

Mitchell Park Sports and Community Centre Redevelopment

Originating Officer	Registered Architect, Strategic Projects - Birgit Stroehler
Corporate Manager	Manager City Activation - Greg Salmon
General Manager	General Manager City Development - Iliia Houridis
Report Reference	SGC200320F02

Confidential



Confidential Motion

That pursuant to Section 90(2) and (3)(b) (i) and (ii) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Iliia Houridis, Sorana Dinmore, Tony Lines, Kate McKenzie, Jaimie Thwaites, Greg Salmon, Ray Barnwell, Thuyen Vi-Alternetti, Liz Byrne, Craig Clarke, James O'Hanlon, Birgit Stroehler and Sean O'Brien be excluded from the meeting as the Council receives and considers the Mitchell Park Sports and Community Centre Redevelopment, upon the basis that Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial information the disclosure of which could prejudice the commercial position of Council and/or the person who supplied the information and would on balance be contrary to the public interest.

REPORT OBJECTIVE

The purpose of this report is to present the 30% completed design with a preferred site plan, floor plan layouts, cost estimate and discussion regarding the preferred management option.

EXECUTIVE SUMMARY

The new Mitchell Park Sports and Community Centre will cater for the needs of a range of outdoor sporting and community groups, provide a new Community Neighbourhood Centre, indoor and outdoor dog training facilities as well as 2 indoor courts that will accommodate a range of indoor activities.

The first stage of planning for the new facility has been completed and a concept design is available for Council's consideration. Once endorsed by Council, the project will proceed into the detailed design phase, ready for tender.

A project report (Attachment 1) presents the project scope, background and analysis as well as the concept design and cost estimate.

A second report (Attachment 2) discusses options for the management of the new facility and a recommended direction of exploring an overarching Management Agreement or Head Lease with suitably qualified external professional management organisations to manage the facility and all sub-lease tenants.

It is recommended that Council's Mitchell Park Neighbourhood Centre remains operating through internal Council management structures and be excluded from a Management Agreement or Head Lease.

In parallel with the Mitchell Park Redevelopment through the Open Space team will be delivery of outside courts.

The project will next come to Council prior to going to tender which is expected in October 2020.

RECOMMENDATION

That Council:

1. **Endorse the preferred 30% completed detailed design for the Mitchell Park Sports and Community Centre and the funding required.**
2. **Consider the additional scope and endorse the required budget.**
3. **Notes the option of entering into an overarching Management Agreement or Head Lease with an external professional facility management organisation to manage the Mitchell Park Sports and Community Centre and all sub-lease tenants.**
4. **In accordance with Section 91(7) and (9) of the Local Government Act 1999, orders that this report, attachments and minutes arising from this report, having been considered in confidence under Section 90 (2) and (3)(b) (i) and (ii) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2020.**

DISCUSSION

The concept design for the Mitchell Park Sports and Community Centre includes a range of facilities to cater for the needs of the Mitchell Park Sporting Clubs, the Mitchell Park Neighbourhood Centre, Dover Gardens Kennel and Obedience Club as well as a range of indoor sport and recreation activities.

30% COMPLETED DETAILED DESIGN

The concept design includes the following:

- An upper level shared multi-purpose function area to cater for the needs of the community and the clubs that overlook the oval and indoor court
- A community neighbourhood centre (Existing Mitchell Park Neighbourhood centre relocated) including activity spaces
- An indoor two court FIBA level 2 compliant multi-purpose sports facility with court-side seating
- Four new AFL standard externally accessed change rooms
- Two internally accessed change rooms for indoor sports
- Opportunities for display of public art, local community stories and club memorabilia
- Indoor/outdoor dog training facility which includes grassed area for eight (15x45m) dog rings
- Removal of up to four regulated trees
- One externally accessed public toilet
- Shared office area
- Group fitness space
- Equipment and General storage
- Location for an upper level viewing area to courts
- Canteen and Kiosk
- Two new car parks 66 spaces off Moreland Avenue and 39 spaces off Bradley Grove
- Location of two outdoor multi-purpose courts for netball and tennis
- Retention of the main oval, scoreboard and oval lighting
- Minimal encroachment to the existing flat reserve to the south
- Location of three new Cricket nets – Cricket Australia compliant north-south orientation

The concept design notes the required removal of up to four regulated trees. An independent arborist has completed a development impact arboricultural report for the trees on site and provided advice on tree status and the required management to be taken during construction. Two of the four trees designated as removed in the concept are noted to exhibit poor health/structural issues and are recommended for removal irrespective of the redevelopment.

No significant trees are impacted by the redevelopment.

The Mitchell Park Sports and Community Centre planning and construction has been costed by Rider Levett Bucknall at an estimated cost of \$ [REDACTED]. This cost is within 10% of the budget and is in line with the standard conditions used by DPTI for projects to proceed to documentation prior to being released for tender.

The project team will continue to review the budget against scope during the remaining detailed design phase, prior to seeking approval to go to tender. Any remaining design contingency allowance (currently at 5% (\$ [REDACTED])) will be invested back into the project. The team will also interface with peak sporting agencies to finalise district level requirements.

A favourable tendering result from construction contractors may enable the current project scope to be included within the \$ [REDACTED] project budget.

The current project costing of \$ [REDACTED] also includes temporary changing facilities and storage for the existing clubs located at the site during construction. The budget includes an initial set up operating budget for the new facility and a 30kW solar panel system.

It is important to note the following extract from the Rider Levett Bucknall Project Estimate - Exclusions commentary: (Full detail is included in Appendix 1)

- Dog rings - Existing equipment, by Clubs
- IT relocations - IT relocations such as PC's will be by City of Marion ICT (Noting the Fibre relocation and the communications server rack allowance has been included)
- Works to external tennis/netball court - these will be funded by the Open Space Plan and delivered by the redevelopment
- External Sporting Equipment - Existing, by clubs and as otherwise noted
- Gym Equipment and storage shelving - Existing, by Clubs
- Works to model car track - This is a separate initiative being managed by City Property
- Additional court area for central scoring benches
- First floor viewing area for up to 66 patrons (shown on the floor plan for consideration as additional scope)
- Main facility signage
- Oaklands Water - dual supply piping for toilet flushing
- Works to three cricket training nets
- Rock Excavation - General allowance as part of Construction contingency
- Asbestos - General allowance as part of Construction contingency
- Relocation of stobie poles etc. - General allowance as part of Design contingency
- Land Acquisition - Not applicable
- Finance costs and holding charges
- Goods and Services taxation - Under GST regulations Council is entitled to claim input tax credits for the GST component of the price when acquiring goods and services in the course of carrying on that enterprise
- All cost estimates are therefore GST exclusive.

\$ [REDACTED] in additional scope highlighted for consideration by the stakeholders and design team to maximise opportunities now and into the future, are as follows:

- Main facility signage, at a cost of \$ [REDACTED]
- Additional court area to accommodate central scoring bench and better sightlines, at a cost of \$ [REDACTED]
- First floor court viewing area for up to 66 patrons, at a cost of \$ [REDACTED]
- Works to three cricket club and community training nets, at a cost of \$ [REDACTED]
- Oaklands Water - dual supply piping for toilet flushing at a cost of \$ [REDACTED]

Stakeholder Consultation

The identified project stakeholders comprise of:

- City of Marion
- The Mitchell Park Neighbourhood Centre
- Existing clubs and sports that use the Mitchell Park Sports Centre includes:
 1. Mitchell Park Football Club
 2. Mitchell Park Netball Club
 3. Mitchell Park Cricket Club
 4. Mitchell park Tennis club
 5. Step into Life trainer
 6. Emu Social club
 7. The Dover Gardens Dog Obedience Club

- South Adelaide Basketball Club
- Basketball SA
- Volleyball SA
- Phoenix Volleyball club

A number of stakeholder and community consultations have been progressively carried out through the master plan phase in 2013 and the previous concept design phase from 2016-2017.

To develop the concept design and explore options for the management of the facility the design team and Council staff have been meeting with a stakeholder Reference Group to discuss the planning process, understand the scope of the project, review the design proposals and discuss a range of management options.

Key objectives of the design consultation stage included:

- Identifying current and future stakeholders including general community and key stakeholders who are directly affected
- Informing all stakeholders of opportunities to participate in engagement activities
- Consult with key stakeholders to understand the current, future needs, identify design solutions and develop potential preferred management options
- Inform stakeholders of how their participation influences the design.

Community Engagement

At the end of this concept design phase the local community will be provided with a project newsletter that includes balanced and objective information to assist them in understanding the project, the opportunities and/or solutions incorporated into the concept design. Any public feedback on the analysis, concepts and decisions will be recorded and presented to Council where necessary.

As part of the planning approval process, relevant sections of the community will also be notified for comment on the lodged proposal. This is anticipated to occur in June 2020.

Project Milestone

October 2019	Section 48 Prudential report	Completed
December-March 2020	30% Detailed design (Concept design)	Current phase
March-June 2020	Design Development	
May - December 2020	Planning application and preliminary development approval	
June - November 2020	Contract Documentation	
September - December 2020	Tendering for Construction	Action :Next Council report
January 2021- February 2022	Construction period	

March 2022

Facility opens

MANAGEMENT MODEL

There are a number of choices for potential governance structures that could support the Centre and its operations.

Key objectives for the management structure include:

- Identifying a governance model that will have the capability to manage a facility that will support a complex range of services and stakeholders.
- Development of a strategic operations plan
- Enabling a structure to maximise the use of the facilities and opportunities for the community to participate in activities
- Alignment with the objectives of Council's corporate strategic plan.
- Identifying a financial model for the centre's operations outlining the level of financial commitment required from Council and stakeholders to support the operations of the new facility
- Identifying staff structure and resources required to commence operations
- Enabling Council to renegotiate or enter into contracts, leases, and licences and hire agreements for facilities, associated functions and for the provision and services of utilities.

Options for the Mitchell Park Sports and Community Centre include:

1. Management appointed by Council
2. External Contract Management Organisation
3. Shared Management
4. Community skills based board and Manager

The preferred model for the management of the new facility by the stakeholder groups is to manage their own exclusive use of their respective areas within the complex. Whilst stakeholder groups may have capacity to effectively manage their own activities, without a dedicated overriding management structure the broader use and marketing of the facilities, shared obligations, staffing needs and financial controls are unlikely to be effectively managed. None of the existing clubs based at Mitchell Park work to a strategic operations plan, nor do they require any volunteers to be qualified or experienced in facility management. Without a professional overarching governing structure, Council may be exposed to a number of risks.

Though a number of varying options are possible, it is recommended that Council considers exploring the option of an overarching Management Agreement or Head Lease with a suitably qualified external professional management organisation to manage the facility and all sub-lease tenants.

An external management organisation offers a number of benefits to Council including:

- Professional management that has the capability to effectively manage the level of subsidy required from Council to support the Centre's ongoing operation.
- Visible and documented cost of operation for Council.
- Overarching coordination and management of all maintenance of the Centre
- Ability to coordinate the use of the facility across a number of user groups without bias.
- Knowledge of the market and ability to promote and activate the centre outside of the scheduled use of the facilities by existing tenants.
- Greater flexibility with employment and management structure.
- Ability to absorb some administration costs due to their scale of operations.

It is recommended that sub-lease/ arrangements are made with the Dover Gardens Dog and Kennel Club and Mitchell Park Sports and Community Club and its affiliated organisations. Indoor court use would be determined through direct court hire arrangements with the centres management.

The Mitchell Park Sports and Community Club currently hold a liquor licence at the existing premises and operate both the bar and the canteen. The bar and canteen provide the main source of income for the outdoor sporting clubs. Council will need to ensure an external operator maintains a flexible approach to management of the bar and canteen to provide a sustainable financial model for the clubs.

It is also recommended that Council's Neighbourhood Centres operate through internal Council management structure to ensure the delivery of essential community services and the Neighbourhood Centre facilities are excluded from a Management Agreement or Head Lease.

Attachment 2 includes discussion of each management option listed above as well as an initial operating budget previously presented in the Section 48 Report.

The operating budget forecast is likely to be impacted on by the structure of an agreement with the governing organisation. At this stage the financial analysis has been limited to identifying the range of management model options available, and undertaking some indicative financial modelling on a hypothetical in-source model, i.e. Council managing the completed project assets. This work will progress during the design phase and come back to Council at a future meeting

Attachment

#	Attachment	Type
1	Attachment 1 - Concept report extracts and cost estimate summary FINAL	PDF File
2	Attachment 2 - Mitchell Park Sports & Community Centre Management Options	PDF File