

classified operational upon purchase; and

7. That a further report is submitted for the Council's consideration by July 2012.

Upon being PUT to the Meeting, the MOTION was CARRIED, the vote being UNANIMOUS:

For	Against
Councillors	Councillors
Myles	
Gibbs	
Mays	
Searle	
Luchetti	
McLaren	
McCallum	
Greenhill	
Creed	

with Councillor Van der Kley out of the Chamber.

MINUTE NO. 46

24. 12/2392. Confidential Business Paper - Proposal for the use of Council owned land within Lawson Business Park

A MOTION was MOVED by Councillors Mays and Searle:

1. That the Council receives and notes this report;
2. That the Council resolves in principle to support the proposal received from Blue Eco Homes in support of their tender to TEKUM for the use of 17 Johns Street, Lawson for the purposes of a manufacturing business, subject to further negotiations with Blue Eco Homes;
3. That the Council agrees in principle to consider providing rent relief to Blue Eco Homes in support of their tender to TEKUM through the first five years of the operational production period, subject to the Council complying with its statutory obligations in relation to the provision of support of this nature;
4. That full site surveys be commissioned to fully understand localised flora, fauna and site survey information;
5. That a business case be developed and the financial and legislative ramifications be identified for further consideration by the Council prior to final commitment if the project progresses; and
6. That the Blue Eco Homes be advised that Council would anticipate that after the fifth year any arrangement would be on a full commercial basis.

Upon being PUT to the Meeting, the MOTION was CARRIED, the vote being UNANIMOUS:

For	Against
Councillors	Councillors
Myles	
Gibbs	
Mays	
Searle	
Van der Kley	

Luchetti
McLaren
McCallum
Greenhill
Creed

MINUTE NO. 47

Procedural – Return to Public Meeting

A MOTION was MOVED by Councillors Searle and Van der Kley:

That the Meeting be reopened to the Public.

Upon being PUT to the Meeting, the MOTION was CARRIED, the vote being UNANIMOUS:

For		Against
Councillors	Myles	Councillors
	Gibbs	
	Mays	
	Searle	
	Van der Kley	
	Luchetti	
	McLaren	
	McCallum	
	Greenhill	
	Creed	

MINUTE NO. 48

Procedural – Question that Meeting Close

A MOTION was MOVED by Councillors Van der Kley and McLaren:

That as there was no further business before the Ordinary Meeting of Tuesday, 31 January 2012, the meeting closed at 9.50pm.

Upon being PUT to the Meeting, the MOTION was CARRIED, the vote being UNANIMOUS:

For		Against
Councillors	Myles	Councillors
	Gibbs	
	Mays	
	Van der Kley	
	Luchetti	
	McLaren	
	McCallum	
	Greenhill	
	Creed	

with Councillor Searle out of the Chamber.

ITEM NO: 24

SUBJECT: PROPOSAL FOR THE USE OF COUNCIL OWNED LAND WITHIN
LAWSON BUSINESS PARK

FILE NO: A70326-E - 12/2392

*This report is considered confidential under Section 10A of the Local Government Act 1993
c) information that would, if disclosed, confer a commercial advantage on a person with
whom the Council is conducting (or proposes to conduct) business.*

Delivery Program Link

Principal Activity: Built Environment - Using Land

Service: Land Use Management

Project: Advise on land use

Recommendations:

1. *That the Council receives and notes this report;*
 2. *That the Council resolves in principle to support the proposal received from Blue Eco Homes in support of their tender to TEKTUM for the use of 17 Johns Street, Lawson for the purposes of a manufacturing business, subject to further negotiations with Blue Eco Homes;*
 3. *That the Council agrees in principle to consider providing rent relief to Blue Eco Homes in support of their tender to TEKTUM through the first five years of the operational production period, subject to the Council complying with its statutory obligations in relation to the provision of support of this nature;*
 4. *That full site surveys be commissioned to fully understand localised flora, fauna and site survey information;*
 5. *That a business case be developed and the financial and legislative ramifications be identified for further consideration by the Council prior to final commitment if the project progresses.*
 6. *That the Blue Eco Homes be advised that Council would anticipate that after the fifth year any arrangement would be on a full commercial basis.*
-

Report by Acting Director, City & Community Outcomes:**Reason for report**

The Council has been approached by Blue Eco Homes, a locally based company which is in the process of tendering to establish a partnership with TEKTUM (a consortium focussed on innovation in the ready-made housing market), with an interest in developing 17 John Street, in the Blue Mountains Business Park – Lawson as a site from which to manufacture modular homes.

This report outlines the development proposal, Council's potential involvement in terms of contributions/concessions and makes recommendations on a suggested way forward. This

report also identifies the relevant zoning considerations and respective provisions that need to be considered with regard to developing the site for a manufacturing use.

The proponent Blue Eco Homes approach Council officers in December 2011 and the timeframe for preparing their submission and this response has been limited. Nevertheless it is an economic development opportunity for the City that is considered worth exploring.

Background

Blue Eco Homes (the proponent) is currently preparing a tender for a competitive process with at least two other proponents to attract a new innovative manufacturing business (Tektum) to the Blue Mountains. The proposal provides significant employment opportunities. Blue Eco Homes have identified and expressed an interest in developing the Council owned site at 17 John Street, Lawson within Blue Mountains Business Park - as a site from which to manufacture modular homes.

The proposal, if successful, will initially generate an estimated 20 new jobs in the City, with the potential for additional jobs over time. There would be other anticipated flow on expenditure within the City.

The Council recently completed the Blue Mountains Business Park - Lawson upgrade with Federal Government funding to increase employment opportunities in line with the City Strategy – Sustainable Blue Mountains 2025 – Towards a more sustainable Blue Mountains. As part of a successful grant funding proposal which emphasised sustainable development and increased local employment, Council, for its part, indicated it would be contributing identified Council owned land (up to a value of \$2m) to support appropriate development and employment generation.

The grant application outlined in relation to the Council owned land that:

'The inclusion of Council land as a contribution is based on Council's ability to use this land as an incentive to drive business attraction (e.g. low or peppercorn leases for periods of years). This is deemed an essential marketing tool to increase interest and drive expedient development of the Park'.

The application also describes the following in relation to long term benefits of the project:

"Long term benefits include: creation of sustainable local jobs; strengthening /diversifying local economy away from existing major dependency on tourism into sustainable green industry appropriate to Blue Mountains World Heritage environment; strengthening of Lawson as a key Service Centre for the City of Blue Mountains; providing much needed economic stimulus to Lawson town centre; addressing the imbalanced demographic structure of the aging and declining Blue Mountains population through providing ongoing employment opportunities to retain and attract young people and families."

This is the first genuine proposal to come forward since the completion of the Park. The proposal has been assessed as being worth consideration. The proponent is seeking the use of the site to establish the proposed business and some form of financial contribution or concession during the establishment years of the business.

Given that there is a competitive process by TEKUM, the proponent Blue Eco Homes, are looking for opportunities to gain a competitive advantage to attract the proposal to the Blue Mountains.

The site

The site at 17 John Street, Lawson (Lot 9 DP 255987) is owned by the Council and is approximately 2.96 ha in extent. The site is located within Blue Mountains Business Park – Lawson on the southern side of the Great Western Highway.

The site is an irregularly shaped parcel with frontages to John, Christabel, Park and Cascade Streets. There are existing industrial uses operating on adjacent parcels, as illustrated in Figure 1 of Enclosure 1.

The site is vegetated and is bisected by a creek that runs west to east across the parcel. Vegetation is primarily modified bushland and un-scheduled forest and woodland.

The site was identified in the Urbis report commissioned as part of the Federal assistance program into change management for a Clean Technology Park. As part of this program the Council committed to actively seeking employment opportunities through development of its landholdings. This site is the first to be advanced as a result of the initiative.

The Proposal

Blue Eco Homes is seeking a working partnership with BMCC to build a 1,800m² manufacturing facility on the site. The facility would be used to manufacture the TEKTUM developed affordable housing product. It is purported that such a facility would provide considerable benefits to the region attracting a high growth, sustainable, clean technology industry to the area and meeting Council's objectives of generating local employment.

The proponent indicates that the facility would make use of approximately 5,000m² of the site (the final extent of land required will be determined following site analysis and completion of detailed design proposals) and would incorporate an external loading dock and a manoeuvring area capable of accommodating crane and forklift movement of house components. It is proposed that housing components will be transported using 19 metre B double trucks, in accordance with current legislated restrictions limiting truck size on the Great Western Highway.

Blue Eco Homes have requested the Council for financial support to ensure their bid is competitive with other regions tendering for the proposal. The submission requests assistance through rate reductions and/or lease free periods, so as to mitigate the fiscal risk to the company and to enable them to transfer cost savings to TEKTUM, providing an incentive for them to locate in the Blue Mountains. Specifically, it proposes that BMCC provides for a 5 year lease free period. Given that the owner pays the rates it is one in the same. The submission proposes a review of the agreement after 5 years. This review is proposed to consider options for a further rental period or sale of the site to Blue Eco Homes. The implications associated with offering financial concessions are discussed in more detail later in the report. At this stage it is considered reasonable that if the Council agrees with the submission in principle that the proponent be advised that Council envisages that at the end of the first 5 years that any agreement should be on full commercial terms.

The submission from Blue Eco Homes detailing the proposal is included as Attachment 1 to the report.

Planning Considerations

Land use definition

Based on the information put forward in the proposal, it is likely that the manufacturing component of the development would fit under the LEP definition for industry:

***Industry** means an activity involving manufacturing, assembling, altering, repairing, renovating, ornamenting, finishing, cleaning, washing, dismantling,*

processing or adapting any goods or articles for commercial purposes and does not include an offensive industry or hazardous industry.

There is a possibility that some issues may arise from the nature of ancillary development associated with the proposed manufacturing activity, for example the use of part of the site for the location of display homes. However, until such time as the scale and nature of these uses are able to be further delineated, such considerations are raised as potential issues only.

Zoning and associated LEP provisions

As demonstrated in Figure 2 of Enclosure 1, the majority of the site is zoned Employment – General (blue) under Blue Mountains LEP 2005. A small sliver of the site is zoned Environmental Protection – Private (yellow). Land zoned Environmental Protection – Private reflects the mapped location of the creek line, which appears to differ from the actual location of the creek. The location of the creek would need to be confirmed by site analysis and the mapping potentially corrected at some point but this proposal is not likely to be impacted by this requirement.

Schedule 3 of LEP 2005 provides the locality management provisions for development within the Employment – General zone. These provisions relate to building envelope, design considerations and landscaping requirements. Within the Employment – General zone these provisions include: a maximum building height of 10 metres; a minimum setback from road reserve of 8 metres; a minimum area of 20% of the total allotment is to be retained as soft, pervious or landscaped area; and a maximum floor space ratio for development of 0.5:1.

Landscaping provisions require that development incorporates planting of vegetation that screens the bulk of buildings from the street and adjoining land uses. Council must consider a landscape plan for non-residential development in the Employment – General zone.

Protected Areas

The site is also constrained by a number of map designated protected areas. These protected areas include 'slope constraint' and 'ecological buffer area', as indicated by the pink shading and green hatching in Figure 3 of Enclosure 1 respectively. The location of these constraint areas will also be influenced by the results of a site analysis.

Division 2 of Part 3 of LEP 2005 establishes a series of considerations for development proposed within map designated protected areas. While development is not prohibited in these protected areas, it is important that development meets the objectives and satisfies the intent of these provisions. Where possible, development should be situated outside of protected areas.

Current vegetation mapping shows the site contains no scheduled vegetation. However, a site analysis would need to confirm the location and significance of vegetation as part of any development application. Approvals relating to the removal of vegetation associated with the development would also need to be considered.

Relevant DCP considerations

The Better Living Development Control Plan (DCP) establishes controls for vehicular access, parking and roads. Industrial development is required to have on-site parking, ideally located behind the front building setback. A maximum of two vehicular crossings are permitted for allotments with a frontage of greater than 18.5 metres; vehicles must be able to enter and leave the site in a forwards direction. Development for industrial purposes must have loading and unloading facilities accessible from a rear lane where this is possible and appropriate.

Car parking for industrial development is required at a rate of 1 space per 80sqm of gross floor area plus 1 space per 40sqm of gross floor area for ancillary office space. Any retail component associated with the industry shall provide parking at the rate applicable for shops.

Environmental Considerations

An initial site inspection was undertaken in January 2012 which reviewed Flora, Fauna, Stormwater and general site characteristics. Threatened flora was not observed in the vicinity of Cascade St following the inspection. Threatened fauna and flora may still be present on the subject site and a formal assessment would be required in order to reach a determination. The assessment should include a test of significance and the outcome of this would determine whether the matter needs to be referred to the Commonwealth for consideration.

Verification of the creek line has shown that the Ecological Buffer for the purpose of assessing a development application would be in a different position to the Protected Area - Ecological Buffer zone declared under LEP 2005. Correction of this mapping would be addressed as part of the review. Infrastructure to improve stormwater or mitigate flooding could be accommodated within the creek at the rear of 18-22 Cascade Street.

The area near Cascade Street is generally level and does not appear to warrant a Slope Constraint zoning. A full site survey, focusing upon Flora and Fauna, together with mapping of levels is recommended. This is anticipated to cost in the order of \$10,000 to \$14,000, and these works will be funded from the Property Disposal Investment Program.

Financial support for the proposal and property matters

There are a number of options available to the Council to deliver the request for financial support from the applicant.

Consideration to provide rent relief for a period of time is the preferred option of the proponent and is also the recommended approach for the Council. It is recommended that the Council consider a rent free period or 'pepper corn' rent of up to five years to enable the applicant time to establish the business unencumbered of the need to pay the rent.

An independent valuation of the site has recommended that the commercial rent for this block of land would be in the order of \$66K per annum. In applying this amount plus a three percent increase each year for the five years, the subsidy provided would be in the vicinity of \$350K.

It is recommended that this arrangement is reviewed at five years and that any further leasehold periods should reflect the current market rental rate at the time of renewed negotiation, therefore keeping pace with commercial rates and providing an acceptable outcome for both the tenant and the Council.

Consideration need to be given to the fact that the land currently is not developed and does not generate a return. Given its size and strategic location it is considered that initially council should hold the land to seek employment opportunities such as the one proposed.

The proponent will be completing the development of the site at their cost. Other than the initial environmental study and survey outlined in the report it is not anticipated that Council would be involved financially in the development itself. Council would have an improved asset on its land at the completion of the project. Details about how that would be resolved will need to be thought through as part of the business case and next report to Council prior to finalisation.

As the proposal involves development of the site with an upfront investment by the proponent on land owned by the council there will need to be a formal agreement with the proponent which governs arrangements for compensation of both parties should the venture succeed or not succeed during the lease period. This arrangement would be expected to include a reimbursement or some compensation for rent relief provided by the Council during the lease period.

Sustainability Assessment

Effects	Positive	Negative
Environmental	Council will require that the development incorporate appropriate measures to assist in mitigating environmental impacts and impacts on amenity, particularly in dealing with stormwater management. Creation of local jobs has a benefit to the environment.	Development of the site will result in the removal of site vegetation. Preliminary site investigations suggest that there are no threatened flora or fauna species present however further investigations are required. The design of the development will also need to consider the riparian corridor and manage impacts. The proposal also involves increased truck movements on the highway although this is the case for any development of the Council's industrial sites to a greater or lesser extent.
Social	The proponent estimates that 20 direct full time jobs will be created with potential for a further 40 full time equivalent jobs through service related industries and sub-contracting to local tradespeople and suppliers.	Nil
Economic	The proposal will contribute to the economic development of the Blue Mountains Business Park -Lawson and the region generally through job creation.	The proposal, as it currently stands, involves BMMC providing financial incentives to the developer in the form of rate and rent free periods. Providing financial concessions such as these represents a loss of potential income. There is also a cost associated with undertaking a site survey. This work will be funded through the Property Disposal Investment Program.
Governance	The proposal works towards achieving Council's objective of local job creation and aligns with the 'clean technology' theme of the Blue Mountains Business Park - Lawson. Support for this or similar proposals will ensure that the Council meets its obligations with regard to the award of grant monies.	Nil

Financial implications for the Council

It is recommended that the Council undertakes a full site survey, focusing upon flora and fauna, as well as full site mapping of levels. In undertaking this survey, the Council will incur

a cost in the order of \$10,000 to \$14,000, which is proposed to be funded from the Property Disposal Investment Program. Given the Council's commitment to the grant application, these studies are considered appropriate as this work will be required should the Council wish to develop, sell or enter into this or another similar proposal for this land going forward.

As discussed earlier in the report, the proposal involves the Council providing financial incentives in the form of rental reductions. Concessions such as these could be construed to represent a loss of potential income or as a financial contribution to a private business. There is provision in the Local Government Act S356 for the Council to provide financial assistance such as this. This contribution can be supported as follows:

- Currently the land is not utilised and is producing no income for the Council.
- The grant agreement which the Council made with the Federal Government was subject to Council supporting employment generating development.
- The initiative would actively create employment opportunities in the City.

On that basis this initiative could be seen as an investment in the City and as the Council is contributing to implementing the objectives of Sustainable Blue Mountains 2025 as well as the objectives as set out in the Federal Government funding submission.

There could be an argument that Council is forging a financial opportunity cost if it sold the land but alternatively there is a capital improvement going onto the land if the proposal proceeds. These aspects will be further interrogated in the next report if it eventuates.

Legal and risk management issues for the Council

The report seeks the Council's approval 'in principle' to the use of 17 John Street Lawson for the purposes of establishing a manufacturing business. It should be stressed that an 'in principle' agreement will not constitute a commitment by the Council to make the site available for private development or to enter into an agreement at this stage. Rather, it represents an acknowledgement of the merits of the proposal and does foreshadow Councils commitment to the project by providing rent relief for 5 years subject to working with the proponent through the business case including financial arrangements, legal requirements and tenure that meet all parties' requirements prior to finalising any arrangement. This is a step in the process to confirm Councils support and to give some confidence to Blue Eco Homes in their expression of interest.

The proposed expenditure on the environmental study and survey is necessary for Council to realise the potential of this land irrespective of this proposal.

External consultation

The details discussed in this report in relation to the proposal are commercial in confidence. There has been no external consultation.

Conclusion

The Council has been approached by Blue Eco Homes who are interested in developing the Council owned land within Blue Mountains Business Park - Lawson, from which to manufacture modular homes, a TEKUM developed affordable housing product. The proponent estimates that the business would create 20 direct full time jobs with flow on benefits to local trades, suppliers and businesses. The concept of sustainable, affordable housing development aligns with the 'clean technology' direction of the Blue Mountains Business Park - Lawson.

An industry of this nature is permissible within the land use zone and it would also seem that, based on the information provided to date, the development can be carried out in accordance with the relevant development standards and LEP provisions. While initial site investigations have not revealed any threatened floral or faunal species, full site surveys and more detailed

proposal design will be required in order to fully understand environmental issues and site suitability.

This site analysis and the feasibility assessment of site potential is required in order for the Council to advance the role of this site in the promotion of the Blue Mountains Business Park - Lawson and should occur regardless of whether this particular proposal proceeds. It is recommended that the Council provide an 'in principle' agreement for the use of 17 John Street, Lawson for the purposes of a manufacturing business.

This current proposal of 'in kind' support for employment generation using a Council site is new territory for the Council but one that has been foreshadowed in the Council's strategies and grant applications. It is consistent with the Federal government providing taxpayer grant funding to develop the Business Park potential to create employment by providing much needed infrastructure that developers would have been responsible for if not provided.

The Council will need to consider carefully its financial and legislative obligations and secure its interests should it resolve to support and move forward with the proposal. Should the Council consider the proposal worth pursuing then any support at this stage should remain 'in principle' and further detailed scrutiny and consideration made at the next stage.

The recommendations support giving 'in principle' agreement at this time.

AUTHOR: Ryan Gill, Assistant Strategic Planner
Andy Turner, Manager City Planning
Janne Yardy, Program Leader Specialist Planning

AUTHORISERS: Karin Hartog, Acting Director, City & Community Outcomes
Robert Greenwood, General Manager

Does this paper need to go to a briefing session OR have Ward Councillors been briefed?: No

ATTACHMENTS/ENCLOSURES

1	Relevant LEP panels and maps	12/004926	Enclosure
2	Blue Eco Homes submission	12/005125	Attachment

* * * * *



Proposal for the use of Council
owned land within Lawson
Business Park

Enclosure 1 – Relevant LEP Panels and maps

Aerial Photograph, Zoning, Protected
Areas

The map panels provided below serve to illustrate the discussions in the associated Council report. The site, indicated in red, is a parcel of Council owned land located in Lawson Business Park on the southern side of the Great Western Highway. The site is the subject of a proposal to establish a business specialising the manufacture of modular homes.



Figure 1: Aerial

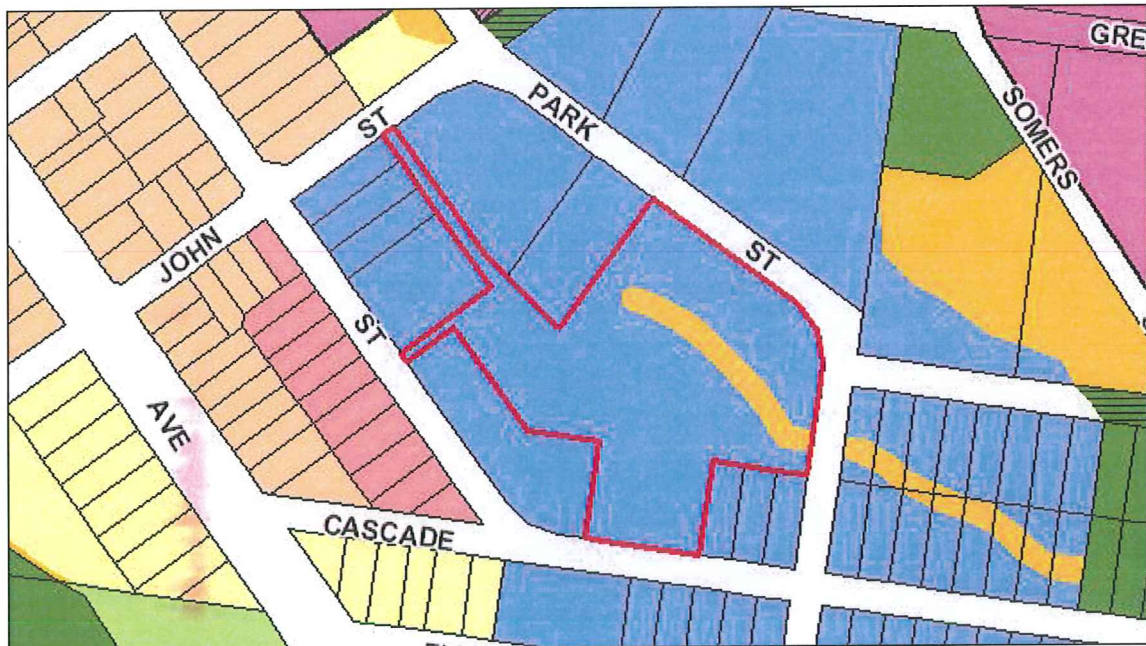


Figure 2: Zoning



Figure 3: Protected Areas

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Proposal for Council support for the establishment of a manufacturing and construction facility at Blue Mountains Business Park by Blue Eco Homes for the Tektum P/L project

Background:

The Tektum product is a new generation of affordable, environmentally sustainable and safe mass produced housing made in Australia. Tektum are aiming to tackle the housing affordability crisis by applying mass-manufacturing techniques to dramatically cut the cost of housing. The primary objective of the Tektum house initiative is to provide a quality, sustainable, safe and desirable housing product, which is more cost effective than current housing options.

The Tektum house offers the benefits of:

- Factory mass-production: reduced cost of housing, reduced material wastage, optimised purchase efficiency, quality control, guaranteed timing, and minimal price for the customer
- Compatible with standard international transport modes – road, rail, sea and air: can be transported from factory to site using existing transport and logistics networks
- Simple and rapid on-site installation: requires minimum on-site time
- Environmentally sustainable design – minimising energy, water and material consumption in manufacture and operation
- Safety by Design – ensuring safe and healthy living

The Tektum proposal will provide an exceptional opportunity to establish a sustainable manufacturing business within the Mountains. It includes the establishment of a partnership with Blue Eco Homes for the purpose of manufacturing and constructing Tektum houses in the Blue Mountains for delivery across Australia.

The directors of Tektum are high profile business people in the construction industry. Their business plan is forecasting sales of \$100M in 5 years time which could translate to hundreds of jobs. The company's head office is currently in Rushcutters Bay, and they are looking for a manufacturing base within 2 hours of their office, with the possibility of also moving their office to the region. They are focusing their interest on Wollongong, Central Coast and Blue Mountains. The manufacturing plant decision will be linked to the region that provides a good manufacturing site, a strong relationship with an appropriate builder and Council incentives.

About Blue Eco Homes:

Blue Eco Homes has the credentials, skills and drive to support this bid.

Blue Eco Homes provide environmentally-sound homes and building products that are sustainable, of superior quality, offering a healthy contemporary lifestyle. Blue Eco Homes (the environmental building arm of Joe Mercieca Constructions P/L) was born through a concern to develop environmentally sustainable building solutions in order to maintain high quality construction without impact on our sensitive World Heritage Environment.

We have been recognised locally, regionally and nationally for our innovation and quality, and commitment to the environment and community through our building works, including Master Builders Association (MBA) awards, Housing Industry Association (HIA) awards and the 2011 Harry Hammon Blue Mountains Business of the Year Award.

Detailed information about Blue Eco Homes is available in the attached company profile for your information.

The proposed partnership between Blue Eco Homes and Tektum P/L is consistent with our principles of environmentally sustainable construction as Tektum P/L also shares these principles and will allow provision of an alternative option in sustainable housing solutions.

Proposal:

Blue Eco Homes is seeking a working partnership with BMCC to build an 1800 sq metre facility on a portion of the 2 hectare Council site in the Blue Mountains Business Park. This would provide considerable benefits to the region; attracting a high growth sustainable clean technology industry to the Park and meeting Council's objectives of generating considerable local employment.

Blue Eco Homes is passionate about the region and has a strong philosophy to provide local employment in industries that are sustainable and appropriate to a world heritage area and as such we are prepared to invest a considerable amount of capital in this proposal. We are however aware that any venture of this kind bears fiscal risk to our company and seek BMCC's support in minimizing the exposure for this proposal so as to ensure its viability.

By initiating this working partnership, Blue Eco Homes can transfer cost savings to Tektum, providing an incentive for them to locate in the Region.

We recognize that considerable more detail would need to be discussed before reaching a final agreement but we are seeking an 'in principle' agreement for the establishment of a manufacturing facility in the Blue Mountains. This will require:

Land

Requested assistance for consideration includes the use approximately 5000 sq metres out of the 2.2 hectares of vacant land in the Blue Mountains Business Park between Christobel and Park Sts Lawson with the following considerations:

- Rates waived for 5 years
- Lease; First 5 years free
- Review between BMCC & Blue Eco Homes to occur at 5 years following the commencement of the agreement to include:
 - o Option to continue leasing for a further 5 years with a scaled lease fee i.e. 20% of full lease in year 6 scaling up to 100% in year 10

- Option for Blue Eco Homes to purchase the land at a pre-agreed market value recognizing that Blue Eco Homes has funded the capital improvement of this land
- Option to on sell to a third party
- Option to continue the working partnership through the potential development by Blue Eco Homes of further Council owned land at the Blue Mountains Business Park under the same agreement

Manufacturing Building

To be constructed by Blue Eco Homes on Council land in Blue Mountains Business Park at Lawson. This is planned as an 1800 sq metre manufacturing building with external loading dock and manoeuvring area in order to accommodate crane and forklift movement of house components.



Crane

To be installed in the building by Blue Eco Homes (as per photo) for movement of manufacturing components



Forklift

To be supplied by Blue Eco Homes for moving, loading and unloading of containers and components

Transportation

Containers will be transported using B double trucks. We are aware of the current legislated restrictions which limit the size of trucks allowed to operate on the Great Western Highway between Emu Plains and Lithgow. At present only vehicles up to 19 metre B-Doubles are permitted with no access allowed for 23-25 or 26 metre B-Doubles.

We have spoken to some carriers and we can work with the 19 metre B Double option. We would like to design the complex for future possibilities of using the larger B Doubles if the regulations were to change, as this would be a more viable option.

Benefits to the Blue Mountains:

The proposal as discussed provides an exceptional opportunity to establish a sustainable manufacturing and construction business within the Mountains.

- It is consistent with the regions strategy to deliver economic development through the attraction of business that are environmentally sustainable and consistent with the image of this World Heritage Area
- This type of industry aligns very well with the strategy behind the Blue Mountains Business Park as "clean technology" as well as meeting its core objectives and key industry clusters as outlined in the Blue Mountains Business Park brochure: "Welcome to the Business Park of the Future...."
- It is consistent with the State Government's "Drive for Economic Growth in Regional NSW"
- The initiative will create 20 direct full time jobs and potentially deliver a further 40 FTE jobs through service related industries and sub-contracting to local trades-people and suppliers. Longer term job creation could go into the hundreds.
- It has the full support of local elected representatives, Roza Sage and Louise Markus

Conclusion:

We believe that this is a great and rare opportunity for the Blue Mountains and has the potential to provide substantial benefits to the Blue Mountains community and its economic growth.

We hope you consider this favourably and that we are able show Tektum P/L a strong working relationship between Blue Eco Homes and Blue Mountains City Council to be able to offer the Blue Mountains Business Park as a great manufacturing site for this innovative industry.

We would be happy to answer any questions or provide further information if required.

Yours Sincerely,



Joe Mercieca
Director