<b>\$32,000</b>	<b>\$274,644</b>	<b>\$1,400,000</b>
<b>Expenses</b>			
Osborne House			
- Average Annual Maintenance	\$11,626		
- Annual Utilities	\$21,400		
- Annual Security	\$5,000		
Depot clean-up costs			\$750,000
<b>Total</b>	<b>\$38,026</b>	<b>\$0</b>	<b>\$750,000</b>
<b>Balance</b>	<b>\$4,974</b>	<b>\$274,644</b>	<b>\$650,000</b>

#### Capital Costs

Sector 4 capital costs

\$2,320,000

Capital repayment period from Sectors 3 and 4 (from income assets) – see Hotel

5.0

## Sectors 1 to 4 – Summary Scenario 2

The key variable in Scenario 1 has the hotel occupancy at 75% with the room rate averaging \$135. This returns \$294,000 in annual rental to COGG and results in a four-year repayment period for the Sector 4 capital expenditure if the capital income of the land sales is offset against expenditure.

On an ongoing annual basis COGG would receive \$398,000 more than it currently generates from Osborne House.

### Financial Overview

Income Source	Revenue \$AU	Investment \$AU	Jobs
Sector 1 & 2 Marine Cruise	\$13,419,000	\$47,980,000	51
Sector 1 & 2 Marine Dues/Port	\$25,000,000	\$0	390
Sector 2 Retail	\$3,000,000	\$1,200,000	24
Sector 3 Hotel, Osborne House & Maritime Museum	\$7,771,350	\$25,200,000	18
Sector 4 Public Area	\$400,000	\$2,000,000	2
	<b>\$47,790,350</b>	<b>\$76,380,000</b>	<b>485</b>

### Impact on Council - \$

	Current	Potential Recurrent	Potential Capital
<b>Income</b>			
Osborne House rental	\$32,000		
Sale of Council land - Osborne House Depot site			\$800,000
Sale of Council land - Osborne Park Industrial site			\$600,000
Sector 3 Annual Hotel Rental		\$200,000	
Sector 4 Annual Rental		\$87,998	
<b>Total</b>	<b>\$32,000</b>	<b>\$287,998</b>	<b>\$1,400,000</b>
<b>Expenses</b>			
Osborne House			
- Average Annual Maintenance	\$11,629		
- Annual Utilities	\$21,400		
- Annual Security	\$5,000		
Depot catch-up costs			\$750,000
<b>Total</b>	<b>\$48,029</b>	<b>\$0</b>	<b>\$750,000</b>
<b>Balance</b>	<b>\$18,320</b>	<b>\$287,998</b>	<b>\$650,000</b>

### Capital Costs

Sector 4 capital costs	\$2,320,000
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Capital repayment period from Sectors 3 and 4 (from income above) – see Hotel

18

### Sectors 1 to 4 – Summary Scenario 3

The key variable in Scenario 1 has the hotel occupancy at 90% with the room rate averaging \$135. This returns \$385,000 in annual rental to COGG and results in a three-year repayment period for the Sector 4 capital expenditure if the capital income of the land sales are offset against expenditure.

On an ongoing annual basis COGG would receive \$489,000 more than it currently generates from Osborne House.

#### Financial Overview

Income Source	Revenue \$AU	Investment \$AU	Jobs
Sector 1 & 2 Marine Cruise	\$13,419,000	\$47,980,000	51
Sector 1 & 2 Marine Dismantment	\$25,000,000	\$0	390
Sector 2 Retail	\$1,200,000	\$1,200,000	24
Sector 3 Hotel, Osborne House & Maritime Museum	\$3,074,000	\$25,200,000	18
Sector 4 Public Area	\$400,000	\$2,000,000	2
	<b>\$40,093,000</b>	<b>\$76,370,000</b>	<b>485</b>

#### Impact on Council - \$

	Current	Potential Recurrent	Potential Capital
<b>Income</b>			
Osborne House rental	\$32,000		
Sale of Council land - Osborne House Depot site			\$800,000
Sale of Council land - Osborne Park Industrial site			\$900,000
Sector 3 Annual Hotel Rental		\$385,000	
Sector 4 Annual Rental		\$87,000	
<b>Total</b>	<b>\$32,000</b>	<b>\$472,000</b>	<b>\$1,700,000</b>
<b>Expenses</b>			
Osborne House			
- Average Annual Maintenance	\$17,629		
- Annual Utilities	\$21,400		
- Annual Security	\$5,000		
Depot clean-up costs			\$750,000
<b>Total</b>	<b>\$44,029</b>	<b>\$0</b>	<b>\$750,000</b>
<b>Balance</b>	<b>\$18,330</b>	<b>\$472,000</b>	<b>\$950,000</b>
<b>Capital Costs</b>			
Sector 4 capital costs		\$2,320,000	
Capital repayment period from Sectors 3 and 4 (from income (recurrent) - see above)			
			2.8

## Sectors 1 and 2 – Marine Operations

The three scenarios which follow present, based on the Gold Coast City Marina model, a broad picture of how the Osborne House marine precinct could operate.

The key assumptions are:

- ▶ The available land area could accommodate the same number (58) of businesses operating at GCCM – the land area is broadly similar.
- ▶ The Osborne House marine precinct follows the GCCM operating model of one entity managing the entire marine precinct and charging for its services.
- ▶ The entire capital expenditure is financed by the developer / operator.
- ▶ The GCCM (and the Osborne House marine precinct) have operating costs (labour and all other costs) at 30% of revenue because the GCCM model is based on charging the tenants for all outgoings in addition to their property rentals.

The GHD-estimated capital expenditure for Sectors 1 and 2 is necessarily conservative because the estimates have been calculated without detailed specifications and working drawings. The estimates have therefore included a contingency of 20%.

The three scenarios presented on the following pages illustrate the financial return the developer / operator could expect based on varying levels of capital expenditure. These are:

Scenario	Estimated capital costs - \$	Contingency - %	Estimated gross return on funds invested - %
1	37,762,000	0	25
2	42,662,000	10	22
3	47,562,000	20	20

Given the absolute level of capital expenditure required for the project and the commercial risk, it is considered that a 20% return on funds invested would be at the lower end of acceptability without the investor having some major anchor tenants committed to the venture.

**Sectors 1 and 2 – Marine Operations. Capital Expenditure - No Contingency**

<b>Estimated Sources of Revenue</b>		Employees
Body Corporate Management (Freehold sites)	\$70,000	9
Margin on rubbish removal	\$320,000	0
Owned sites rental, outgoings, marketing levy	\$1,050,000	0
Shipyards operation - vessel lifting and maintenance	\$8,400,000	40
Refit sheds rental (11 sheds x \$120/day x 75% usage)	\$360,000	0
Restaurant rental	\$20,000	0
Marina berths rental	\$1,164,783	1
Dry Stack rental	\$734,306	1
Margin on fuel sales	\$1,300,000	0
<b>Total</b>	<b>\$13,419,089</b>	<b>51</b>
<b>Estimated Capital Costs</b>		
<b>Sector 1 – Lower Level</b>		
Preliminaries	\$60,000	
Hardstand / Reclamation	\$13,900,000	
Dredging	\$242,000	
Wavescreen and Sheetpile	\$7,840,000	
Marina and Boardwalk	\$4,670,000	
Service and Miscellaneous	\$900,000	
Boat Handling Equipment	\$800,000	
Buildings	\$4,600,000	
Contingency	\$0	
<b>Total</b>	<b>\$33,012,000</b>	
<b>Sector 2 – Upper Level – Powerhouse Site</b>		
4400m2 of high quality industrial workshops	\$4,000,000	
Siteworks / parking	\$600,000	
Demolition of Powerhouse	\$150,000	
Contingency	\$0	
<b>Total</b>	<b>\$4,750,000</b>	
<b>Total Estimated Capital Costs</b>	<b>\$37,762,000</b>	
<b>Estimated Operating Expenses</b>		
Employee costs (51 at \$40,000)	\$2,040,000	
Other Operating costs - % of revenue	\$2,012,663	15%
Expected return on funds invested - % Capital Cost	\$9,440,500	25%
<b>Total</b>	<b>\$13,493,163</b>	

**Sectors 1 and 2 – Marine Operations. Capital Expenditure – 10% Contingency**

<b>Estimated Sources of Revenue</b>		Employees
Body Corporate Management (Freehold sites)	\$70,000	9
Margin on rubbish removal	\$320,000	0
Owned sites rental, outgoings, marketing levy	\$1,050,000	0
Shipyards operation - vessel lifting and maintenance	\$8,400,000	40
Refit sheds rental (11 sheds x \$120/day x 75% usage)	\$360,000	0
Restaurant rental	\$20,000	0
Marina berths rental	\$1,164,783	1
Dry Stack rental	\$734,306	1
Margin on fuel sales	\$1,300,000	0
<b>Total</b>	<b>\$13,419,089</b>	<b>51</b>
<b>Estimated Capital Costs</b>		
<b>Sector 1 – Lower Level</b>		
Preliminaries	\$60,000	
Hardstand / Reclamation	\$13,900,000	
Dredging	\$242,000	
Wavescreen and Sheetpile	\$7,840,000	
Marina and Boardwalk	\$4,670,000	
Service and Miscellaneous	\$900,000	
Boat Handling Equipment	\$800,000	
Buildings	\$4,600,000	
Contingency	\$4,300,000	
<b>Total</b>	<b>\$37,312,000</b>	
<b>Sector 2 – Upper Level – Powerhouse Site</b>		
4400m2 of high quality industrial workshops	\$4,000,000	
Siteworks / parking	\$600,000	
Demolition of Powerhouse	\$150,000	
Contingency	\$600,000	
<b>Total</b>	<b>\$5,350,000</b>	
 <b>Total Estimated Capital Costs</b>		<b>\$42,662,000</b>
<b>Estimated Operating Expenses</b>		
Employee costs (51 at \$40,000)	\$2,040,000	
Other Operating costs - % of revenue	\$2,012,663	15%
Expected return on funds invested - % Capital Cost	\$9,385,640	22%
<b>Total</b>	<b>\$13,438,503</b>	

**Sectors 1 and 2 – Marine Operations. Capital Expenditure – 20% Contingency**

<b>Estimated Sources of Revenue</b>		Employees
Body Corporate Management (Freehold sites)	\$70,000	9
Margin on rubbish removal	\$320,000	0
Owned sites rental, outgoings, marketing levy	\$1,050,000	0
Shipyards operation - vessel lifting and maintenance	\$8,400,000	40
Refit sheds rental (11 sheds x \$120/day x 75% usage)	\$360,000	0
Restaurant rental	\$20,000	0
Marina berths rental	\$1,164,783	1
Dry Stack rental	\$734,306	1
Margin on fuel sales	\$1,300,000	0
<b>Total</b>	<b>\$13,419,089</b>	<b>51</b>
<b>Estimated Capital Costs</b>		
<b>Sector 1 – Lower Level</b>		
Preliminaries	\$60,000	
Hardstand / Reclamation	\$13,900,000	
Dredging	\$242,000	
Wavescreen and Sheetpile	\$7,840,000	
Marina and Boardwalk	\$4,670,000	
Service and Miscellaneous	\$900,000	
Boat Handling Equipment	\$800,000	
Buildings	\$4,600,000	
Contingency	\$8,600,000	
<b>Total</b>	<b>\$41,612,000</b>	
<b>Sector 2 – Upper Level – Powerhouse Site</b>		
4400m2 of high quality industrial workshops	\$4,000,000	
Siteworks / parking	\$600,000	
Demolition of Powerhouse	\$150,000	
Contingency	\$1,200,000	
<b>Total</b>	<b>\$5,950,000</b>	
<b>Total Estimated Capital Costs</b>	<b>\$47,562,000</b>	
<b>Estimated Operating Expenses</b>		
Employee costs (51 at \$40,000)	\$2,040,000	
Other Operating costs - % of revenue	\$2,012,863	15%
Expected return on funds invested - % Capital Cost	\$9,512,400	20%
<b>Total</b>	<b>\$13,565,263</b>	



**Sector 3 – Hotel. 100 Rooms, 75% Occupancy and \$135 Room Rate**

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**Sector 3 – Retail**

The retail sector financial analysis is based on commercial retail rentals in the Geelong area, and the rentals generate an annual return to the developer / investor to the order of 25%. Given that the developer / investor would be seeking reasonable long rental agreements the key issue would be whether the eight planned retail stores would be able to generate average gross revenue of \$400,000. This should not be an issue provided the marine precinct and the hotel were successful.

<b>Capital Cost</b>	<b>\$1,200,000.00</b>
<b>Estimated Revenue</b>	
8 Retail outlets at \$400,000 annual revenue	\$3,200,000.00
<b>Estimated Operating Expenses</b>	
Employee costs	\$1,012,000.00
Other Operating costs - % of revenue	\$960,000.00 <span style="background-color: yellow;">-30%</span>
Shop rentals #	\$300,000.00
<b>Total</b>	<b>\$2,272,000.00</b>
<b>Operating Profit</b>	<b>\$928,000.00</b>

# Based on current Geelong rental rates, and equal to the investor receiving a 25% return on funds invested

#### Sector 4 – Public Area

The Sector 4 public area revenue is based on use by the public of the planned 50 marina berths only at weekends, and the café / kiosk successfully servicing weekend visitors and people attending events throughout the year.

Based on the Sector 4 improved public amenity and the number of events which could be attracted to the Osborne House precinct there should be enough custom to support that retail outlet.

<b>Estimated Revenue</b>	
1 Retail outlet at \$400,000 annual revenue	\$400,000

<b>Council Revenue</b>	
Rental from retail area	\$37,500
Marina berths revenue	\$50,000
<b>Total</b>	<b>\$87,500</b>

<b>Capital Costs</b>	
Construction retail & community facilities	\$1,500,000
Public Land Reclamation	\$120,000
New carpark and rework to existing	\$420,000
Landscaping - public area	\$160,000
	<b>\$2,200,000</b>

#### 5.3 Job creation

The estimated jobs that would be created within the Osborne House precinct are:

##### **Sectors 1 and 2:**

- ▶ Based on the Gold Coast City Marina model: 400

##### **Sector 3:**

- ▶ Osborne House hotel, based on 100 rooms plus food and beverage and functions: 20
- ▶ Eight Retail businesses, based on 2 full-time and 2 part-time people per business: 24 FTE

##### **Sector 4:**

- ▶ Café and coffee shop 2 FTE

**Total: 446**

#### 5.4 Economic multipliers

Using the City of Greater Geelong REMPLAN model, and with the inputs of estimated annual revenue from the Osborne House precinct and job creation, the following charts illustrate the economic multipliers from establishment of the precinct.

**The key inputs are:**

- ▶ Estimated annual revenue from the Osborne House precinct: \$48 million
- ▶ Job creation: 446

**The outputs are:**

- ▶ ~ The construction phase of the precinct, based on the estimated capital expenditure of \$75 million, will generate 298 direct jobs over that construction period, as well as an additional 373 jobs from the flow-on effect, a total of 671 jobs over that period
- ▶ The estimated 446 jobs created on an ongoing basis in the marine precinct will in turn generate an additional 902 permanent flow-on jobs – a total of 1,344 jobs. The main sectors expected to benefit from this job creation are:
  - Transport machinery and equipment 490 jobs
  - Retail trade 237 jobs
  - Property and business services 107 jobs
  - Accommodation, cafes and restaurants 90 jobs
  - Health and community services 53 jobs
  - Wholesale trade 44 jobs
  - Education 38 jobs
  - Basic metals and products 36 jobs
- ▶ The estimated \$48 million in overall revenue generated from the precinct would have an expected value added impact on the region of \$131 million
- ▶ The Gross Regional Product (the G21 Region) would increase from its current \$8,139 billion to \$8,270 billion, an increase of 1.6%
- ▶ The Economic Development Unit of the City of Greater Geelong sees this as a significant project for the region
- ▶ It needs to be noted that the REMPLAN scenarios provided are 'best case' as it is assumed that all jobs created will be new to the area. The economic impact will be less if some / all existing Geelong jobs are simply relocated to the Osborne House Precinct. The REMPLAN software has been formatted to assess economic impacts across the broader Geelong Region (i.e. the G21 Region).

## 5.5 Regional and community benefits

**Regional Benefits:**

- ▶ As detailed in the previous Section, the regional benefits from the Osborne House Precinct development, assuming all jobs are new to the region, will be an estimated 1,344 jobs, an annual value adding to the region of \$131 million, and an increase in the Gross Regional Product of 1.6%
- ▶ There would be an additional 671 jobs created during the construction phase of the precinct

**Community Benefits:**

- ▶ Improved amenity of the overall area north of St. Helen's beach to the industrial zone (grain silo)
- ▶ Improved public amenity along the foreshore
- ▶ Improved public boating facilities

- ▶ Access to the restored Osborne House
- ▶ Access to new events, including boating events
- ▶ A new 4 star hotel with dining facilities in Geelong
- ▶ Improved tourism infrastructure
- ▶ Improved facilities for the trailable yacht clubs and the Coast Guard
- ▶ The Sector 4 public facility to support other clubs and organisations on a casual basis

## **5.6 Risk analysis for Council**

A risk analysis for the City of Greater Geelong in relation to the development of the Osborne House precinct is presented below. The basic assumption in this risk analysis is that the COGG does not bear any financial risk from the proposed development other than costs associated with development approvals and facilitation, and stands to gain financially from increased rates and land rental income. If there is no development the financial cost to Council will be the ongoing Osborne House operational and maintenance costs.

Council, or other Government body, may assume the responsibility for funding the roads and service infrastructure to Sectors 1 and 2. It is assumed that those infrastructure costs would not be incurred without firm commitments to the Osborne House precinct development.

### **If COGG does nothing:**

- ▶ Osborne House will continue to deteriorate
- ▶ The precinct will continue to be a cost to COGG – it is estimated by Council that the precinct in its present form operates at an annual cost to Council of \$16,000 (\$32,000 revenue offset by \$48,000 in expenses)
- ▶ The development of the Powerhouse site to the north could be unsympathetic to any other future development of Osborne House and the Maritime Museum
- ▶ The potential job creation and economic flow on from the controlled maritime development of the precinct would be lost to the City
- ▶ This potential new maritime industry, which could be created in Geelong, would be lost to another region

### **If the proposed maritime precinct development proceeds (negative):**

- ▶ The known land restrictions impact negatively on the development
- ▶ The restricted parking access limits the level of attendance at events and potential revenue
- ▶ Local residents (to the south of Osborne House) appealing against the development
- ▶ Department of Sustainability and Environment Victoria rejecting the proposed development
- ▶ COGG not being able to bring together an overall planning development, covering Sectors 1 and 2, attractive to potential developers because of the differing ownership of the land (COGG, Parks Victoria and private)
- ▶ COGG requiring financial commitments from prospective hotel developers in relation to the Osborne House restoration which are seen to be too onerous
- ▶ COGG incurring significant expense leading to the EOI stage and not receiving viable expressions of interest

- ▶ The development proceeds but does not attract the expected level of interest, events and business and therefore does not provide the expected economic benefits to Geelong
- ▶ Identifying new locations for the Maritime Museum, the Geelong Band and Create Geelong

**If the proposed maritime precinct development proceeds (positive):**

- ▶ The Osborne House precinct becomes a Victorian marine centre of excellence, and based on the Gold Coast City Marina model, supports about 60 businesses and employs to the order of 400 people
- ▶ The Restoration of Osborne House and the Maritime Museum, linked to a new 4 star hotel, becomes a marine themed destination, with the area the host to local, national and international boating events. The hotel and associated retail outlets employ about 46 people
- ▶ The regional benefits from the Osborne House Precinct development, assuming all jobs are new to the region, will be an estimated 1,344 jobs, an annual value adding to the region of \$131 million, and an increase in the Gross Regional Product of 1.6%. This is in addition to 671 jobs created during the construction phase of the precinct

## **5.7 Key Changes to the Financial Analysis**

The financial analysis for the Masterplan is based on the design concept contained within the draft Masterplan document. While the final Masterplan design is generally consistent with the draft document, some modifications may result in variations (positively and negatively) to the financial analysis. Informed by submissions during consultation and design advice provided by SKM, there has been some design changes, particularly to the marina/reclamation area, that may impact on the estimates and assumptions. While the analysis in this Masterplan can be used as a guide, investors and developers should conduct their own financial feasibility, informed by their own detailed design analysis.

Key design refinements between the draft and final Masterplan that may impact on the financial feasibility include:

- ▶ Reclamation area similar to previous but now extending into deeper water – possibly slightly more reclamation volume;
- ▶ Excavation of Powerhouse will increase civil engineering costs but may save on reclamation material – outcome not clear at this stage;
- ▶ Wavescreen now approx. 200m shorter than previously and located in shallower water – will reduce capital costs;
- ▶ Loss of permanent berths within the marina will reduce berth leasing income;
- ▶ Inclusion of the Powerhouse site into the lower level zone possibly reduces the lettable building space that was proposed for this area.
- ▶ Relocating car parking to the lower level zone frees up the land near Melbourne Road for use.

## 6. Conclusions and Recommendations

The adoption of the Osborne House Precinct Masterplan would provide Geelong with a vibrant, successful, State significant marine precinct. The feasibility study suggests that development of the existing site as described in the Masterplan would provide acceptable returns to an investor across sectors 1, 2 and 3. The implementation of Sector 4 would provide enhanced public facilities and activate what is currently an underutilised waterfront precinct at St Helens.

A successful implementation would have the following benefits to Geelong:

- ▶ Restoration and the ongoing sustainable use of Osborne House and its surrounds.
- ▶ Attraction of significant investment to the Region
- ▶ Attraction of major water based events to Geelong.
- ▶ Creates the Osborne House precinct and St Helens as a State significant boating destination.
- ▶ Provides for the future maintenance, construction and repair needs of the Port Phillip boating community.
- ▶ Provides certainty and protection to adjacent industry and residents.
- ▶ Provides increased tourism and business investment for Geelong
- ▶ Provides safer and enhanced public facilities for the community.
- ▶ Development of the desolate Powerhouse site
- ▶ Initial investment of capital cost and associated costs
- ▶ Ongoing contribution to the Gross Regional Product and resultant increase in associated employment opportunities
- ▶ Increased employment opportunities in the manufacturing sector.
- ▶ Training and educational opportunities including traineeships and apprenticeships associated with the precinct operations.

To ensure the successful implementation of the Masterplan the following initiatives are recommended:

- ▶ Environmental assessment of sea beds, cliff faces and water quality and an environmental framework for development.
- ▶ A traffic study to assess existing and post-development vehicle volume, circulation and conflict (by type), together with intersection performance, on existing and proposed roads, (including a new east-west road and signalisation of Swinburne Street – Melbourne Road intersection), together with recommendation of required works.
- ▶ Rezoning of existing sites and development overlays to ensure future development is in accordance with an adopted Masterplan.
- ▶ An Amenity Impact Assessment, assessing development impact on existing residents to the south of Swinburne Street and on the port related industries to the north of Mackey Street, together with a Reverse Amenity Impact Assessment of the impact of the industries on uses and operations in the Masterplan area.
- ▶ A reviewed Conservation Management Plan to guide development within and surrounding Osborne House including the construction of a hotel, to provide greater certainty to investors.

- ▶ Geotechnical reports on the existing cliff faces to assess the suitability of the proposed earth works in the Masterplan.
- ▶ Testing of the Masterplan by calling for Expressions of Interest in developing all/each of the sectors of the site

The staging of the development will be largely driven by the investors in the precinct, however it is noted that a successful precinct is contingent on the provision of significant land area adjacent the water. Therefore the Sector 1 works are required to be undertaken as part of any Stage 1 works. Similarly the attraction of a hotel development on this site is the access to the water, requiring the completion of part of the marina construction. Public area works could either be completed at the conclusion of works to other sectors or as a stimulus for development of the precinct. The latter option would require an injection of publicly funded capital without any commitment from the private sector and would be discouraged. A public / private development of the sector concurrently would appear to be the best model.

The Masterplan allows for a travelift of up to 400 tonne. However it is our opinion that a 150 tonne travelift is sufficient for the successful operation of this precinct.

It is to be noted that a commercial boating facility for the construction and maintenance of large boats is required within Port Phillip and is not included within the Masterplan. There is a significant opportunity for Geelong to also provide this facility at an alternate location. It is recommended that City of Greater Geelong investigate other possible sites for this facility with the inclusion of a 1500 tonne slipway.

## 7. References

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## 8. Glossary of Terms

Antifouling	Process of removing grime and build up from the bottom of vessels caused by constant contact with the water.
Buffer setbacks	A designated area of “space” where particular activities or outcomes are either encouraged or not permitted between two or more distinct zones.
Chandlery	Retail premises for the supply of smaller sailing goods to the public including wet weather gear and boating accessories.
Dredging	Process of increasing the depth of the seabed by removing existing material and displacing to an alternative location.
Dry Boat Stack	Multi-storey racking facility to house boats out of the water, normally undercover.
Hardstand	Clear bitumen or concrete area suitable to stand vessels for maintenance purposes out of the water, generally not undercover.
Marine Facility/Cluster	A collection of marine based activities, industry and events contained within a central space.
Reclamation	Process of building up the seabed to create an area of dry land above the high tide level.
Travel Lift	Hydraulic lifting device for bringing vessels out of the water by means of slings under the boat. Used to transport the boats around the hardstand areas.
Slip or Slipway	A cable, trolley and rail system for bringing vessels out of the water.
Super Yacht	A vessel, generally a pleasure craft in excess of 30m in length but is often used to describe large luxury craft.
Wet Berth	Mooring facility to house vessels in the water with access to dry land.

