



NORTHBRIDGE
PROGRESS ASSOCIATION

Working for the advancement of Northbridge since 1919

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January 11 2007

Mr John Owen
General Manager
Willoughby City Council
PO Box 57
CHATSWOOD NSW 2057

Dear Mr Owen

Re: Civic Place Project

Northbridge Progress Association has always supported the Civic Place Project. However, we understand from various sources that the project's capital cost estimate has increased from \$115 million to \$150 million in three years and NPA is now re-considering its support.

Our submission to Council in October 2003 stated: "NPA is concerned that there are many opportunities for cost overruns and revenue shortfalls in projects like Civic Place. We are disappointed, for example, that only 5% contingency has been included in the cost estimates even though the design and estimation of the project is at a very early stage." NPA recommended to Council "that an organisation with proven project management experience be employed by Council to supervise construction and to ensure that the project stays on track."

We also said that "because of the potential for overruns, staging of Civic Place will be very important. For this reason, of the four options presented by Council, NPA strongly prefers Option C, which incorporates three separate stages." We understand that Council has since decided on single stage project.

We would appreciate being advised:

1. The main reasons why capital cost estimates have increased by 30% in three years;
2. Whether Council did employ an organization with proven project management expertise;
3. Why Council has decided not to stage the project;
4. Whether Council continues to believe that the project can be funded with no increase in residential rates and without exceeding a 5% debt:equity ratio; and
5. What public assets have been or are expected to be sold to assist in funding the project.

Yours sincerely

Malcolm Lye
Secretary

Copy: Sailors Bay Ward councillors