

26/08/2020

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Re: Boyne Island/ Tannum Sands Community Recreation and Aquatic Centre - Letter of Intent

INTRODUCTION

ZenDev Pty Ltd (**Zen Dev**) and Coochin Developments Pty Ltd (**Our Partner**), are grateful for the opportunity to propose our vision for a flagship Central Coast Community Centre that drives tourism, recreation and community culture.

1) BACKGROUND

a) Boyne Tannum Aquatic Recreation Centre – Gladstone Regional Council

A Community Engagement Plan was prepared for the proposed Boyne Tannum Aquatic Recreation Centre (BTARC) by the Project Manager, Council's Community Engagement Specialist and Communications & Public Relations Specialist in accordance with the Council Resolution on 22 January 2019. The Community Engagement was carried out from 25 February 2019 through 8 March 2019.

Out of the 1,422 respondents in Gladstone - 80% of respondents were in Boyne Island and 94% would like to see a new facility in the area (*refer to Annexure A: Community Engagement Results*).

The community survey results (attached) provided evidence of the overriding support for a public facility, to encourage a healthy and active social environment. Before the Community Engagement, Gladstone Regional Council (GRC) appointed MacroPlanDimasi to conduct a feasibility study (*refer to Annexure B: Boyne Tannum Aquatic Recreation Centre Feasibility Model Results*) which consisted of typical capital budgeting methodology from a project finance perspective across 3 of the top sites out of the total of 11 that were proposed over a 20 year period from the commencement of the initial capital outlay. The following key project finance attributes are worth noting based on the financial model results for the forecast of a 20-year operating period:

- The amalgamated site consisting of the Tannum Sands Road & Coronation Drive Lots, is the top ranked site that GRC have deemed most suitable for the proposed BTARC (**Comparative Site**).
- **ZenDev's** proposed site formed part of the MacroPlan Feasibility Model Results, however this was analysed by MacroPlan as two separate lots in Section 4.0 - Feasible Sites (pg. 20) namely Arthur Street (which we refer to as Wyndham Avenue in this LOI) and Centenary Drive which is lot 5 RP 620667 and Lot 1 RP 619033 respectively (**Subject Site**). This resulted in unfavourable scores in the matrix of selection criteria outlined in Section 11.0 & 12.0 – Candidate Site Selection Criteria & Score Card respectively as our proposed **Subject Site** was ruled out, due to having what MacroPlan deemed as a fatal flaw. Refer to Our Points of Difference (Section 3 below) which highlights our own assessment across the criteria to reach a consensus on what we believe reflects the true score as an amalgamated site and where we demonstrate why the **Subject Site** would then be directly comparable, if not superior to the top ranked **Comparative Site**.

The **Comparative Site** consisted of the amalgamation of two separate lots, Lot 500 SP 215266 and lot 900 SP 152499 which were namely Tannum Sands Road and Coronation Drive respectively in MacroPlan’s study and also referred to as “Tannum Sands Road & Coronation Drive as an amalgamated site”. This was the top ranked site with a total score of 45 points (refer to *Figure 1* below).

Sites	Flooding Impact	Environment	Scale of land area	Ownership	Road access	Public transport (bus stop)	Proximity to educational facilities	Proximity to sporting and recreational facilities	Accessibility by residential population	Potential land use conflict (noise, lights)	Total
Tannum Sands Road, Tannum Sands & Coronation Drive as an amalgamated site	5	3	5	5	5	5	4	4	5	4	45
3 Hampton Drive, Tannum Sands	5	2	3	3	4	4	5	4	5	4	39
10 Canoe Point Road, Tannum Sands	5	4	4	2	3	2	3	5	4	3	35
Centenary Drive, Boyne Island*	4	5	3	2	4	4	4	3	4	4	35
Jacaranda Drive, Boyne Island	3	5	4	5	3	3	2	5	3	3	34
Arthur Street, Boyne Island*	5	5	3	2	4	3	4	3	4	3	34
Malpas Street, Boyne Island*	5	2	3	3	2	3	5	4	4	5	34
Wyndham Avenue, Boyne Island	2	3	3	3	4	4	2	3	4	3	31
Blackwell Street, Tannum Sands	3	3	3	3	3	3	3	4	5	2	29
Wild Cattle Creek Road, Tannum Sands	3	3	4	2	3	2	2	2	2	5	24

*ZenDev's Proposed Subject Site's Analysed by MacroPlan as two separate Lots

Figure 1: Candidate Site Selection Score Card (Source: MacroPlanDimasi BTARC Feasibility Model Results, pg.33)

- From an “ROI” perspective, the **Comparative Site** received a negative result of **-45.9%**. The true definition of this financial output metric based on the approach used to calculate this value is “Yield”. A negative Net Present Value (NPV) of **-\$3,775,769** over a 20-year operating period was also presented, which typically implies from a project finance perspective, that this project would not be economically viable (refer to *Figure 2* below). Furthermore, by replicating the financial model based on MacroPlan’s data and according to our calculations the true NPV is **-\$26,177,073** based on the presented Yield (Not ROI) of **-45.9%** and the true ROI value of **-145.89%**. (for the revised output tables refer to *Appendix D* for MacroPlan’s financial model’s true NPV & ROI Output Tables for the Comparative Site)

Project	3 Hampton	Coronation Drive (Comparative Site)	10 Canoe Point
Construction Cost	\$18,444,662	\$17,943,384.00	\$22,362,868.00
NPV	-\$3,775,769*	-\$3,775,769*	-\$3,775,769*
ROI (End of 20 year period)	-44.6%	-45.9%	-36.8%

*Misrepresentation of the true NPV values.

Figure 2: Comparative Site Project Finance Metrics (Source: MacroPlanDimasi BTARC Feasibility Model Results, pg.1)

In early 2019, Council stated in a Q&A factsheet (attached) during early 2019 that the total estimated operating cost would range between \$2 million to \$3 million annually. The operation costs include external management, depreciation and financing (refer to *Annexure C: GRC BTARC Q & A*). This is touched on further in this LOI on how **ZenDev** propose to reduce these operating costs (refer to Our Points of Difference section below).

Furthermore, Council stated that the cost of construction was estimated to range between \$34 million to \$39 million (which includes a 50% contingency) and could only proceed through **external funding**, such as State or Federal government funding opportunities or Private Partnership/Investment. **ZenDev** have prepared and application for the Building Acceleration Fund (BAF), or more specifically the Economic Development Queensland (EDQ), which was recently released by the Queensland Government’s arm for infrastructure projects of this very nature (refer to *Annexure D: Building Acceleration Fund 2020 Program Guidelines*). We

believe that the BAF's 0% interest funding will help incur further savings which will benefit the financial viability of the project for not only Council but ultimately the Gladstone community due to this post COVID-19 recessionary market climate. Furthermore MacroPlan's 20 - year financial model's did not factor in any interest into the NPV calculations so **ZenDev** have applied the same logic to our replicated financial models for the purpose of being directly comparable in this LOI and have also assumed that GRC are targeting and willing to assist with securing 0% interest BAF funding for the BTARC.

As of June, 2020 a **Preliminary Master Plan** was endorsed at the General Meeting (*refer to Annexure E: FDG Preliminary Master Plan*). This is the latest and most indicative layout to date on the **Comparative Site** regarding the revised facility elements to suit the outcome of the community engagement from the initial concepts plans that formed part of MacroPlan's Feasibility Model Results. Based on these revised facility elements a revised Construction Cost Estimate was conducted by **ZenDev** for the purpose of this LOI. This was done by applying the same rates as Arcadis, to the take-offs on the **Preliminary Master Plan** to arrive at new benchmark comparison for the initial capital outlay on the **Comparative Site** for comparison to the **Subject Site's** Construction Cost Estimate (*refer to Table 2 for the Construction Cost Estimate Comparisons in Section 3 (i) below*). The **Preliminary Master Plan** and the respective facility elements were used by **ZenDev** to form part of the **Subject Site's Development Proposal** (*refer to Figure 3 & 4 and Appendix A & B for our Complete Proposed Development Plan & Proposed BTARC Concepts respectively*).

On Saturday, August 8, 2020 Council put an invitation out for Engineering Consultants to tender for the various conceptual designs of the BTARC Facility on LG Tender Box with a target 20-week turnaround from that date of awarding the Contract. The invite consisted of respective tender documents to aid tenderers in meeting their applications prior to the closing date of Tuesday, September 8, 2020.

ZenDev believe that our proposal would improve the financial viability based on various factors that are presented in this LOI along with the respective Appendices and Annexures. We strongly believe that our proposed site, our expertise & the balance of our proposed co-located community uses will improve the key project finance fundamentals of a reduced initial capital outlay (construction cost), lowered operating costs through strategic selection, placement and deal structuring with a qualified operator and by improving the revenue forecasts based on the increased visitation & premium that can be added to pricing that was not previously modelled into the catchment based on the standalone prior concept. This resulted in ultimately an improved NPV & ROI output at the end of the 20-year operating period. Refer to our Points of Difference Section below where we compare the main project finance model metrics of our proposed amalgamated **Subject Site** against those of the **Comparative Site**.

b) ZenDev's Proposed Site– Corner of Centenary Drive and Wyndham Ave, Boyne Island.

ZenDev have:

1. Secured the **Subject Site** under contract.
2. Engaged a capable project team to facilitate necessary investigations and due diligence studies.
3. Carried out multiple pre-lodgement meeting with relevant stakeholders including;
 - SARA (DAF, DES, DSDMIP, MSQ, DNRME)
 - Gladstone Ports Corporation (GPC)
 - Gladstone Regional Council – Planning team (GPC)
 - Gladstone Regional Council – Economic Development Team (PGC)

4. Identified a considerable economic and community benefit from the delivery of the proposed development, which is likely to escalate over time to create a thriving recreation and adventure tourism precinct, attracting local and non-local patrons to the activities on the **Boyne River** once activated with shoreline development and improved marine access.

2) PROPOSAL

ZenDev and Our Partner propose that GRC collaborate with a likeminded and fully capable community-driven team to realise a shared vision of anchoring the **Boyne Tannum Aquatic Recreation Centre (BTARC)** to our proposed Master Plan Community Precinct. In addition to the proposed BTARC, our concept includes complimentary uses such as a Community Club Venue and Function Centre with a modern, state of the art Marina. This will also become the base for multiple tourism, water sport and adventure recreation businesses and activities in the future (refer to *Figure 2,3 & 4* below).



Figure 2: Subject Site's Development Area

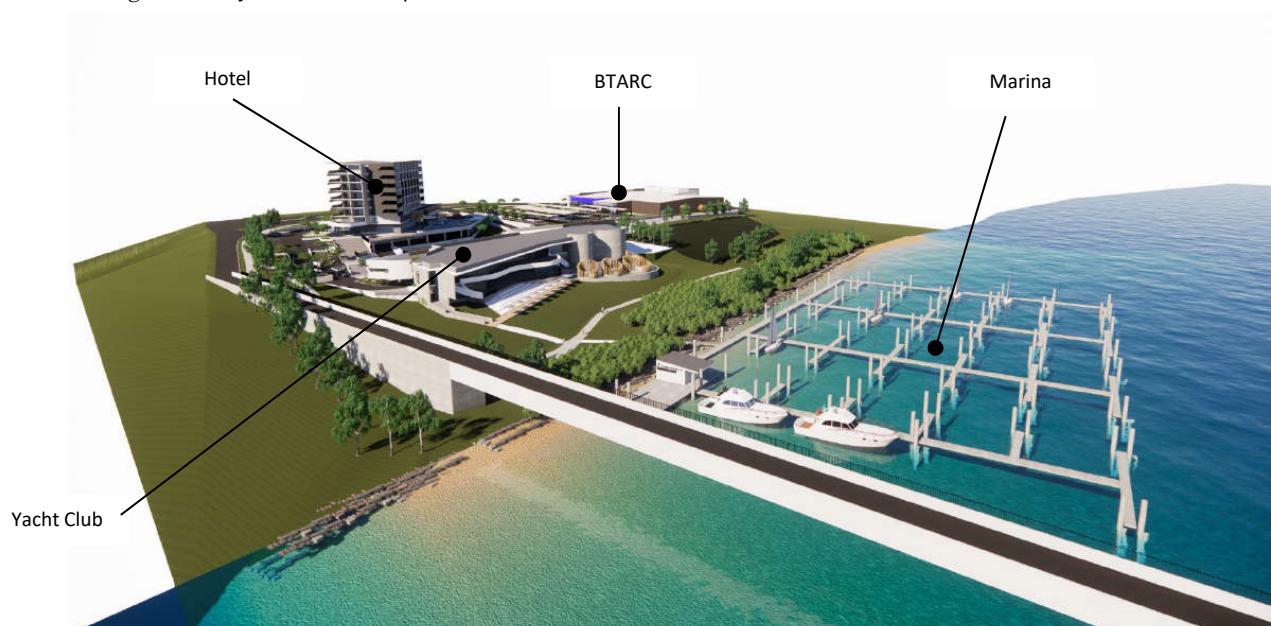


Figure 3: 3D Rendered Perspective of the Development Concept

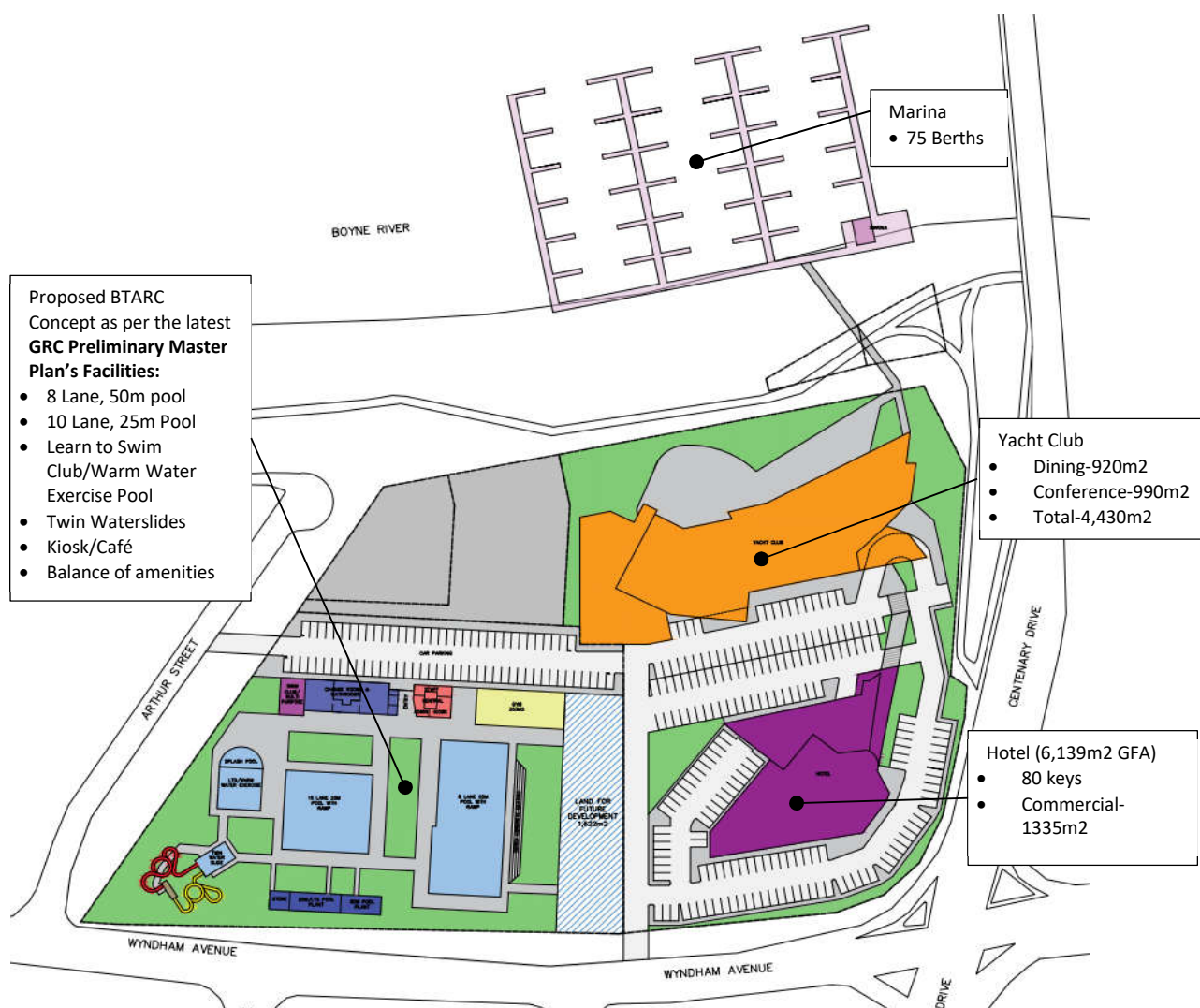


Figure 4: **Subject Site's** Proposed Development Plan (Refer to the Appendix for the Complete Proposed Development Plan & Proposed BTARC Concepts)

It is our view that a Public Aquatic Centre on its own is unlikely to attract private funding due to the poor financial viability which was proven through the financial modelling output that was carried out by MacroPlan in their Feasibility Study for the **Comparative Site**. However, **ZenDev** recognises an opportunity to deliver a much-needed community-driven precinct, with improved financial viability that is made possible by co-locating the Public Aquatic Centre (BTARC) alongside the proposed commercially viable community uses such as shown in the above *Figures* and as listed below:

- » Yacht Club
- » Marina
- » Hotel Accommodation
- » Public outdoor open space (Amphitheatre)

3) OUR POINTS OF DIFFERENCE

In comparison to the top ranked “Tannum Sands Road & Coronation Drive as an amalgamated site” in the MacroPlan BTARC Feasibility Model Results as pointed out in *Figure 1*, the following are the main points of difference that our amalgamated **Subject Site** would offer:

i) SITE SELECTION CRITERIA

Based on MacroPlan’s Candidate Site Selection Criteria (Section 11.0, pg.32) we believe that our amalgamated **Subject Site** would achieve the following scores to rival MacroPlan’s Candidate Site Selection Score Card (Section 12.0, pg. 33 as per *Figure 1* above):

- a. **Flooding Impact (Score 5/5):** Based on the proposed location of the BTARC falling on Arthur Street (lot 5 RP 620667) of the amalgamated site, this lot already received a score of 5 by MacroPlan for the least amount of flooding risk as per the criteria that was sourced from the Gladstone Interactive Mapping.

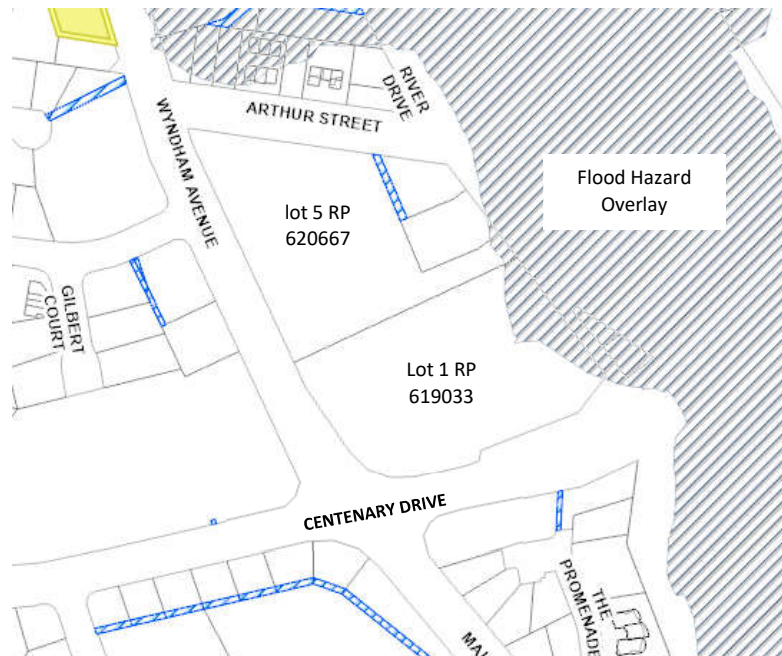


Figure 5: Subject Site with the Flood Hazard Overlay (Source: GRC Interactive Mapping)

- b. **Environment (Score 5/5):**

As according to MacroPlan, both lots of the amalgamated site scored a 5 due to little to no environmental impacts on the surrounding environment.

- c. **Scale of Land Area (Score 4/5):**

This was a critical area where our proposed **Subject Site** was ruled out as a score of 1 was allocated to our two separate lots and hence deemed a fatal flaw and negated from further consideration as a candidate site. A total amalgamated site area of 33,420m² (3,34 hectares) is the true comparison to the top ranked **Comparative Site**. This was based on MacroPlan’s scoring ranges for the following:

- 0-1 hectares- Sites were deemed problematic and were allocated a score of 1.
- 3-4 hectares- These sites were deemed more appropriate and were allocated a score of between 3-4.
- Anything above 7 hectares scored a 5.

d. **Ownership (Score 5/5):**

Considering ZenDev have control over the **Subject Site** and our enthusiasm towards working with GRC to develop the BTARC on the subject site, we consider this to be an advantage and not a flaw, despite the subject site being privately owned.

e. **Road Access (Score 5/5):**

We believe that our site is deserving of this score due to the amalgamated **Subject Site** consisting of 3 frontages to Centenary Drive, Wyndham Avenue and Arthur Street, Boyne Island respectively.

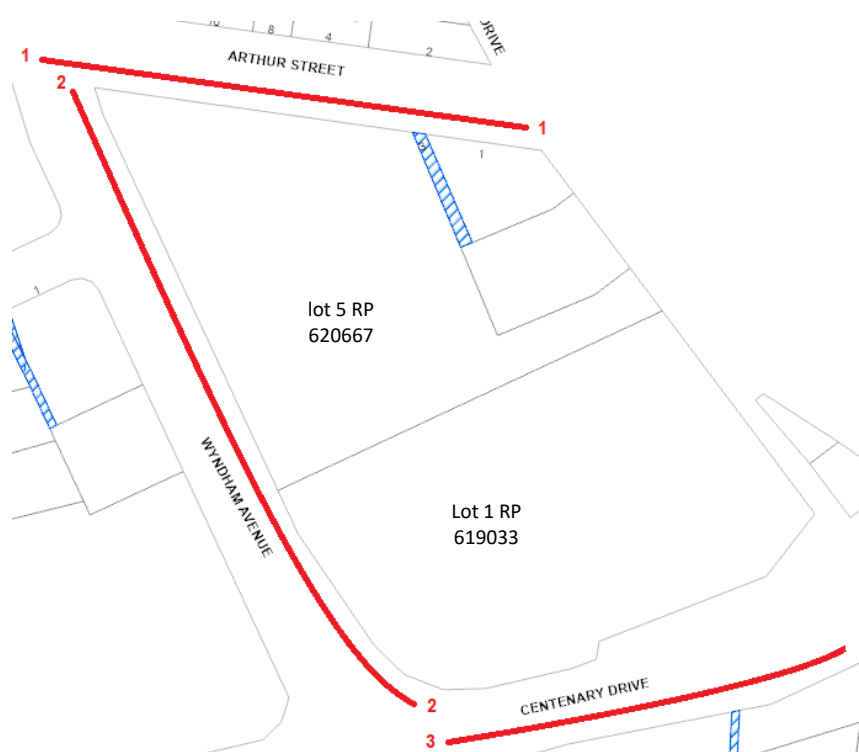


Figure 6: 3 Street Frontages surrounding the **Subject Site** (Source: GRC Interactive Mapping)

f. **Public Transport (Score 5/5):**

Prior scores that were allocated to the **Subject Site** were 3 and 4 for the respective separate lots. However, there are two allocated bus stops which are situated adjacent to the **Subject Site** on Wyndham Avenue. These two bus stops are more conveniently located than the two which MacroPlan gave the **Comparative Site** a score of 5. Hence, why we believe the **Subject Site** is deserving of the equivalent score at the very least as the same 550 bus route services both these bus stops. Refer to *Figure 3* below.



Figure 5: Bus Stop locations adjacent to both the **Subject & Comparative Sites** on Wyndham Ave & Hampton Drive.

g. Proximity to Educational Facilities (Score 4/5):

MacroPlan’s prior scores have been applied based on **ZenDev’s** assumption that the Boyne Island Primary School, Kalori Training & Conference Centre, Bambini Early Childhood Development and St. Francis Catholic School are all in close proximity to the **Subject Site**.

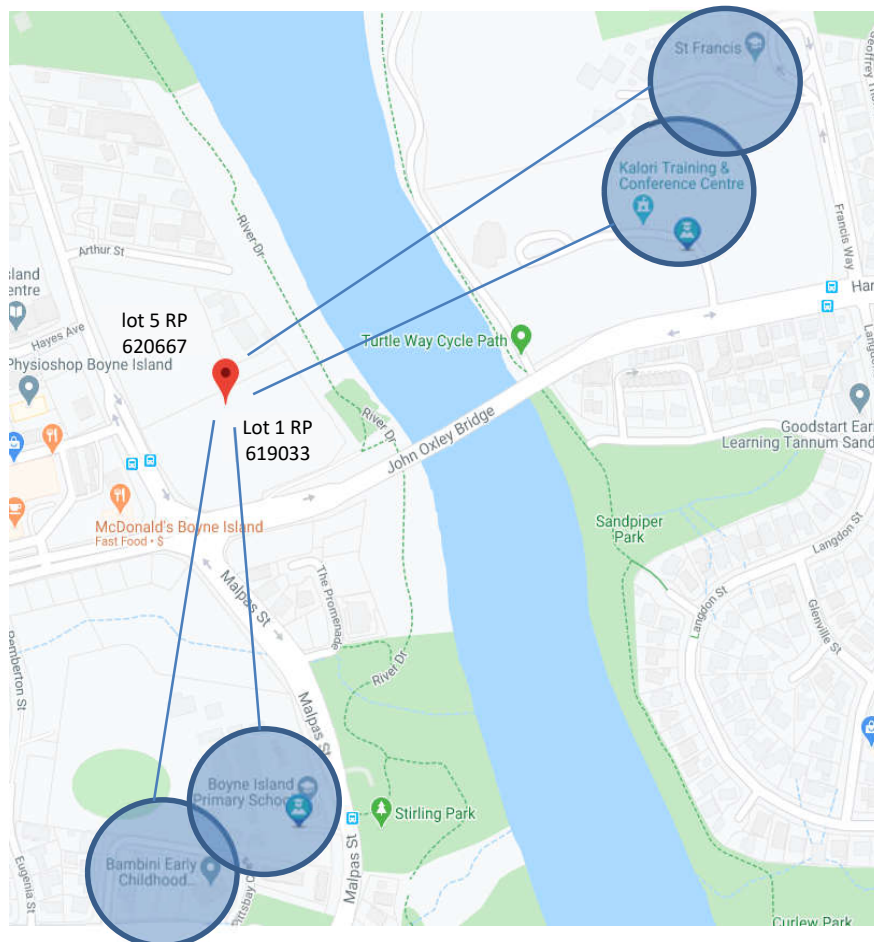
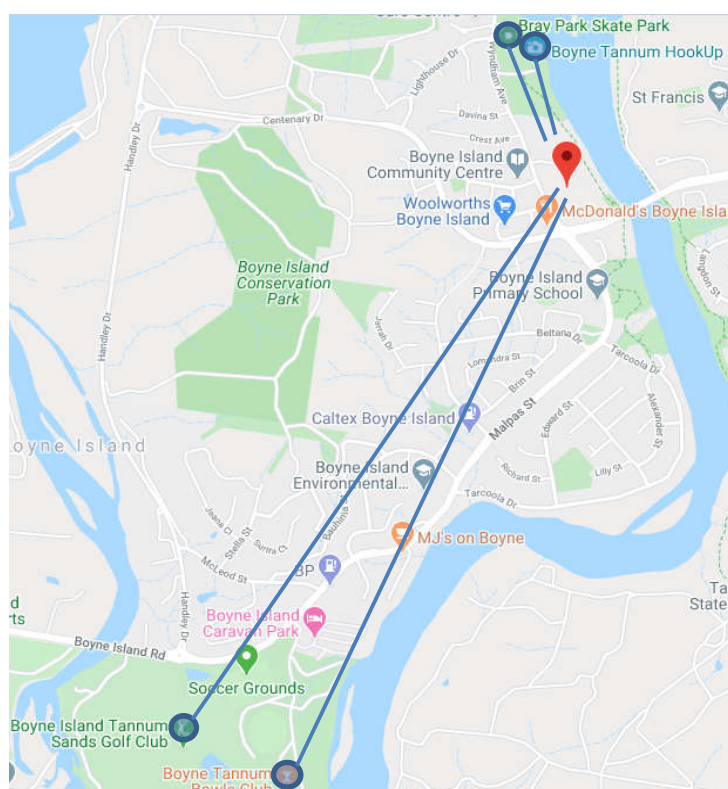


Figure 7: Educational Facilities surrounding the **Subject Site** (Source: GapMaps)

h. Proximity to sporting and recreational facilities (Score 4/5):

MacroPlan scored our **Subject Site** a 3, however we believe that our **Subject Site** would be more deserving of a 4 based on the following sporting and recreational events that take place and the facilities that are located in close proximity to the site:

- Boyne Tannum Hook Up (BTHU) takes place within 500m from the site. This is the region’s most popular annual sports competition and the largest fishing competition to take place in the Country. According to Ethos Urban (*Annexure G: Economic Overview*) the BTHU attracts 27,000 visitors annually with an approximate expenditure of \$480,000.
- Bray Park Skate Park is also within the 500m radius from the site. Upgrades to the skate park took place in late 2018 to the value of just under \$1m which was funded by Qld Gov’s Works for Queensland Program and the GRC (<https://www.gladstone.qld.gov.au/skate-parks>).
- The Boyne Island Tannum Sands Golf Club & Boyne Tannum Bowls Club is also within 2.5kms from the site.
- Other than the few mentioned above, the co-location of the proposed Marina and Yacht Club are the other critical recreational facilities that the BTARC would benefit from in the immediate vicinity of the **Subject Site**.



*Figure 8: Sporting and Recreational Facilities surrounding the **Subject Site** (Source: GapMaps)*

i. Accessibility by residential population (Score 5/5):

MacroPlan scored our **Subject Site** a 4, however we believe that since the **Comparative Site** scored a 5 so would this apply based on the site being only 1.7km away and immediately surrounded by the likes of the Boyne Plaza shopping centre, Boyne Tannum Community Centre, residential development and Boyne Island Primary School further south with the site adjacently connected to the Tannum Sands community via the John Oxley Bridge.

j. **Potential land use conflict (Score 4/5):**

Based on no specific metrics on the scoring of this criteria we have applied the same score that MacroPlan allocated to the Centenary Drive lot 1 RP 619033.

The above scores result in a summation of **46** as the total revised score for the **Subject Site**. This is now a direct comparable and a higher score than what was awarded by MacroPlan for the “top ranked” **Comparative Site (45)** as summarised in *Table 1* below. This confirms our consensus on why our **Subject Site** would then be superior or at least directly comparable to the top ranked **Comparative Site** based on the assessment criteria used in MacroPlan’s study.

Table 1: Revised Candidate Site Selection Score Card to reflect the Amalgamated Comparative & Subject Site Results

Site	Flooding Impact	Environment	Scale of Land Area	Ownership	Road Access	Public Transport	Proximity to Educational Facilities	Proximity to sporting and recreational facilities	Accessibility by residential population	Potential land use conflict	Total
Comparative Site: Tannum Sands Road & Coronation Drive as an amalgamated site	5	3	5	5	5	5	4	4	5	4	45
Subject Site: Arthur Street (Wyndham Avenue) and Centenary Drive as an amalgamated site	5	5	4	5	5	5	4	4	5	4	46

ii) FEASIBILITY

In this section **ZenDev** will outline how by anchoring the BTARC onto the **Subject Site** and with the replication of MacroPlan’s 20-year model based on the following critical variables & scenarios, the financial viability of the BTARC will improve in comparison to remaining located on the **Comparative Site**:

a. **Initial Capital Outlay:**

In MacroPlan’s financial models the initial capital outlay that was the input variable was the construction cost estimate that was conducted by Arcadis (excludes Consultant Fees, Client Costs & Project Contingency) based on the initial **Subject Site’s** concept plan (*Refer to Annexure B: Boyne Tannum Aquatic Recreation Centre Feasibility Model Results pg. 4, 12 & 51 respectively*). We have prepared a revised construction cost estimate with the respective rates as per those provided by Arcadis and applied this to the revised **FDG Preliminary Master Plan** for a true benchmark comparison of the **Comparative Site**. The revised construction cost estimate of \$21,390,684 versus MacroPlan’s reported \$17,943,384 amount is based on the latest facilities that have been updated into the **Preliminary Master Plan**. **ZenDev’s** construction cost estimate was based on actual quotes provided by three specialist pool contractors for the aquatic facilities (specialised scope of works) which ranged from \$6.44m - \$7.25m along with our estimates for the balance of the latest facilities arrived at an average figure of \$13,535,464. Refer to *Appendix C* for our detailed *Construction Cost Estimate Comparison* and *Annexure F* for the *Specialist Pool Contractor’s Quotes*. See *Table 2* below for ease of reference to the construction cost estimate comparisons:

Table 2: Construction Cost Estimate Comparisons

Scenarios relating to the Construction Cost Estimates:	Construction Cost Estimates:	Net (Loss)/Savings compared to MacroPlan's report:	Variance in Percentage:
MacroPlan & Arcadis' Construction Cost Estimate for the Comparative Site (2018)	\$17,943,384*		
Arcadis' rates (2018) applied to the take-offs regarding the latest FDG Preliminary Master Plan revised facilities for the Comparative Site .	\$21,390,684*	-\$8,409,939	46,87% cost increase
ZenDev's Construction Cost Estimate as per the latest FDG Preliminary Master Plan facilities replicated into a concept plan for the Subject Site (2020)	\$13,535,464*	\$4,407,920	24.57% cost decrease

*Note: Above values are excluding Consultant Fees, Clients Costs & Project Contingency as per Arcadis/MacroPlan's Report

b. Operating Costs:

ZenDev are in discussions with one of the primary club operators in the area who are interested in operating the BTARC. MacroPlan's data is relatively high in accordance with aquatic centre's currently operating of a similar scale and the operator believes that the operating costs could be reduced by 20%. **ZenDev** have applied a 20% reduction factor to MacroPlan's 20-year forecast of the operating costs. This would also be in line with estimates based on locking in an operator with a strong covenant for a long tenure.

c. Forecast Revenue:

In this section **ZenDev** will outline how with situating the BTARC on our **Subject Site** will boost the forecast revenue due to the co-location of the other uses as per the proposed development. Ethos Urban was approached to conduct an *Economic Overview* for our proposed development (refer to Annexure G). Ethos Urban used a greater catchment of Gladstone (R) LGA Boundary based on the appeal of our co-located Marina, Yacht Club and Hotel to the greater area than that of the Boyne Island-Tannum Sands (SA2), which was used by MacroPlan for the BTARC. As per Ethos Urban's the Economic Benefits Summary (Figure 11 below) the BTARC will generate an estimate of 131,530 visits and \$1.3 million in visitation revenue in year 5 to the greater catchment of the operating phase (a 23.77% and 204% respective increase on MacroPlan's visitation and gross revenue forecasts) based on being co-located with the other uses. Year 5 was used as this is deemed to be the established phase of operation for all the proposed uses. Based on a larger catchment having been used to determine the economic benefit and the BTARC benefiting directly from the increased visitation **ZenDev** have applied a conservative increase of 50% on the projected revenue figures to MacroPlan's data into our replicated financial model.

d. Resulting NPV & ROI Analysis:

Refer to Appendix E for our workings of replicated and directly comparable MacroPlan 20-year operating models for the NPV & ROI Output Table Comparisons based on **ZenDev's** revised Construction Cost Estimates. These two comparable tables show how with an initial capital outlay as per Arcadis' rates on the **Comparative Site** will result in an NPV of **-\$29,624,373.82** where with the implementation **ZenDev's** construction and project management expertise a reduced initial capital outlay for the construction cost estimate of 24.57% which results in an improved NPV of **-\$21,769,153.00** for the **Subject Site**.

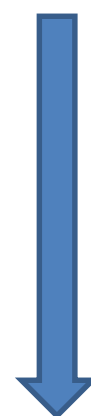
Refer to *Appendix F* where the same 20-year operating models have been used with the balance of the two key financial variables of an increased revenue forecasts (50%) and where a reduction in the forecast operating costs (20%) has been implemented. These two comparable tables show how with the revenue and operating costs as per MacroPlan’s forecasts on the **Comparative Site** will result in an NPV of **-\$29,624,373.82** whereas with the implementation **ZenDev’s** improved revenue forecasts and reduced operating costs as outlined in b) and c) above would result in an improved NPV of **-\$13,410,710.17** for the **Subject Site**. It can be concluded on review of these output tables how **ZenDev’s** expertise and added value as per the Feasibility section of the LOI has improved the financial viability of the BTARC project.

Refer to the *Table 3* below for a summary of the various modelled output scenarios, which illustrates how from the **Comparative Site** scenario as presented by MacroPlan, the financial viability progressively improves based on the key project finance metric output values (NPV & ROI) for the 20-year financial model based on **ZenDev’s** proposed development scenario on the **Subject Site**. We trust that this table provides sufficient evidence in why the GRC should partner with **ZenDev’s** expertise in relocating and anchoring the BTARC on the **Subject Site** to be co-located with the proposed uses of a Marina, Yacht Club and a Hotel.

Table 3: Comparison of MacroPlan’s Key Project Finance Metrics replicated into a 20-year Financial Model.

Modelled Scenarios:	Initial Capital Outlay/Construction Cost Estimate:	Project NPV (Incl. Initial Capital Outlay) over a 20-year period:	Operating Phase Yield over a 20-year period:	True Overall Return on Investment over a 20-year period:
MacroPlan’s Project Finance Metrics <u>as per the Report</u> for the Comparative Site . (Refer to <i>Figure 2 & pg.4 of Annexure B: Boyne Tannum Aquatic Recreation Centre Feasibility Model Results</i>)	\$17,943,384	-\$3,775,769*	-45.89%	
The true Project Finance Metrics <u>as per</u> MacroPlan’s Financial Model replicated for illustrative purposes by ZenDev based on the original Construction Cost Estimate & original concept plan for the Comparative Site . (Refer to <i>Appendix D</i>)	\$17,943,384	-\$26,177,073	-45.89%	-145.89%
Project Finance Metrics <u>as per</u> ZenDev’s Financial Model with the revised Construction Cost Estimate based on the latest FDG Preliminary Master Plan for the Comparative Site . (Refer to <i>Appendix E</i>)	\$21,390,684	-\$29,624,374	-38.49%	-138.49%
ZenDev’s Project Finance Metrics <u>as per</u> Zen’s Financial Model & Construction Estimate for the Subject Site based on the latest FDG Preliminary Master Plan using MacroPlan’s Revenue & Operating Costs. (Refer to <i>Appendix E</i>)	\$13,535,464	-\$21,769,153	-60.83%	-101.77%
ZenDev’s Construction Estimate for the Subject Site based on the latest FDG Preliminary Master Plan with the Revenue increased by 50% & Operating Costs decreased by 20%. (Refer to <i>Appendix F</i>)	\$13,535,464	-\$13,410,710	0.92%	-99.08%

Improved Financial Viability



**MacroPlan’s misrepresented NPV as per their report. Refer to Appendix D for MacroPlan’s financial model’s true NPV & ROI Output Tables for the Comparative Site.*

4) PROJECT TIMELINE

In this section ZenDev will cover our anticipated timeline for this project relative to the latest Timeline that GRC have posted on their associated website for this project (Figure 5 below).

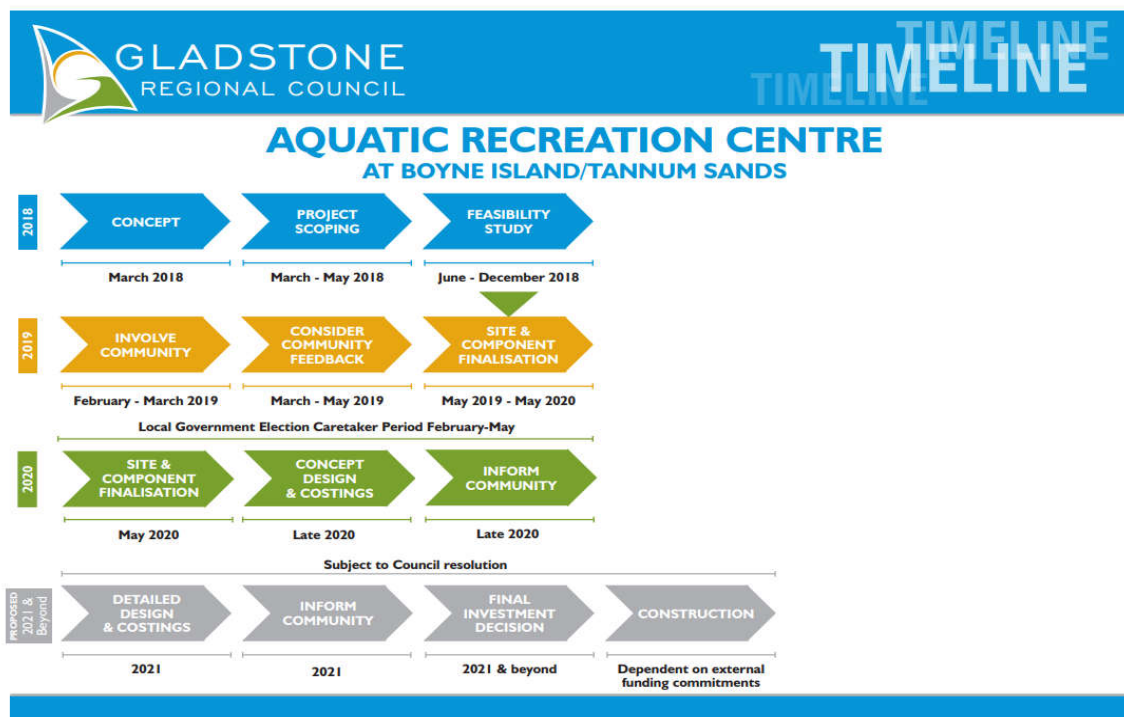


Figure 9: GRC's BTARC Timeline (Source: GRC Website)

Based on the latest review of the GRC Timeline, the current stage that the project is at is the "Site & Component Finalisation" stage as outlined in Figure 6 above. Based on successfully securing the BTARC for our **Subject Site**, Zen Dev's proposed construction period will be able to seamlessly tie in with the GRC Timeline as per the project duration carried out in a single stage as per the Gantt Chart (Figure 4) below. As mentioned beneath the Construction phase of the GRC Timeline, "dependent on external funding commitments" and earlier in the Background section of the LOI, ZenDev are aiming on securing funding from the BAF and believe that the Gantt Chart as per Figure 4 below will meet the required timing to secure this funding for the most mutually beneficial outcome for all parties.

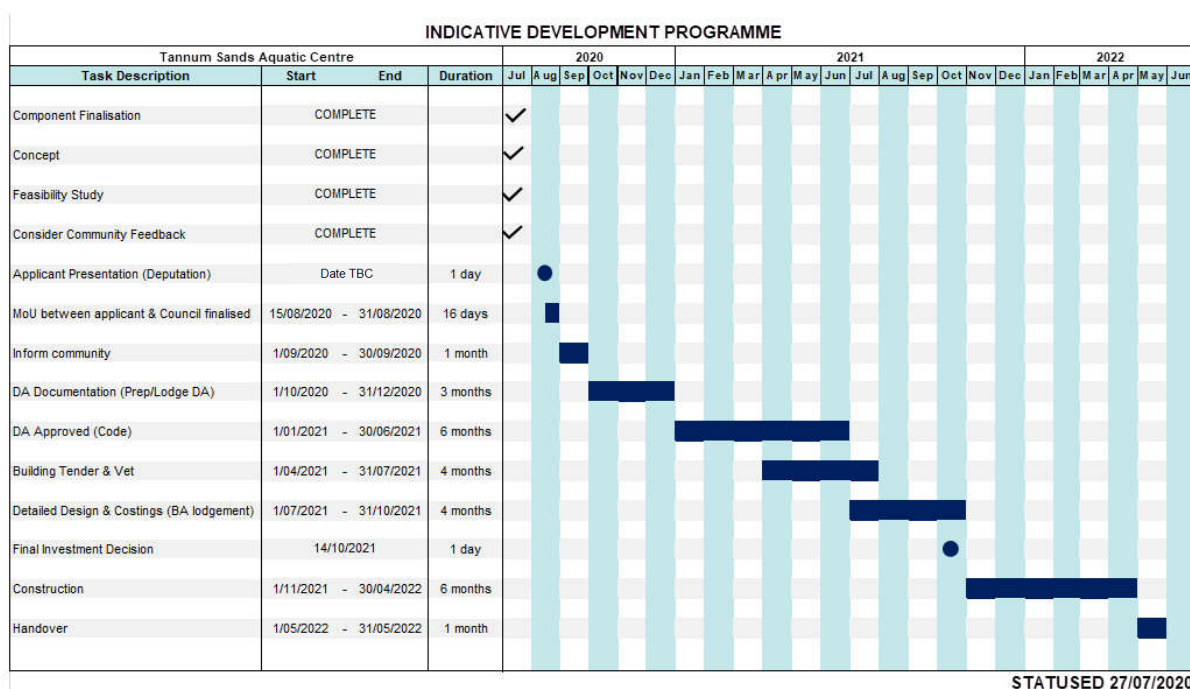


Figure 10: ZenDev's BTARC Gantt Chart (Source: GRC)

5) PROPOSED DEVELOPMENT ECONOMIC BENEFITS

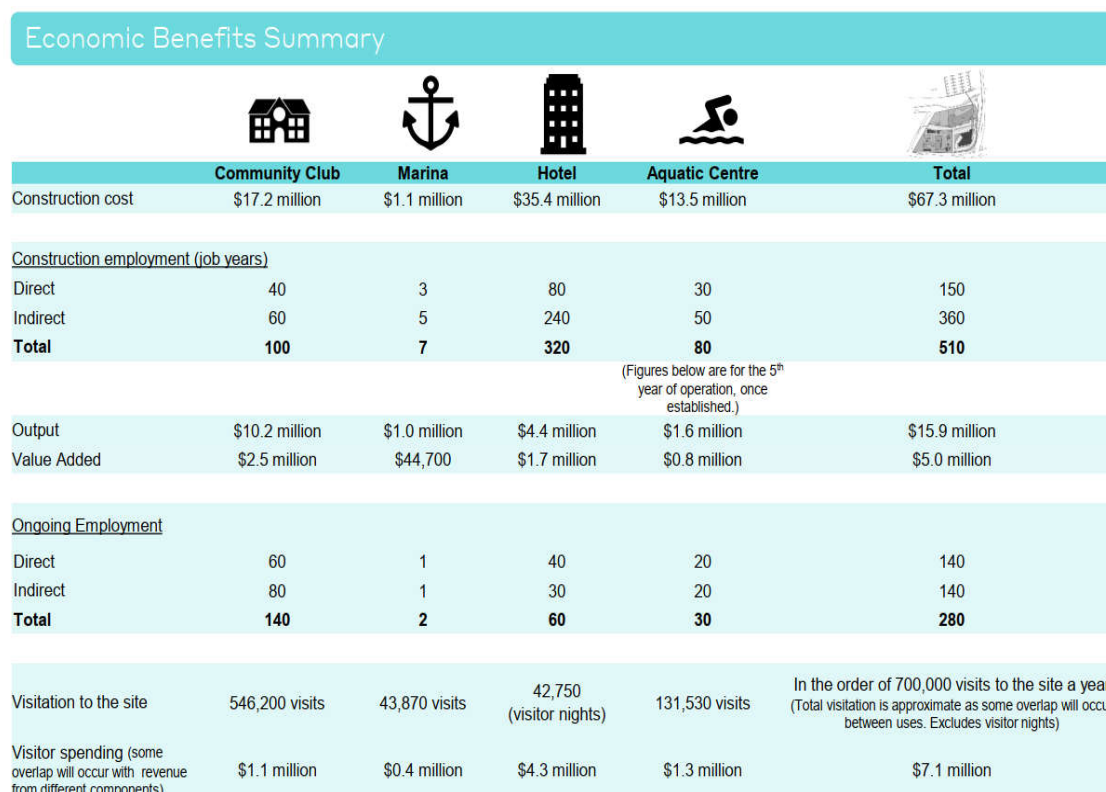


Figure 11: Subject Site's Economic Benefits Summary of the Proposed Development to the greater Gladstone catchment (Source: Ethos Urban- Annexure G)

Note: Figures represent high-level estimates based on the concept design and industry benchmarks to be refined as the planning process progresses.

Investment, Employment and Expenditure Benefits

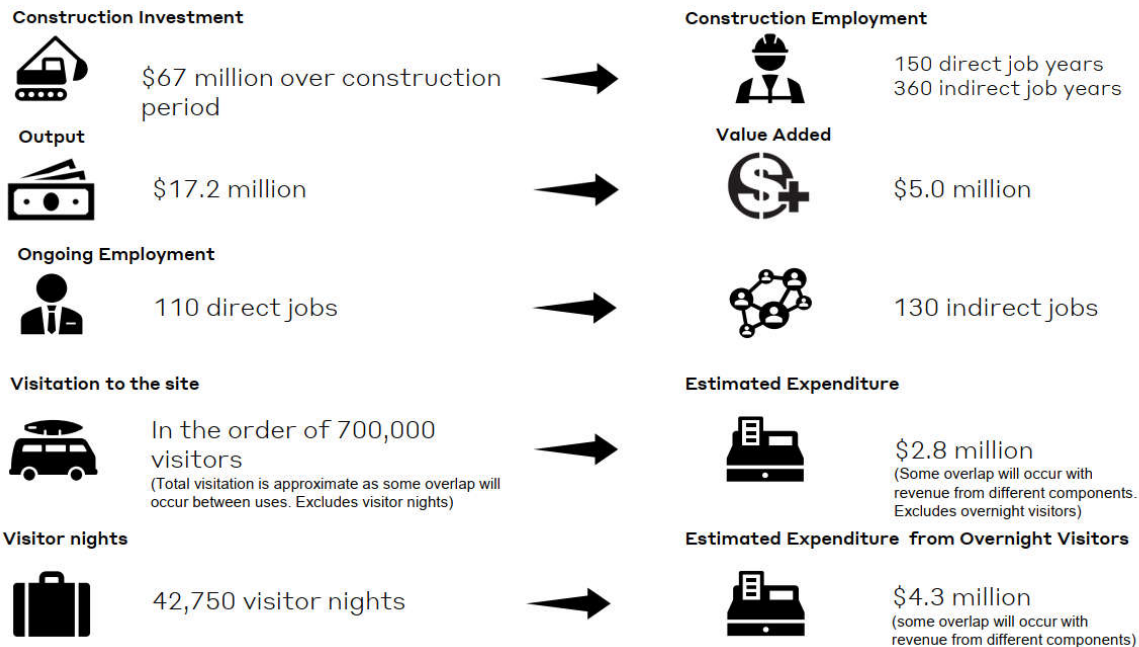


Figure 12: **Subject Site's Investment, Employment and Expenditure Benefits Summary of the Proposed Development to the greater Gladstone catchment** (Source: Ethos Urban- Annexure G)

Note: Figures represent high-level estimates based on the concept design and industry benchmarks to be refined as the planning process progresses.

WHERE TO FROM HERE DEPUTATION

ZenDev intends to discuss potential development pathways with GRC at the deputation meeting that may include but is not limited to the following:

1. GRC to incorporate the proposed BTARC on the subject site as part of ZenDev's proposed Community Centre Precinct
2. ZenDev to collaborate with GRC to utilise funds already available to Council for the research and feasibility of the Aquatic Centre
3. GRC and ZenDev to work together to jointly apply for Local, State and Federal Grants funding for the Planning and Construction of the Proposed BTARC

DRAFT MOU

It is our goal that GRC and ZenDev come to an agreement that is mutually beneficial to the community and all stakeholders involved. The "agreement" will include a list of actionable items collated for the sole purpose of investigating the Development of the proposed Boyne Tannum Aquatic Recreation Centre "BTARC" on the Subject Site which ZenDev currently have control over being the corner of Wydnham Avenue & Centenary Drive, Boyne Island (Lot 5 RP 620667 & Lot 1 RP 619033).

ROLES OF PARTIES

ZenDev Pty Ltd (ZenDev) (the Development Manager) to facilitate, manage and co-ordinate the following:

- I. A report identifying desirable pathways, with further analysis of the future economic benefits
- II. Concept Development.
- III. Feasibility Study.
- IV. Community Engagement.
- V. Concept Design and Costing.
- VI. Source and finalise suitable commercial terms with Sub-lessees (operators).

Gladstone Regional Council (GRC), as part of the agreement between both parties will:

- I. Contribute to the funding for the BTARC design and feasibility stages.
- II. Agree to assist **ZenDev** with securing BAF funding as a joint applicant.
- III. Liaise with **ZenDev** to receive and assess feedback from the Community.
- IV. Provide **ZenDev** with relevant information to assist the project moving forward.
- V. Assist **ZenDev** to prepare application/s for Grant Funding for the BTARC and co-located uses on the subject site.

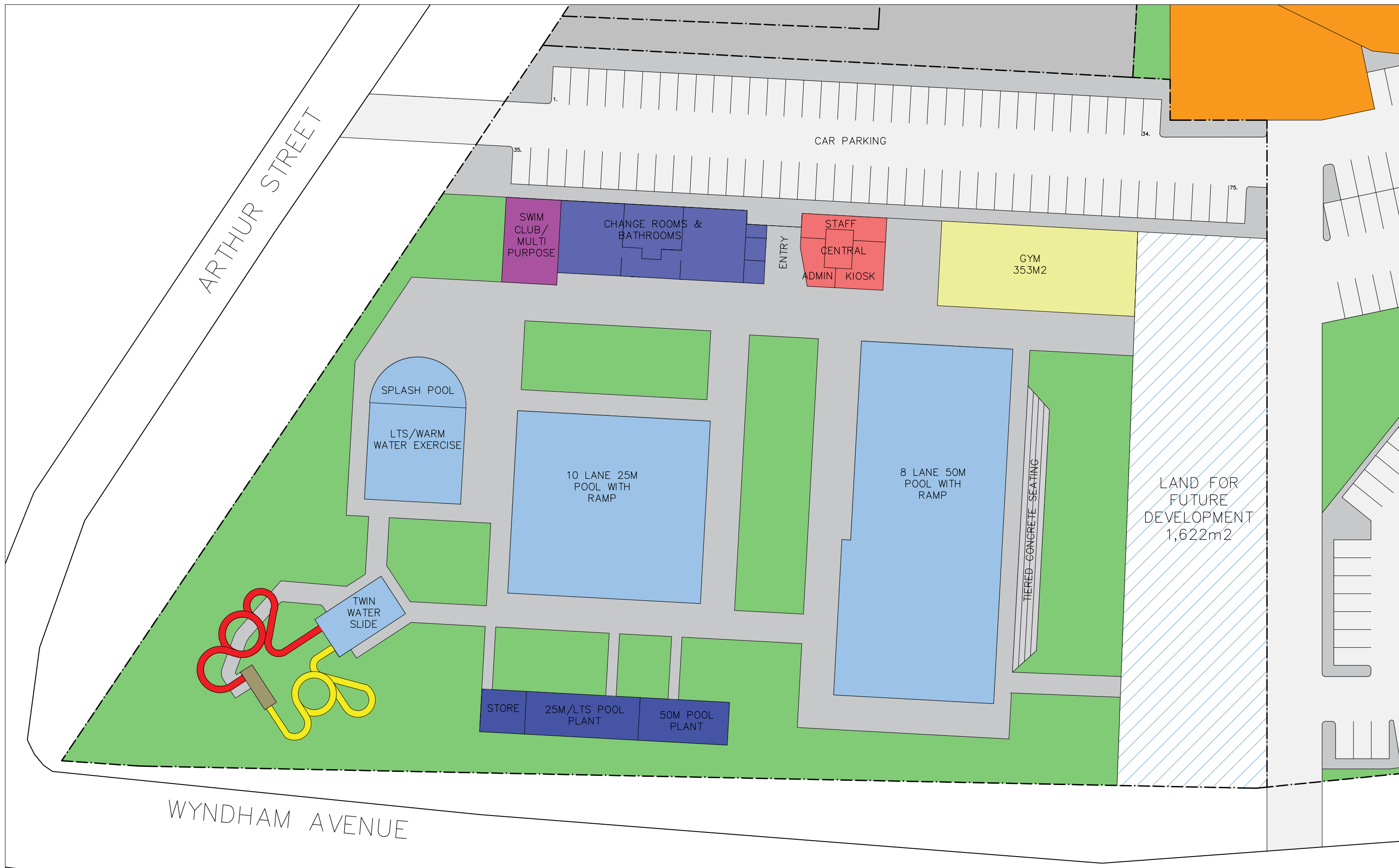
Yours Sincerely,

A handwritten signature in black ink, appearing to read 'J. Scott', written over a light grey circular watermark.

Jacob Scott
Director
ZenDev Pty. Ltd.

APPENDIX A

ZenDev's Proposed BTARC Concept



APPENDIX B

ZenDev's Complete Proposed Development Plan



ZEN GROUP
 Suite 3, 19 Musgrave Street, West End
 Mail: PO Box 3032, South Brisbane

PROJECT:
 2 Centenary Drive
 Boyne Island

DRAWING NAME:
 COMPLETE SITE
 CONCEPT

NOTES:

DATE:
 12/08/2020

DRAWN:
 DPvD

DWG NO:
 002

REV:
 B

SCALE @ A3:
 1:1500



APPENDIX C

ZenDev's Detailed Construction Cost Estimate Comparison

Feasibility Cost Plan Comparison

Project: Boyne Tannum Aquatic Centre

Description	Comparative Site					Subject Site							
	Quantity	Unit	Factor	Arcadis Rates	Total	Quantity	Unit	Factor	Zen/Baldwin* Lower Rates	Zen/Baldwin* Upper Rates	Total Lower	Total Upper	Notes:
Boyne Tannum Aquatic Centre (Based on the Latest Preliminary Master Plan Concept)													
Demolition/Site Clearance	19015	m2		\$9.00	\$171,131.70	0.00	m2		\$9.00	\$9.00	\$0.00	\$0.00	1
Bulk Earthworks	11499	m2		\$60.00	\$689,960.46	0.00	m2		\$60.00	\$60.00	\$0.00	\$0.00	2
1&2. Entry & Offices	91	m2		\$2,500.00	\$228,012.50	91	m2		\$2,095.00	\$2,260.00	\$191,074.48	\$206,123.30	3
3. Amenities	279	m2		\$2,900.00	\$809,042.00	279	m2		\$2,730.00	\$2,945.00	\$761,615.40	\$821,596.10	3
4. Café/Kiosk	38	m2		\$4,500.00	\$168,997.50	38	m2		\$755.00	\$810.00	\$28,354.03	\$30,419.55	3
5. Gym Sauna & Spa	Excl.			\$2,802.00		Excl.							
6. Lifeguard & First Aid Office	Excl.			\$1,800.00		Excl.							
7. Swim Meet Club	97	m2		\$1,500.00	\$144,855.00	97	m2		\$1,845.00	\$1,990.00	\$178,171.65	\$192,174.30	3
8. Storage & Services	252	m2		\$800.00	\$201,724.00	252	m2		\$800.00	\$800.00	\$201,724.00	\$201,724.00	
9. Terraced Bleachers	118	m2		\$850.00	\$100,325.50	118	m2		\$850.00	\$850.00	\$100,325.50	\$100,325.50	
10. Pool-25m-10 Lane* (was 8 Lane)	1.00	No.		\$2,120,000.00	\$2,120,000.00	1.00	*No.		\$1,800,000.00	\$1,800,000.00	\$1,800,000.00	\$1,800,000.00	4
11.a. Pool-50m-8 Lane	1.00	No.		\$4,000,000.00	\$4,000,000.00	1.00	*No.		\$2,850,000.00	\$2,850,000.00	\$2,850,000.00	\$2,850,000.00	4
11.b. Twin Waterslide	1.00	No.		\$1,650,000.00	\$1,650,000.00	1.00	No.		\$1,650,000.00	\$1,650,000.00	\$1,650,000.00	\$1,650,000.00	
12.a. Hydrotherapy Pool/LTS/Warm Water Exercise	1.00	No.		\$618,000.00	\$618,000.00	1.00	*No.		\$600,000.00	\$600,000.00	\$600,000.00	\$600,000.00	4
12.b. Hydrotherapy Pool Enclosure	Excl.			\$2,000.00		Excl.							
13. Kids Splash Zone/Pad/Pool incl. soft fall surface, fountains, water play equipment, activity tower etc.													
Hydraulic and filtration equipment	75	m2		\$3,900.00	\$292,929.00	1.00	*PS		\$600,000.00	\$600,000.00	\$600,000.00	\$600,000.00	4
14. BBQ Facilities	Excl.			\$220.00		Excl.							
External Works:					\$0.00						\$0.00	\$0.00	
Carpark including bitumen, storm water drainage, minimal lighting	3895	m2		\$180.00	\$701,098.20	3180.00	m2		\$83.00	\$90.00	\$263,940.00	\$286,200.00	3
New dropoff	Excl.			\$220.00		Excl.			\$220.00	\$220.00			
Mesh Fencing & Gates	590	m		\$180.00	\$106,227.00	500.00	m		\$85.00	\$90.00	\$42,500.00	\$45,000.00	
Landscaping	1.00	No.		\$1,126,846.00	\$1,126,846.00	735.00	m2		\$85.00	\$94.00	\$62,475.00	\$69,090.00	
Shading	1.00	No.		\$936,568.00	\$936,568.00	1.00	No.		\$936,568.00	\$936,568.00	\$936,568.00	\$936,568.00	
External Services including drainage, water supply electrical services, external lighting etc.	11499	PS		\$46.00	\$528,969.69	1.00	PS		\$300,000.00	\$500,000.00	\$300,000.00	\$500,000.00	
Location Factor	10.00	%		\$14,594,686.54	\$1,459,468.65	5.00	%		\$10,566,748.05	\$10,889,220.75	\$528,337.40	\$544,461.04	5
Sub Total					\$16,054,155.20						\$11,095,085.45	\$11,433,681.79	
Design Development Contingency/Risk	10.00	%			\$1,605,415.52	9.00	%				\$998,557.69	\$1,029,031.36	
Preliminaries	12.00	%			\$2,119,148.49	6.00	%				\$725,618.59	\$747,762.79	
Margin	5.00	%			\$988,935.96	4.00	%				\$512,770.47	\$528,419.04	
Escalation to mid of construction Oct 2019	3.00	%		\$20,767,655.16	\$623,029.65	0.00	%		\$13,332,032.20	\$13,738,894.97	\$0.00	\$0.00	
Construction Cost					\$21,390,684.82						\$13,332,032.20	\$13,738,894.97	#
Consultants Fees	12.00	%			\$2,566,882.18	12.00	%				\$1,599,843.86	\$1,648,667.40	
Clients Costs- Excluded					\$0.00						\$0.00	\$0.00	
Project Contingency	10.00	%			\$2,395,756.70	10.00	%				\$1,493,187.61	\$1,538,756.24	
Project Costs					\$26,353,323.70						\$16,425,063.67	\$16,926,318.61	

Notes:

- # \$13,535,463.59 average based on Upper & Lower ranges. Initial Capital Outlay as per MacroPlan/ Arcadis which excludes Consultant Fees, Client Costs & Project Contingency
- 1 Site already cleared
- 2 Covered by Baldwin Aquatic
- 3 Respective Rawlinsons rates apply
- 4 As per Baldwin Aquatic Quotes
- 5 Due to COIVD-19 and demand for Gov projects, uncertainty & unemployment contractors are willing to take on a lower location factor for outer Metro areas.

APPENDIX D

MacroPlan's financial model's true NPV & ROI Output
Tables for the Comparative Site

MacroPlan's financial model's true NPV & ROI Output Tables for the Comparative Site

Year	Date	Total Catchment Population	Total Catchment Visitation	Comparative Site									
				Total revenue	Total operating costs	Total Capital Cost	Net annual cash flow	PV factor @ 0.00%	Net PV cash flow	Annual Net Operating Profit	Cumulative Total Operating Profit	Overall Yield (Not ROI as per MacroPlan)	True Overall Return on Investment
0	2020	0	0	0.00	0.00	17,943,384.00	-17,943,384.00	1.00	-17,943,384.00	0.00	0.00	0.00%	-100.00%
1	2021	12295	92075	370,142.00	-660,968.00	0.00	-290,826.00	1.00	-290,826.00	-290,826.00	-290,826.00	-1.62%	-101.62%
2	2022	12749	95412	383,556.00	-684,922.00	0.00	-301,366.00	1.00	-301,366.00	-301,366.00	-592,192.00	-3.30%	-103.30%
3	2023	13222	98885	397,518.00	-709,853.00	0.00	-312,335.00	1.00	-312,335.00	-312,335.00	-904,527.00	-5.04%	-105.04%
4	2024	13716	102501	412,053.00	-735,808.00	0.00	-323,755.00	1.00	-323,755.00	-323,755.00	-1,228,282.00	-6.85%	-106.85%
5	2025	14230	106266	427,188.00	-762,837.00	0.00	-335,649.00	1.00	-335,649.00	-335,649.00	-1,563,931.00	-8.72%	-108.72%
6	2026	14767	110188	442,954.00	-790,989.00	0.00	-348,035.00	1.00	-348,035.00	-348,035.00	-1,911,966.00	-10.66%	-110.66%
7	2027	15233	113622	456,761.00	-815,645.00	0.00	-358,884.00	1.00	-358,884.00	-358,884.00	-2,270,850.00	-12.66%	-112.66%
8	2028	15717	117178	471,054.00	-841,167.00	0.00	-370,113.00	1.00	-370,113.00	-370,113.00	-2,640,963.00	-14.72%	-114.72%
9	2029	16218	120859	485,852.00	-867,593.00	0.00	-381,741.00	1.00	-381,741.00	-381,741.00	-3,022,704.00	-16.85%	-116.85%
10	2030	16737	124671	501,178.00	-894,961.00	0.00	-393,783.00	1.00	-393,783.00	-393,783.00	-3,416,487.00	-19.04%	-119.04%
11	2031	17276	128620	517,054.00	-923,311.00	0.00	-406,257.00	1.00	-406,257.00	-406,257.00	-3,822,744.00	-21.30%	-121.30%
12	2032	17921	133385	536,209.00	-957,515.00	0.00	-421,306.00	1.00	-421,306.00	-421,306.00	-4,244,050.00	-23.65%	-123.65%
13	2033	18593	138339	556,121.00	-993,074.00	0.00	-436,953.00	1.00	-436,953.00	-436,953.00	-4,681,003.00	-26.09%	-126.09%
14	2034	19291	143489	576,826.00	-1,030,046.00	0.00	-453,220.00	1.00	-453,220.00	-453,220.00	-5,134,223.00	-28.61%	-128.61%
15	2035	20019	148845	598,357.00	-1,068,495.00	0.00	-470,138.00	1.00	-470,138.00	-470,138.00	-5,604,361.00	-31.23%	-131.23%
16	2036	20775	154416	620,753.00	-1,108,488.00	0.00	-487,735.00	1.00	-487,735.00	-487,735.00	-6,092,096.00	-33.95%	-133.95%
17	2037	21563	160212	644,052.00	-1,150,093.00	0.00	-506,041.00	1.00	-506,041.00	-506,041.00	-6,598,137.00	-36.77%	-136.77%
18	2038	22384	166243	668,296.00	-1,193,385.00	0.00	-525,089.00	1.00	-525,089.00	-525,089.00	-7,123,226.00	-39.70%	-139.70%
19	2039	23239	172519	693,527.00	-1,238,440.00	0.00	-544,913.00	1.00	-544,913.00	-544,913.00	-7,668,139.00	-42.74%	-142.74%
20	2040	24129	179052	719,791.00	-1,285,341.00	0.00	-565,550.00	1.00	-565,550.00	-565,550.00	-8,233,689.00	-45.89%	-145.89%
									NPV	-26,177,073.00		-45.89%	-145.89%

*With the Overall Yield (Not ROI) at -45.9% as per MacroPlan's Table on pg.4 of their report and with all else held constant, the TRUE NPV value would be -\$26,177,073 and NOT -\$3,775,769. Note that the TRUE ROI is -\$145.89%

Year	Date	Total Catchment Population	Total Catchment Visitation	Comparative Site									
				Total revenue	Total operating costs	Total Capital Cost	Net annual cash flow	PV factor @ 0.00%	Net PV cash flow	Annual Net Operating Profit	Cumulative Total Operating Profit	Overall Yield (Not ROI as per MacroPlan)	True Overall Return on Investment
0	2020	0	0	0.00	0.00	17,943,384.00	-17,943,384.00	1.00	-17,943,384.00	0.00	0.00	0.00%	-100.00%
1	2021	12295	92075	370,142.00	-660,968.00	0.00	-290,826.00	1.00	-290,826.00	-290,826.00	-290,826.00	-1.62%	-101.62%
2	2022	12749	95412	1,233,006.44	-684,922.00	0.00	548,084.44	1.00	548,084.44	548,084.44	257,258.44	1.43%	-98.57%
3	2023	13222	98885	1,277,690.78	-709,853.00	0.00	567,837.78	1.00	567,837.78	567,837.78	825,096.22	4.60%	-95.40%
4	2024	13716	102501	1,324,200.59	-735,808.00	0.00	588,392.59	1.00	588,392.59	588,392.59	1,413,488.81	7.88%	-92.12%
5	2025	14230	106266	1,372,619.17	-762,837.00	0.00	609,782.17	1.00	609,782.17	609,782.17	2,023,270.98	11.28%	-88.72%
6	2026	14767	110188	1,423,036.45	-790,989.00	0.00	632,047.45	1.00	632,047.45	632,047.45	2,655,318.42	14.80%	-85.20%
7	2027	15233	113622	1,475,555.69	-815,645.00	0.00	659,910.69	1.00	659,910.69	659,910.69	3,315,229.11	18.48%	-81.52%
8	2028	15717	117178	1,521,549.18	-841,167.00	0.00	680,382.18	1.00	680,382.18	680,382.18	3,995,611.29	22.27%	-77.73%
9	2029	16218	120859	1,569,161.61	-867,593.00	0.00	701,568.61	1.00	701,568.61	701,568.61	4,697,179.90	26.18%	-73.82%
10	2030	16737	124671	1,618,456.28	-894,961.00	0.00	723,495.28	1.00	723,495.28	723,495.28	5,420,675.19	30.21%	-69.79%
11	2031	17276	128620	1,669,509.82	-923,311.00	0.00	746,198.82	1.00	746,198.82	746,198.82	6,166,874.00	34.37%	-65.63%
12	2032	17921	133385	1,722,395.49	-957,515.00	0.00	764,880.49	1.00	764,880.49	764,880.49	6,931,754.50	38.63%	-61.37%
13	2033	18593	138339	1,786,204.08	-993,074.00	0.00	793,130.08	1.00	793,130.08	793,130.08	7,724,884.58	43.05%	-56.95%
14	2034	19291	143489	1,852,534.37	-1,030,046.00	0.00	822,488.37	1.00	822,488.37	822,488.37	8,547,372.95	47.64%	-52.36%
15	2035	20019	148845	1,921,506.27	-1,068,495.00	0.00	853,011.27	1.00	853,011.27	853,011.27	9,400,384.22	52.39%	-47.61%
16	2036	20775	154416	1,993,229.72	-1,108,488.00	0.00	884,741.72	1.00	884,741.72	884,741.72	10,285,125.94	57.32%	-42.68%
17	2037	21563	160212	2,067,834.64	-1,150,093.00	0.00	917,741.64	1.00	917,741.64	917,741.64	11,202,867.58	62.43%	-37.57%
18	2038	22384	166243	2,145,447.60	-1,193,385.00	0.00	952,062.60	1.00	952,062.60	952,062.60	12,154,930.18	67.74%	-32.26%
19	2039	23239	172519	2,226,208.52	-1,238,440.00	0.00	987,768.52	1.00	987,768.52	987,768.52	13,142,698.70	73.25%	-26.75%
20	2040	24129	179052	2,310,257.30	-1,285,341.00	0.00	1,024,916.30	1.00	1,024,916.30	1,024,916.30	14,167,615.00	78.96%	-21.04%
									NPV*	-3,775,769.00		78.96%	-21.04%

*To achieve an NPV of -\$3,775,769 as per MacroPlan's Table on pg.4 of their report the Revenue values for years 2-20 would need to be inflated as amended (highlighted in yellow) with all else held constant, to achieve the Overall Yield of 78.96% (not ROI). The then TRUE ROI value would be -21.04%. This would require a 233% spike in the Revenue growth rate for year 2 vs the 3.6% that was used by MacroPlan (refer prior table).

APPENDIX E

NPV & ROI Output Table Comparisons based on
ZenDev's revised Construction Cost Estimates

NPV & ROI Output Table Comparisons based on ZenDev's revised Construction Cost Estimates

Year	Date#	Total Catchment Population	Total Catchment Visitation	Comparative Site										
				Total revenue	Total operating costs	Total Capital Cost	Net annual cash flow	PV factor @ 0.00%	Net PV cash flow	Annual Net Operating Profit	Cumulative Total Operating Profit	Overall Yield (Not ROI)	True Overall Return on Investment	
0	2021	0	0	\$0.00	\$0.00	\$21,390,684.82	-\$21,390,684.82	1.0000	-\$21,390,684.82	\$0.00	\$0.00	0.00%	-100.00%	
1	2022	12295	92075	\$370,142.00	-\$660,968.00	\$0.00	-\$290,826.00	1.0000	-\$290,826.00	-\$290,826.00	-\$290,826.00	-1.36%	-101.36%	
2	2023	12749	95412	\$383,556.00	-\$684,922.00	\$0.00	-\$301,366.00	1.0000	-\$301,366.00	-\$301,366.00	-\$592,192.00	-2.77%	-102.77%	
3	2024	13222	98885	\$397,518.00	-\$709,853.00	\$0.00	-\$312,335.00	1.0000	-\$312,335.00	-\$312,335.00	-\$904,527.00	-4.23%	-104.23%	
4	2025	13716	102501	\$412,053.00	-\$735,808.00	\$0.00	-\$323,755.00	1.0000	-\$323,755.00	-\$323,755.00	-\$1,228,282.00	-5.74%	-105.74%	
5	2026	14230	106266	\$427,188.00	-\$762,837.00	\$0.00	-\$335,649.00	1.0000	-\$335,649.00	-\$335,649.00	-\$1,563,931.00	-7.31%	-107.31%	
6	2027	14767	110188	\$442,954.00	-\$790,989.00	\$0.00	-\$348,035.00	1.0000	-\$348,035.00	-\$348,035.00	-\$1,911,966.00	-8.94%	-108.94%	
7	2028	15233	113622	\$456,761.00	-\$815,645.00	\$0.00	-\$358,884.00	1.0000	-\$358,884.00	-\$358,884.00	-\$2,270,850.00	-10.62%	-110.62%	
8	2029	15717	117178	\$471,054.00	-\$841,167.00	\$0.00	-\$370,113.00	1.0000	-\$370,113.00	-\$370,113.00	-\$2,640,963.00	-12.35%	-112.35%	
9	2030	16218	120859	\$485,852.00	-\$867,593.00	\$0.00	-\$381,741.00	1.0000	-\$381,741.00	-\$381,741.00	-\$3,022,704.00	-14.13%	-114.13%	
10	2031	16737	124671	\$501,178.00	-\$894,961.00	\$0.00	-\$393,783.00	1.0000	-\$393,783.00	-\$393,783.00	-\$3,416,487.00	-15.97%	-115.97%	
11	2032	17276	128620	\$517,054.00	-\$923,311.00	\$0.00	-\$406,257.00	1.0000	-\$406,257.00	-\$406,257.00	-\$3,822,744.00	-17.87%	-117.87%	
12	2033	17921	133385	\$536,209.00	-\$957,515.00	\$0.00	-\$421,306.00	1.0000	-\$421,306.00	-\$421,306.00	-\$4,244,050.00	-19.84%	-119.84%	
13	2034	18593	138339	\$556,121.00	-\$993,074.00	\$0.00	-\$436,953.00	1.0000	-\$436,953.00	-\$436,953.00	-\$4,681,003.00	-21.88%	-121.88%	
14	2035	19291	143489	\$576,826.00	-\$1,030,046.00	\$0.00	-\$453,220.00	1.0000	-\$453,220.00	-\$453,220.00	-\$5,134,223.00	-24.00%	-124.00%	
15	2036	20019	148845	\$598,357.00	-\$1,068,495.00	\$0.00	-\$470,138.00	1.0000	-\$470,138.00	-\$470,138.00	-\$5,604,361.00	-26.20%	-126.20%	
16	2037	20775	154416	\$620,753.00	-\$1,108,488.00	\$0.00	-\$487,735.00	1.0000	-\$487,735.00	-\$487,735.00	-\$6,092,096.00	-28.48%	-128.48%	
17	2038	21563	160212	\$644,052.00	-\$1,150,093.00	\$0.00	-\$506,041.00	1.0000	-\$506,041.00	-\$506,041.00	-\$6,598,137.00	-30.85%	-130.85%	
18	2039	22384	166243	\$668,296.00	-\$1,193,385.00	\$0.00	-\$525,089.00	1.0000	-\$525,089.00	-\$525,089.00	-\$7,123,226.00	-33.30%	-133.30%	
19	2040	23239	172519	\$693,527.00	-\$1,238,440.00	\$0.00	-\$544,913.00	1.0000	-\$544,913.00	-\$544,913.00	-\$7,668,139.00	-35.85%	-135.85%	
20	2041	24129	179052	\$719,791.00	-\$1,285,341.00	\$0.00	-\$565,550.00	1.0000	-\$565,550.00	-\$565,550.00	-\$8,233,689.00	-38.49%	-138.49%	
									NPV*	-\$29,624,373.82			-38.49%	-138.49%

Dates have been changed to reflect the best case anticipated construction completion date & 1st year of operations
 *With the revised Construction Cost Estimate as per Arcadis/MacroPlan's rates for FDG's Preliminary Master Plan (Appendix E) and with all else held constant, the NPV has deteriorated from -\$26,177,073 to -\$29,624,374.

Year	Date#	Total Catchment Population	Total Catchment Visitation	Subject Site										
				Total revenue	Total operating costs	Total Capital Cost	Net annual cash flow	PV factor @ 0.00%	Net PV cash flow	Annual Net Operating Profit	Cumulative Total Operating Profit	Overall Yield (Not ROI as per MacroPlan)	True Overall Return on Investment	
0	2021	0	0	\$0.00	\$0.00	\$13,535,464.00	-\$13,535,464.00	1.0000	-\$13,535,464.00	\$0.00	\$0.00	0.00%	-63.28%	
1	2022	12295	92075	\$370,142.00	-\$660,968.00	\$0.00	-\$290,826.00	1.0000	-\$290,826.00	-\$290,826.00	-\$290,826.00	-2.15%	-64.64%	
2	2023	12749	95412	\$383,556.00	-\$684,922.00	\$0.00	-\$301,366.00	1.0000	-\$301,366.00	-\$301,366.00	-\$592,192.00	-4.38%	-66.05%	
3	2024	13222	98885	\$397,518.00	-\$709,853.00	\$0.00	-\$312,335.00	1.0000	-\$312,335.00	-\$312,335.00	-\$904,527.00	-6.68%	-67.51%	
4	2025	13716	102501	\$412,053.00	-\$735,808.00	\$0.00	-\$323,755.00	1.0000	-\$323,755.00	-\$323,755.00	-\$1,228,282.00	-9.07%	-69.02%	
5	2026	14230	106266	\$427,188.00	-\$762,837.00	\$0.00	-\$335,649.00	1.0000	-\$335,649.00	-\$335,649.00	-\$1,563,931.00	-11.55%	-70.59%	
6	2027	14767	110188	\$442,954.00	-\$790,989.00	\$0.00	-\$348,035.00	1.0000	-\$348,035.00	-\$348,035.00	-\$1,911,966.00	-14.13%	-72.22%	
7	2028	15233	113622	\$456,761.00	-\$815,645.00	\$0.00	-\$358,884.00	1.0000	-\$358,884.00	-\$358,884.00	-\$2,270,850.00	-16.78%	-73.89%	
8	2029	15717	117178	\$471,054.00	-\$841,167.00	\$0.00	-\$370,113.00	1.0000	-\$370,113.00	-\$370,113.00	-\$2,640,963.00	-19.51%	-75.62%	
9	2030	16218	120859	\$485,852.00	-\$867,593.00	\$0.00	-\$381,741.00	1.0000	-\$381,741.00	-\$381,741.00	-\$3,022,704.00	-22.33%	-77.41%	
10	2031	16737	124671	\$501,178.00	-\$894,961.00	\$0.00	-\$393,783.00	1.0000	-\$393,783.00	-\$393,783.00	-\$3,416,487.00	-25.24%	-79.25%	
11	2032	17276	128620	\$517,054.00	-\$923,311.00	\$0.00	-\$406,257.00	1.0000	-\$406,257.00	-\$406,257.00	-\$3,822,744.00	-28.24%	-81.15%	
12	2033	17921	133385	\$536,209.00	-\$957,515.00	\$0.00	-\$421,306.00	1.0000	-\$421,306.00	-\$421,306.00	-\$4,244,050.00	-31.36%	-83.12%	
13	2034	18593	138339	\$556,121.00	-\$993,074.00	\$0.00	-\$436,953.00	1.0000	-\$436,953.00	-\$436,953.00	-\$4,681,003.00	-34.58%	-85.16%	
14	2035	19291	143489	\$576,826.00	-\$1,030,046.00	\$0.00	-\$453,220.00	1.0000	-\$453,220.00	-\$453,220.00	-\$5,134,223.00	-37.93%	-87.28%	
15	2036	20019	148845	\$598,357.00	-\$1,068,495.00	\$0.00	-\$470,138.00	1.0000	-\$470,138.00	-\$470,138.00	-\$5,604,361.00	-41.41%	-89.48%	
16	2037	20775	154416	\$620,753.00	-\$1,108,488.00	\$0.00	-\$487,735.00	1.0000	-\$487,735.00	-\$487,735.00	-\$6,092,096.00	-45.01%	-91.76%	
17	2038	21563	160212	\$644,052.00	-\$1,150,093.00	\$0.00	-\$506,041.00	1.0000	-\$506,041.00	-\$506,041.00	-\$6,598,137.00	-48.75%	-94.12%	
18	2039	22384	166243	\$668,296.00	-\$1,193,385.00	\$0.00	-\$525,089.00	1.0000	-\$525,089.00	-\$525,089.00	-\$7,123,226.00	-52.63%	-96.58%	
19	2040	23239	172519	\$693,527.00	-\$1,238,440.00	\$0.00	-\$544,913.00	1.0000	-\$544,913.00	-\$544,913.00	-\$7,668,139.00	-56.65%	-99.13%	
20	2041	24129	179052	\$719,791.00	-\$1,285,341.00	\$0.00	-\$565,550.00	1.0000	-\$565,550.00	-\$565,550.00	-\$8,233,689.00	-60.83%	-101.77%	
									NPV*	-\$21,769,153.00			-60.83%	-101.77%

Dates have been changed to reflect the best case anticipated construction completion date & 1st year of operations
 *With ZenDev's Construction Cost Estimate (Appendix C) as per ZenDev's Proposed BTARC Concept (Appendix A) which has adopted the facilities as per FDG's Preliminary Master Plan and with all else held constant, the NPV has improved from -\$29,624,374 on the Comparative Site to -\$21,769,153 on the Subject Site.

APPENDIX F

NPV & ROI Tables based on MacroPlan's financial model for Subject Site with increased Visitation, Revenue forecasts & lowered Operating Costs

NPV & ROI Output Table Comparisons based on the co-location of the remaining uses on the Subject Site

Year	Date#	Total Catchment Population	Total Catchment Visitation	Comparative Site										
				Total revenue	Total operating costs	Total Capital Cost	Net annual cash flow	PV factor @ 0.00%	Net PV cash flow	Annual Net Operating Profit	Cumulative Total Operating Profit	Overall Yield (Not ROI as per MacroPlan)	True Overall Return on Investment	
0	2021	0	0	\$0.00	\$0.00	\$21,390,684.82	-\$21,390,684.82	1.0000	-\$21,390,684.82	\$0.00	\$0.00	0.00%	-100.00%	
1	2022	12295	92075	\$370,142.00	-\$660,968.00	\$0.00	-\$290,826.00	1.0000	-\$290,826.00	-\$290,826.00	-\$290,826.00	-1.36%	-101.36%	
2	2023	12749	95412	\$383,556.00	-\$684,922.00	\$0.00	-\$301,366.00	1.0000	-\$301,366.00	-\$301,366.00	-\$592,192.00	-2.77%	-102.77%	
3	2024	13222	98885	\$397,518.00	-\$709,853.00	\$0.00	-\$312,335.00	1.0000	-\$312,335.00	-\$312,335.00	-\$904,527.00	-4.23%	-104.23%	
4	2025	13716	102501	\$412,053.00	-\$735,808.00	\$0.00	-\$323,755.00	1.0000	-\$323,755.00	-\$323,755.00	-\$1,228,282.00	-5.74%	-105.74%	
5	2026	14230	106266	\$427,188.00	-\$762,837.00	\$0.00	-\$335,649.00	1.0000	-\$335,649.00	-\$335,649.00	-\$1,563,931.00	-7.31%	-107.31%	
6	2027	14767	110188	\$442,954.00	-\$790,989.00	\$0.00	-\$348,035.00	1.0000	-\$348,035.00	-\$348,035.00	-\$1,911,966.00	-8.94%	-108.94%	
7	2028	15233	113622	\$456,761.00	-\$815,645.00	\$0.00	-\$358,884.00	1.0000	-\$358,884.00	-\$358,884.00	-\$2,270,850.00	-10.62%	-110.62%	
8	2029	15717	117178	\$471,054.00	-\$841,167.00	\$0.00	-\$370,113.00	1.0000	-\$370,113.00	-\$370,113.00	-\$2,640,963.00	-12.35%	-112.35%	
9	2030	16218	120859	\$485,852.00	-\$867,593.00	\$0.00	-\$381,741.00	1.0000	-\$381,741.00	-\$381,741.00	-\$3,022,704.00	-14.13%	-114.13%	
10	2031	16737	124671	\$501,178.00	-\$894,961.00	\$0.00	-\$393,783.00	1.0000	-\$393,783.00	-\$393,783.00	-\$3,416,487.00	-15.97%	-115.97%	
11	2032	17276	128620	\$517,054.00	-\$923,311.00	\$0.00	-\$406,257.00	1.0000	-\$406,257.00	-\$406,257.00	-\$3,822,744.00	-17.87%	-117.87%	
12	2033	17921	133385	\$536,209.00	-\$957,515.00	\$0.00	-\$421,306.00	1.0000	-\$421,306.00	-\$421,306.00	-\$4,244,050.00	-19.84%	-119.84%	
13	2034	18593	138339	\$556,121.00	-\$993,074.00	\$0.00	-\$436,953.00	1.0000	-\$436,953.00	-\$436,953.00	-\$4,681,003.00	-21.88%	-121.88%	
14	2035	19291	143489	\$576,826.00	-\$1,030,046.00	\$0.00	-\$453,220.00	1.0000	-\$453,220.00	-\$453,220.00	-\$5,134,223.00	-24.00%	-124.00%	
15	2036	20019	148845	\$598,357.00	-\$1,068,495.00	\$0.00	-\$470,138.00	1.0000	-\$470,138.00	-\$470,138.00	-\$5,604,361.00	-26.20%	-126.20%	
16	2037	20775	154416	\$620,753.00	-\$1,108,488.00	\$0.00	-\$487,735.00	1.0000	-\$487,735.00	-\$487,735.00	-\$6,092,096.00	-28.48%	-128.48%	
17	2038	21563	160212	\$644,052.00	-\$1,150,093.00	\$0.00	-\$506,041.00	1.0000	-\$506,041.00	-\$506,041.00	-\$6,598,137.00	-30.85%	-130.85%	
18	2039	22384	166243	\$668,296.00	-\$1,193,385.00	\$0.00	-\$525,089.00	1.0000	-\$525,089.00	-\$525,089.00	-\$7,123,226.00	-33.30%	-133.30%	
19	2040	23239	172519	\$693,527.00	-\$1,238,440.00	\$0.00	-\$544,913.00	1.0000	-\$544,913.00	-\$544,913.00	-\$7,668,139.00	-35.85%	-135.85%	
20	2041	24129	179052	\$719,791.00	-\$1,285,341.00	\$0.00	-\$565,550.00	1.0000	-\$565,550.00	-\$565,550.00	-\$8,233,689.00	-38.49%	-138.49%	
									NPV*	-\$29,624,373.82			-38.49%	-138.49%

Dates have been changed to reflect the best case anticipated construction completion date & 1st year of operations
 The same Comparative Site's Output table as per Appendix E has been used for comparison purposes against the improved financial variables as pointed out in Section 3(ii) of the LOI

Year	Date#	Total Catchment Population	Total Catchment Visitation	Subject Site										
				Total revenue	Total operating costs	Total Capital Cost	Net annual cash flow	PV factor @ 0.00%	Net PV cash flow	Annual Net Operating Profit	Cumulative Total Operating Profit	Overall Yield (Not ROI as per MacroPlan)	True Overall Return on Investment	
0	2021	0	0	\$0.00	\$0.00	\$13,535,464.00	-\$13,535,464.00	1.0000	-\$13,535,464.00	\$0.00	\$0.00	0.00%	-100.00%	
1	2022	12295	114179	\$555,213.00	-\$550,806.67	\$0.00	\$4,406.33	1.0000	\$4,406.33	\$4,406.33	\$4,406.33	0.03%	-99.97%	
2	2023	12749	118289	\$575,334.00	-\$570,768.33	\$0.00	\$4,565.67	1.0000	\$4,565.67	\$4,565.67	\$8,972.00	0.07%	-99.93%	
3	2024	13222	122548	\$596,277.00	-\$591,544.17	\$0.00	\$4,732.83	1.0000	\$4,732.83	\$4,732.83	\$13,704.83	0.10%	-99.90%	
4	2025	13716	126959	\$618,079.50	-\$613,173.33	\$0.00	\$4,906.17	1.0000	\$4,906.17	\$4,906.17	\$18,611.00	0.14%	-99.86%	
5	2026	14230	131530	\$640,782.00	-\$635,697.50	\$0.00	\$5,084.50	1.0000	\$5,084.50	\$5,084.50	\$23,695.50	0.18%	-99.82%	
6	2027	14767	136265	\$664,431.00	-\$659,157.50	\$0.00	\$5,273.50	1.0000	\$5,273.50	\$5,273.50	\$28,969.00	0.21%	-99.79%	
7	2028	15233	141171	\$685,141.50	-\$679,704.17	\$0.00	\$5,437.33	1.0000	\$5,437.33	\$5,437.33	\$34,406.33	0.25%	-99.75%	
8	2029	15717	146253	\$706,581.00	-\$700,972.50	\$0.00	\$5,608.50	1.0000	\$5,608.50	\$5,608.50	\$40,014.83	0.30%	-99.70%	
9	2030	16218	151518	\$728,778.00	-\$722,994.17	\$0.00	\$5,783.83	1.0000	\$5,783.83	\$5,783.83	\$45,798.67	0.34%	-99.66%	
10	2031	16737	156973	\$751,767.00	-\$745,800.83	\$0.00	\$5,966.17	1.0000	\$5,966.17	\$5,966.17	\$51,764.83	0.38%	-99.62%	
11	2032	17276	162624	\$775,581.00	-\$769,425.83	\$0.00	\$6,155.17	1.0000	\$6,155.17	\$6,155.17	\$57,920.00	0.43%	-99.57%	
12	2033	17921	168478	\$804,313.50	-\$797,929.17	\$0.00	\$6,384.33	1.0000	\$6,384.33	\$6,384.33	\$64,304.33	0.48%	-99.52%	
13	2034	18593	174543	\$834,181.50	-\$827,561.67	\$0.00	\$6,619.83	1.0000	\$6,619.83	\$6,619.83	\$70,924.17	0.52%	-99.48%	
14	2035	19291	180827	\$865,239.00	-\$858,371.67	\$0.00	\$6,867.33	1.0000	\$6,867.33	\$6,867.33	\$77,791.50	0.57%	-99.43%	
15	2036	20019	187336	\$897,535.50	-\$890,412.50	\$0.00	\$7,123.00	1.0000	\$7,123.00	\$7,123.00	\$84,914.50	0.63%	-99.37%	
16	2037	20775	194081	\$931,129.50	-\$923,740.00	\$0.00	\$7,389.50	1.0000	\$7,389.50	\$7,389.50	\$92,304.00	0.68%	-99.32%	
17	2038	21563	201068	\$966,078.00	-\$958,410.83	\$0.00	\$7,667.17	1.0000	\$7,667.17	\$7,667.17	\$99,971.17	0.74%	-99.26%	
18	2039	22384	208306	\$1,002,444.00	-\$994,487.50	\$0.00	\$7,956.50	1.0000	\$7,956.50	\$7,956.50	\$107,927.67	0.80%	-99.20%	
19	2040	23239	215805	\$1,040,290.50	-\$1,032,033.33	\$0.00	\$8,257.17	1.0000	\$8,257.17	\$8,257.17	\$116,184.83	0.86%	-99.14%	
20	2041	24129	223574	\$1,079,686.50	-\$1,071,117.50	\$0.00	\$8,569.00	1.0000	\$8,569.00	\$8,569.00	\$124,753.83	0.92%	-99.08%	
									NPV*	-\$13,410,710.17			0.92%	-99.08%

Dates have been changed to reflect the best case anticipated construction completion date & 1st year of operations
 *As per Section 3(ii) of the LOI the two key financial variables of a conservative increase in revenue forecasts (50%) and reduction in the forecast operating costs (20%) have now been applied to MacroPlan's forecast's for the Subject Sites financial model.
 This has resulted in an improved NPV from -\$29,624,374 on the Comparative Site to -\$13,410,710 on the Subject Site.

ANNEXURES

(A separate link to a folder will be provided for the Annexures to this LOI)

- A** ***Community Engagement Results by GRC***
- B** ***Boyne Tannum Aquatic Recreation Centre Feasibility Model Results by MacroPlanDimasi***
- C** ***BTARC Q & A by GRC***
- D** ***Building Acceleration Fund 2020 Program Guidelines by QLD Gov***
- E** ***Preliminary Master Plan by***
- F** ***Specialist Pool Contractor's Quotes:***
 - 1.** ***Baldwin Aquatic***
 - 2.** ***IQ Construct***
 - 3.** ***Kirratech Lifestyle Pools***
- G** ***Economic Overview by Ethos Urban***
- H** ***Conceptual 3D Renders of the Proposed Development by Kearney Architecture***