CITY OF ARMADALE

LATE ITEMS

CITY STRATEGY COMMITTEE

16 MAY 2016

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2. **MISCELLANEOUS**

2.3 ARMADALE AQUATIC CENTRE REDEVELOPMENT 2

SUMMARY OF "A" ATTACHMENTS.....6

2.3 - ARMADALE AQUATIC CENTRE REDEVELOPMENT

WARD	:	ALL
FILE No.	:	M/254/16
DATE	:	12 May 2016
REF	:	JS
RESPONSIBLE MANAGER	:	Chief Executive Officer

In Brief:

- In October 2014 Council endorsed the submission of an application for the Armadale Aquatic Centre upgrade for funding under the National Stronger Regions Fund.
- While the City did not achieve funding under Rounds 1 and 2, it is submitted as the City's highest priority for Rounds 3 and 4.
- Following advice that the City's project is not as "shovel-ready" as others throughout Australia, recommended that the City advance the Design and Documentation of this project currently scheduled for 2018/19, ensuring the project can be commenced in 2017/18 if funding is successful.

Tabled Items

Nil

Officer Interest Declaration

Nil

Strategic Implications

Community Wellbeing

1.5 Sport, recreation and leisure opportunities that contribute to community health and wellbeing

1.5.1 Provide and promote Council sport, recreation and leisure facilities

Enhanced Natural and Built Environments

2.6 Council buildings and facilities that meet community needs

2.6.2 Implement improvements to buildings, amenities and facilities as required to enhance the service to the community.

Economic Growth

3.1 A dynamic and diverse local economy

3.1.2 Facilitate targeted economic development opportunities

Legislation Implications

Nil

Council Policy/Local Law Implications

Council Policy ADM 19 – Procurement of Goods or Services

Budget/Financial Implications

There is potential for the City to secure up to $10M for a project approved under the National Stronger Regions Fund (NSRF).

The City currently has $1 million allocated to preliminaries in 2018/19 and $24.2M allocated to the redevelopment of the AAC in 2019/2020.

Consultation

1. Community Groups
2. MANEX
3. City Officers
4. Various External Consultants

BACKGROUND

Numerous reports have been provided to Council concerning the history and background of the Armadale Aquatic Centre (AAC) and the closure of the Kelmscott Pool. At a Councillor briefing held on 10 May 2016 included a history of the opening of the Kelmscott Pool in 1957, through public pressure to renovate both the Kelmscott and Armadale pools in the late 1990's and the controversial decision to close the Kelmscott Pool in 2003. Further background was provided regarding proposed redevelopment works on the existing Armadale Aquatic Centre, including reports to Council (C108/7/03, C51/5/05, C68/6/05, C59/10/06, and C38/6/07). In 2010, works commenced on stage 1 of the AAC Redevelopment (project value $4.7M).

Public pressure continued regarding the provision of a fully redeveloped indoor aquatic facility in Armadale. In late 2014, the federal Department of Infrastructure and Regional Development (the Department) announced the National Stronger Regions Fund (NSRF) – a grant programme making $1 billion available over 5 years, for grants ranging from $20,000 to $10M. The City submitted a Round 1 application for $10M towards the AAC Redevelopment project (estimated project value $25M). In May 2015, the City received the news that the application was unsuccessful. Feedback obtained from the Department after Round 1 advised that a greater emphasis would be placed on social disadvantage in assessing applications under Round 2. Unfortunately, the application was again unsuccessful this time the advice being that the project was not as "shovel-ready" as other competing projects.

Current NSRF Submission

Following further feedback from the Department, it was suggested that in order to increase the likelihood of success the project should be advanced to the stage that, should the application be successful, construction could commence immediately.

At the Councillor briefing held on 10 May 2016 the concept plan for the AAC, as submitted to the NSRF program, was explained in detail. Consultant Kim Donovan spoke to the design concept and also showed examples of features at other centres throughout the Perth Metropolitan area. Changes had been made to the original NSRF submission plan (last reviewed by Council in 2010) as a result of feedback received from the Department designed to increase the viability of the Centre and improve the likelihood of achieving grant funding.

A further matter Council had asked to be addressed before considering the next step in upgrading the AAC was the likelihood of aquatic facilities at the future Regional Recreation Reserve development on Armadale Road and Twelfth Road next to the Wungong Urban Development area. The AAC development also needed to be mindful of current direction of the Bob Blackburn and Wungong Regional Recreation Reserve master planning process.

The Briefing advised that the AAC remain the dominant sporting facility located at Bob Blackburn Reserve and that its redevelopment is supported, if not urged, as part of the Masterplan. Detailed analysis of the sporting demand emanating from the Wungong Urban Development is that local active sporting fields remain the first priority, followed by supporting facilities and indoor "dry" sports areas. It is unlikely that consideration of "wet" or aquatic facilities at Wungong will be able to be entertained within 10 years, either from a local or regional respective.

A new greenfields aquatic proposal at Wungong would add a further $40M to the $75M still being sought to develop that area over the next 20 years. Consequently, neither the Bob Blackburn Masterplan or Wungong Regional Recreation Reserve Masterplan process raise matters that should delay or divert the City's Proposed upgrade of the AAC.

DETAILS OF PROPOSAL

It is proposed that advance detailed design of the Armadale Aquatic Centre currently scheduled for funding of $1M in 2018/19

COMMENT

In the past week the City's Rating Review Working Party (RRWP) has formulated its recommendation to this Committee on the need to constrain the City's budget and seek all alternative available sources of funding. The RRWP has recommended a proposed rate increase of 2.5% i.e. a reduction on that proposed in the current Long Term Financial Plan.

Later this week (18 May 2016) the City will be considering its Corporate Business Plan (CBP) Key Projects and Strategies prior to recommendation and adoption in conjunction with the 2016/17 Budget.

The AAC is a Key Project currently scheduled for funding of $1M in 2018/19, and $24.2M in 2019/20.

Should the City be successful in attracting Federal Funds of $10M under the NSRF (or any other) program, it will save $15.9M over the life of the project.

Achievement of grant funding has become even more critical under current financial constraints and it is recommended below that the City should advance detailed design of the proposed redevelopment, enhancing its funding prospects and making the project "shovel-ready".

The cost of advancing the Preliminaries stage for "Lead Design Consultancy Services" (up to $1M) to 2016/17 would be two loan payments of $79,600p.a. in the following two years.

The balance of loan repayments are already in the plan and there would be a saving of two payments at the end of the loan period.

Should grant funding be approved, the City would need to modify the (CBP) in 2017/18 to advance the construction phase of the project. If grant funding is not successful, the City will simply have its design and documentation prepared well in advance of the original 2019/2020 construction phase.

RECOMMEND

That Council:

1. **Bring forward the $1 million borrowings currently scheduled for Year Three (2018/19) of the Corporate Business Plan to Year One (2016/17), thereby enabling invitation of tenders for Lead Design Consultancy Services for the Armadale Aquatic Centre Redevelopment;**
2. **Prepare the brief and commence proceedings for invitation of tenders for the Lead Design Consultancy Services for the Armadale Aquatic Centre Redevelopment; and**
3. **Include;**
    a. **borrowings of up to $1 million in the forthcoming 2016/17 Budget for Lead Design Consultancy Services for the Armadale Aquatic Centre Redevelopment; and**
    b. **the associated loan repayments of $79,600p.a. in the Long Term Financial Plan in Year 2 (2017/18) and Year 3 (2018/19).**

ATTACHMENTS

1. Armadale Aquatic Centre Cr Briefing Notes - 10-05-2016

CITY STRATEGY COMMITTEE

SUMMARY OF "A" ATTACHMENTS

16 MAY 2016

ATT NO.	SUBJECT	PAGE
2.3	**ARMADALE AQUATIC CENTRE REDEVELOPMENT**	
2.3.1	Armadale Aquatic Centre Cr Briefing Notes - 10-05-2016	7

Attachments

Attachment 1	**Councillor Briefing Presentation – Armadale Aquatic Centre**
Attachment 2	**Councillor Briefing Presentation – Armadale Aquatic Centre Considerations**
Attachment 3	**Councillor Briefing – Discussion Notes**

Attachment 1

History
CITY OF Armadale

History

- Kelmscott 50m (55yd) Pool opened in1957, population approx. 6,500.
- Armadale Aquatic Centre (Olympic 50m pool, 25m heated pool, cave etc.) opened in 1980, population approx. 36,000.
- Water slide opened in 1981.
- By the late 1990's Council under pressure to renovate/upgrade both pools. Demand for an indoor, all-year round facility.
- Both pools running at an increasing loss. Patronage falling, Population 52,000.

- May 2003 Controversial Council decision to close the Kelmscott Pool (C85/5/13). Promise to develop Armadale Aquatic Centre.
- July 2003 Council fulfils promise to undertake Needs Assessment/Feasibility Study for Armadale indoor aquatic facility (C108/7/03).
- May 2005 Council requested additional financial information for a new indoor aquatic centre on the existing Armadale Aquatic Centre site (C51/5/05).
- June 2005 Council considered a staged development of the Armadale Aquatic Centre (C68/6/05), namely:
  - Stage 1 (3-5 years) minor upgrades.
  - Stage 2 (10-15 years i.e. 2015 to 2020) major redevelopment as per Master Plan.
- October 2006 Council deferred submitting CSRFF grant application and requested revised cost estimates for the new indoor facility (C59/10/06).

- May 2007 Council reconsidered recommendation to construct a new indoor facility and set aside funds to develop concept plans and cost estimates (C31/5/07).
- Public demand for indoor heated facility continues.
- June 2007 Council approved upgrade works ($502,000) to the aquatic centre (C38/6/07).

- April 2010 Council endorsed improvement works ($4.7m) in keeping with concept plan, and considered revised estimates ($25.2m) for new indoor facility to be included in Plan for the Future (CS33/4/10).
- May 2010 Councillor Briefing.

- July 2010 Council approved tender 17/10 for Stage 1A redevelopment works (make facility compliant, remove cave etc. T57/7/10).
- December 2010 Councillor tour of Craigie Leisure Centre to review indoor facilities and zero-depth splash pad (water play area).
- February 2011 Council approved tender 28/10 for Stage 1B redevelopment works (upgrade plant, hydraulics, including new water play area).
- Stage 1 ($4.7m) completed in time for 2011 summer season.

Put plans in fast lane

We want a heated pool by 2015

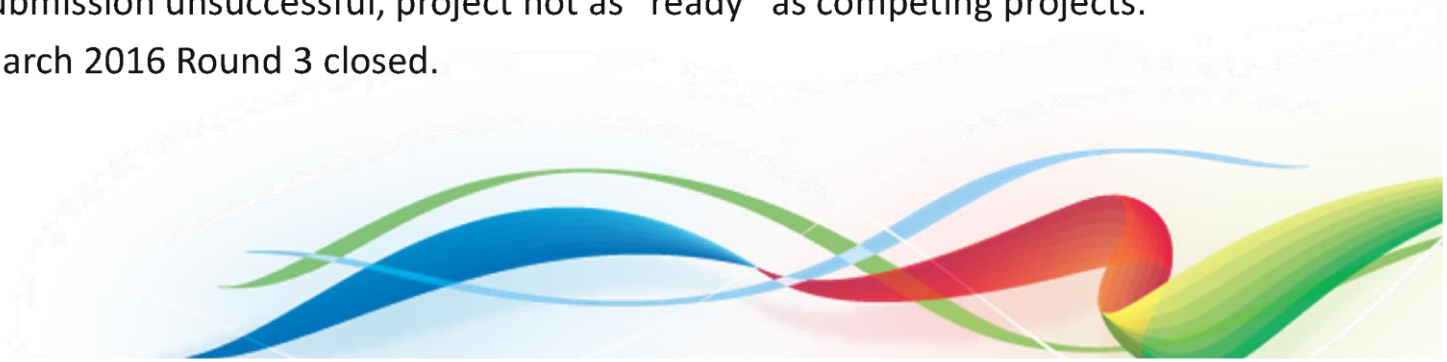
Pool of discontent

The $25m upgrade of Armadale Aquatic Centre could be complete by 2017 but it can't come soon enough for some residents. A delegation handed Armadale Mayor Henry Zelones a petition with 3156 signatures protesting about the state of the facility. Full report, page 3

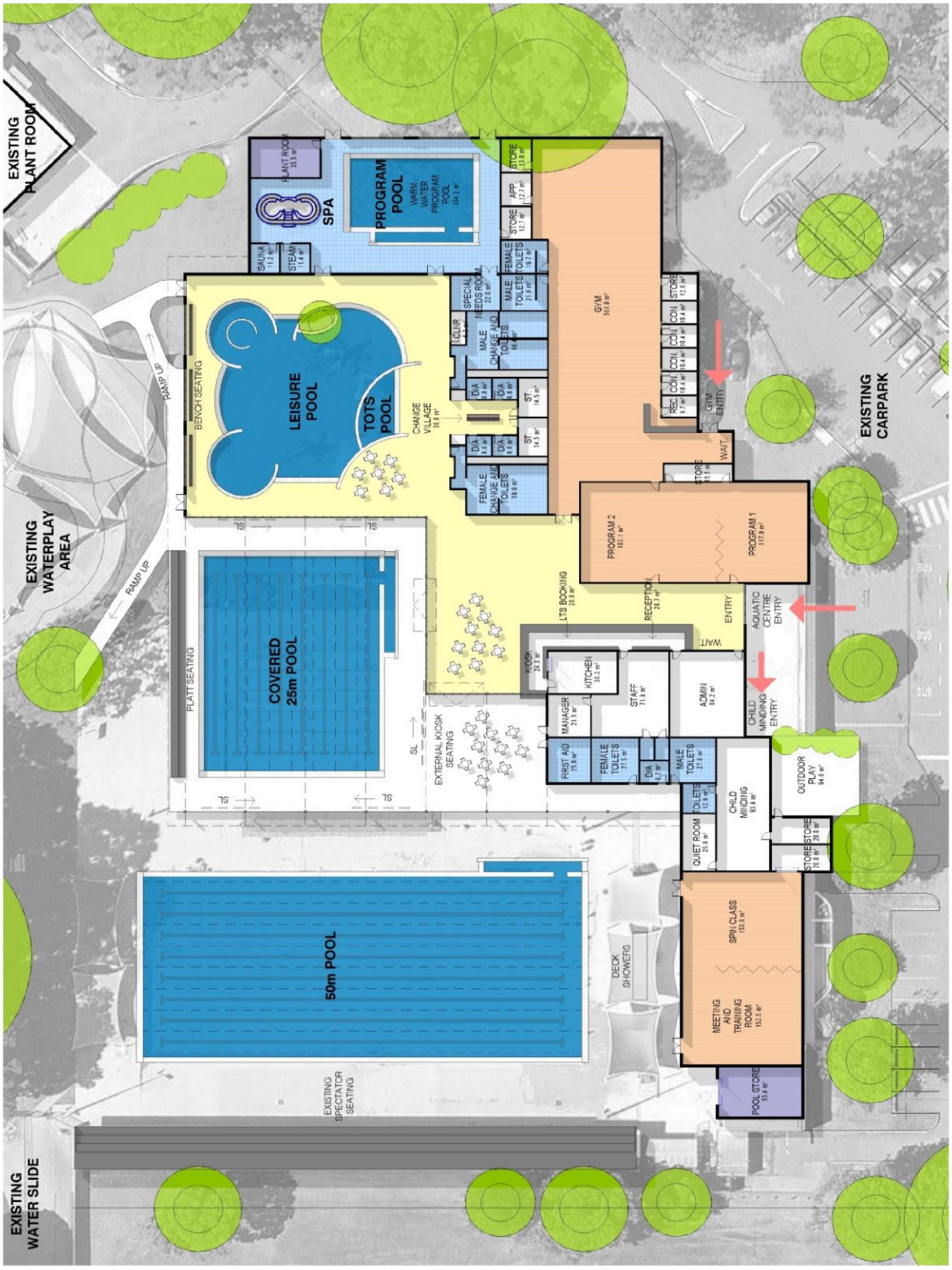
Dr. Tony Buti MLA

Member for Armadale

- February 2014 Council again received a petition for a year-round heated swimming pool as part of a new multi-purpose leisure centre by 2015.
- September 2014 Department of Infrastructure and Regional Development announces NSRF programme - $1 billion over 5 years, with grants ranging from $20k to $10m.
- November 2014 Round 1 application for $10m submitted.
- May 2015 Round 1 submission unsuccessful, over 400 competing projects.
- July 2015 Round 2 revised application submitted, based on feedback from Round 1.
- December 2015 Round 2. Competition much more intense. Over 150 “shovel-ready” projects.
- Submission unsuccessful, project not as “ready” as competing projects.
- March 2016 Round 3 closed.



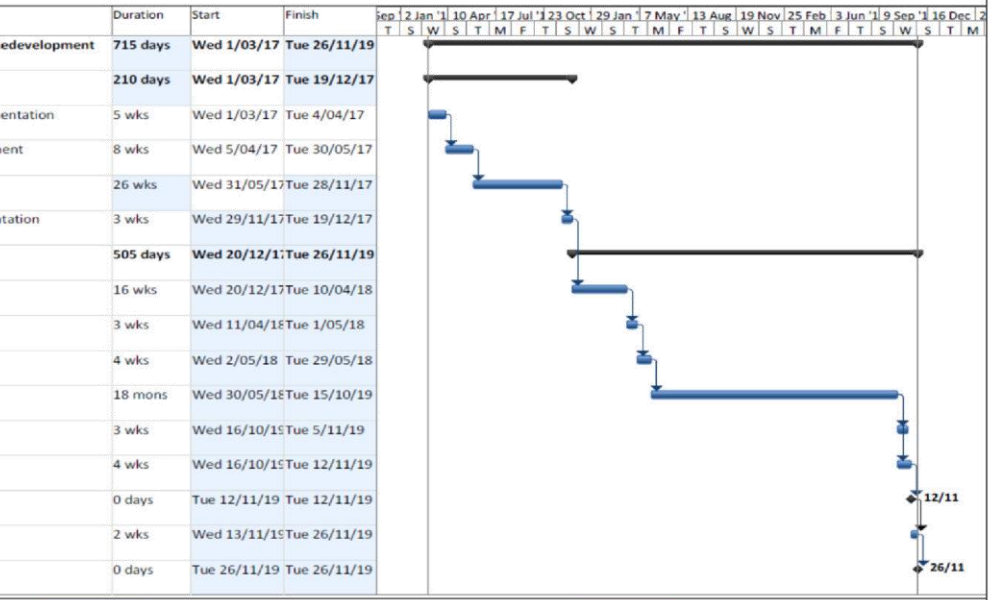
Current Submitted Project
CITY OF Armadale


EXISTING PLANT ROOM
PROGRAM POOL
WARM WATER PROGRAM POOL
SPA
LEISURE POOL
TOTS POOL
BENCH SEATING
RAMP UP
CHANGE VILLAGE
GYM
EXISTING CARPARK
EXISTING WATERPLAY AREA
RAMP UP
COVERED 25m POOL
PLATT SEATING
PROGRAM 2
PROGRAM 1
LTS BOOKING
RECEPTION
ENTRY
AQUATIC CENTRE ENTRY
KIOSK
KITCHEN
STAFF
ADMIN
MANAGER
FIRST AID
FEMALE TOILETS
MALE TOILETS
CHILD MINDING ENTRY
EXTERNAL KIOSK SEATING
CHILD MINDING
OUTDOOR PLAY
QUIET ROOM
SPIN CLASS
MEETING AND TRAINING ROOM
POOL STORE
50m POOL
DECK SHOWERS
EXISTING SPECTATOR SEATING
EXISTING WATER SLIDE

Project Plan

Armadale Aquatic Centre Master Project Plan

ID	Task Mode	Task Name	Duration	Start	Finish
1		**Armadale Aquatic Centre Redevelopment**	**715 days**	**Wed 1/03/17**	**Tue 26/11/19**
2		**Design Stage**	**210 days**	**Wed 1/03/17**	**Tue 19/12/17**
3		Prepare tender documentation	5 wks	Wed 1/03/17	Tue 4/04/17
4		Design team procurement	8 wks	Wed 5/04/17	Tue 30/05/17
5		Design process	26 wks	Wed 31/05/17	Tue 28/11/17
6		Construction documentation	3 wks	Wed 29/11/17	Tue 19/12/17
7		**Construction Stage**	**505 days**	**Wed 20/12/17**	**Tue 26/11/19**
8		Tender period	16 wks	Wed 20/12/17	Tue 10/04/18
9		Mobilisation	3 wks	Wed 11/04/18	Tue 1/05/18
10		Site clearing	4 wks	Wed 2/05/18	Tue 29/05/18
11		Construction	18 mons	Wed 30/05/18	Tue 15/10/19
12		Testing	3 wks	Wed 16/10/19	Tue 5/11/19
13		Commissioning	4 wks	Wed 16/10/19	Tue 12/11/19
14		Practical Completion	0 days	Tue 12/11/19	Tue 12/11/19
15		Health Dept. approval	2 wks	Wed 13/11/19	Tue 26/11/19
16		Opening	0 days	Tue 26/11/19	Tue 26/11/19



Project: Project1
Date: Fri 21/11/14

Task, Split, Milestone, Summary, Project Summary, External Tasks, External Milestone, Inactive Task, Inactive Milestone, Inactive Summary, Manual Task, Duration-only, Manual Summary Rollup, Manual Summary, Start-only, Finish-only, Deadline, Progress

Page 1

Cost Estimate

Particulars	Sqm	Rate	$
Existing 50m Pool			$ 390,000
Covered 25m Pool	1050	680	$ 714,000
Leisure & Tots Pool	756	1751	$ 1,323,438
Program Pool	448	3320	$ 1,487,360
Gym, Fitness & Consult Rooms	1350	2010	$ 2,713,500
Changerooms & Toilets	255	3950	$ 1,007,250
Kiosk & Kitchen	65	6100	$ 396,500
Administration	339	2750	$ 932,250
Seating & Play Areas	1137	580	$ 659,315
Entrance			$ 250,000
External Landscaping & Services			$ 650,000
Heating			$ 3,700,000
Trade Cost			**$ 14,223,613**
Preliminaries,Margin, Overheads		23%	$ 3,250,000
Design & Construction Contingency		11%	$ 1,900,000
Total Construction Cost			**$ 19,373,613**
Professional Fees		11%	$ 2,100,000
Artwork		1%	$ 200,000
IT, AV Allowance			$ 250,000
Headworks			$ 1,000,000
Carpark & Roads			$ 500,000
Upgrades to existing Plant Room			$ 500,000
Escalation		4%	$ 2,000,000
Total Project Cost			**$ 25,923,613**

Wungong Regional Recreation Facility

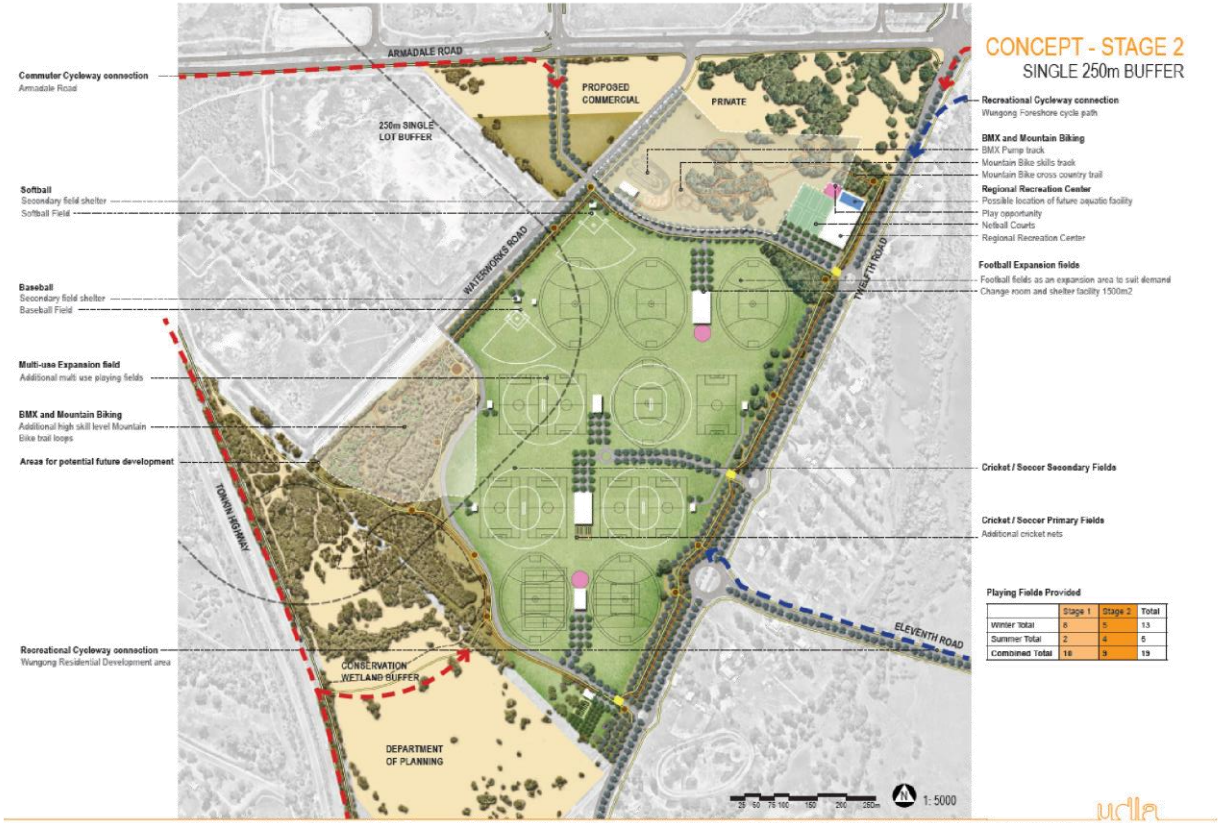
CITY OF Armadale

CITY OF Armadale

Wungong Regional Recreation Reserve

70% Regional Use – 30% Local Use

$75M – excluding aquatic facility



Bob Blackburn Master Plan

Consider the impact of the planned upgrade of the AAC in relation to population growth

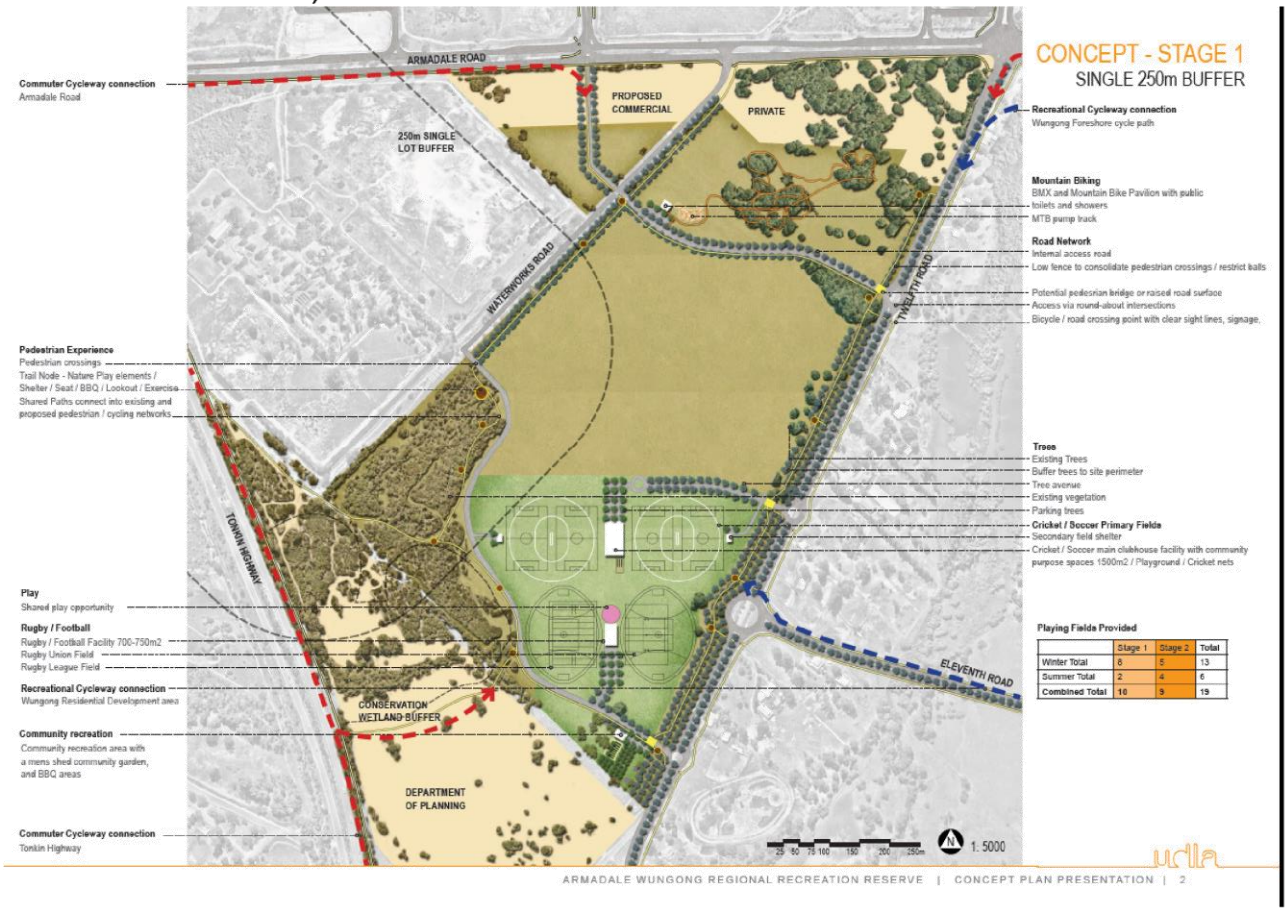
Outcomes

Upgrading the current facility is supported

- Council has consistently reiterated its intention to refurbish/upgrade the AAC for a patient public.
- Previous reviews have confirmed the business case for a staged upgrade, commenced in 2011 with a $4.7Million upgrade in preparation for the subsequent major refurbishment.
- The upgrade in the current location is supported in the South East Regional Recreation Advisory Group *Regional Sport and Recreation Strategy 2012.*
- Current facility can be readily enhanced and expanded.
- Current location offers good access to public transport and is centrally located for the current population.
- Reconfiguration to enter the AAC from the North is not supported as this would result in excessive redundancy and make the parking area too remote from the entrance.
- Wungong may offer a good option for a second aquatic facility into the future as an adjunct to a major open space precinct.
- The increasing population in Wungong may encourage private investment for an all year indoor facility closer to the Wungong Town Centre although it is too early to speculate.

RRR Local Component - $25M

(30% of overall reserve)



Current Status

Only the Local Component of the RRR is in the current Corporate Business Plan

- **Total Wungong Regional Recreation Reserve**
  based on a 2010 preliminary study **$40Million**
- **RRR Local Component**
  30% of total area is required for local use **$12Million**
- **Current CBP RRR, Local Use Component** **$13.2Million**
  - **Developer Contribution Scheme (DCS)** **60%** **$8Million**
  - **External Funds** **20%** **$2.6Million**
  - **CoA (loan)** **20%** **$2.6Million**

The $8Million DCS component is part on an overall DCS amount of $35Million which is partially funding 10 Community Facilities over the entire Wungong development area at a total value of approximately $60Million

Current Wungong DCS Review

(forecast to be finalised in early 2017)

- **Priorities**
  - Reviewing RRR costs
  - Providing for a 22% increased population forecast : 45,000 – 55,000
- **2016 Wungong Regional Recreation Reserve Concept Plan**
  - Total Wungong RRR **(excluding aquatic facility)** **$75Million**
  - RRR Local Component - 30% (local use) **$25Million**
- **Wungong DCS Review (new funds required)**
  - Increase to RRR Local Component **$12Million**
  - Additional Facilities **$13Million**
- **New Funding Model for RRR**

DCS	60%	**$15Million**
External Grants	20%	**$5Million**
CoA (loans)	20%	**$5Million**

A **$15Million** increase in DCS funds from **$35Million** to **$50Million** is an essential outcome from the DCS review in order to meet the needs of the local Wungong Community. This does not include an additional Aquatic Facility in Wungong.

Financial Implications of Additional Wungong Community Facilities

Item	Cost	Current Funding	Anticipated additional External Funding	Net Funds Required in the LTFP
Additional funding for Local Component of the RRR	12,000,000	0	-9,600,000 (Wungong DCS, Sport & Rec)	2,400,000
Additional Wungong Facilities to meet increased population forecast	13,000,000	0	-10,400,000 (Wungong DCS, Sport & Rec)	2,600,000
Completion of the Regional Recreation Reserve	50,000,000	0	-10,000,000 (indicative only, unidentified source)	*40,000,000
Sub Total	**75,000,000**	**0**	**-30,000,000**	**45,000,000**
Potential Wungong Aquatic Facility	40,000,000	0	-4,000,000 (potential addition Sport & Rec grant)	36,000,000
TOTALS	115,000,000	0	-34,000,000	81,000,000

*It is anticipated that the completion of the Regional Recreation Reserve will only occur with significant external funding however none has been identified at this stage.

Population Forecasts
Wungong & North Forrestdale

	2021	2031	2036	Beyond 2036
Wungong (Haynes/Hilbert)	9,833	18,695	23,784	55,000
Nth Forrestdale (Piara Waters, Harrisdale, Forrstdale	26,889	37,478	40,505	40,505
TOTAL	**36,772**	**56,173**	**64,289**	**95,505**

- Growth in Wungong is strong and peaks later than in Nth Forrestdale.
- Ensuring timely provision of appropriate POS and community facilities is the highest priority (such as in Piara Waters and Harrisdale).
- Demand for an Aquatic Facility in Wungong is at least 10 years away and should not precede or delay critical open space and community facilities.

Attachment 2

Considerations - Wungong

- Is the Wungong site a viable alternative for an Aquatic Development within 5 to 10 years?
- More likely 10 to 20 years, following open space development.
- Should existing residents of “old Armadale” and Kelmscott be told “wait a further 10 years, possibly longer?”
- Will a centre at Wungong, amongst the “new” suburbs be seen as serving the residents of older suburbs?

Considerations - Armadale

- If $10M NSRF grant was forthcoming, City contribution is reduced to $15M.
- This would justify immediate (2017) commencement.
- Meets the needs of the existing population.
- Provides an accessible, modern Centre for the new population (whilst not ideal).

Considerations – cont.

- Eventually population growth in new Armadale suburbs (80,000+) and south in Byford will demand evaluation of “wet” area as major “dry” facility at Wungong is developed.
- “Wet” area at Wungong probably limited at first stage.
- Phase 2 (20 to 30 years) would review Armadale Aquatic Centre and Wungong Regional Recreation Reserve roles, possibly upgrade Wungong, downgrade Armadale?
- Wungong Town Centre (Sienna Wood) may yet have a profitable commercial aquatic facility that lessens demand from new suburbs.

Considerations – cont.

- The City needs to maximise effort to achieve NSRF success!!
- Option to commission detailed design ($700k to $800k) of the Armadale Regional Aquatic Centre now (Construction 1/7/17).
- Bring $1M loan for preliminaries to 2016/17.
- Immediate cost would be 2 payments of $79,600 p.a.
- Commit to commence the project 1/7/17 *if grant successful.*
- NOTE: $10M grant creates saving of $15.9M over the life of the project ($8.7M over the LTFP).
- In summary, bringing commencement forward to 1 July 2017, with completion by January 2019, adds a cost of $3.2M over 2017/18 to 2019/20, i.e. the Corporate Business Plan will need to be modified, noting savings occur later in the LTFP.

Thankyou

Attachment 3

Armadale Aquatic Centre
Councillor Briefing
10 May 2016

Discussion Notes

- Good understanding of the considerable history behind the Armadale Aquatic Centre (AAC) Project.
- Realisation that an aquatic component of the Wungong Regional Recreation Reserve is at least 10, possible 20 years away with many other basic Wungong priorities ahead of a regional demand.
- Discussion about the differences between "Concept" and "Detailed Design".
- Great interest in Architect Kim Donovan's presentation on Centre features.
- Acknowledgement of the current Plan for the AAC, with questions regarding:
    - Overall footprint, impact on Bush Forever adjacent
    - Conflict between parking and bushland.
    - Need to preserve grassed areas and trees shading AAC layout.
    - Importance of marketing pool to wider audience.
    - Use of thermal energy and solar energy to reduce operating costs.
    - Risk of price escalation?
    - If NSRF grants are economically based, how can an Aquatic Centre qualify?
    - Need to use every opportunity to secure external funding, given current financial constraints.

Mr Donovan left the Briefing at this point.

Summary

- Master Plans of the Bob Blackburn Reserve and Wungong Regional Recreation Reserve provide no reason to delay the AAC Project.
- There is the potential to save $15.9M from the City's Long Term Financial Plan if a $10M grant can be achieved.
- Under the current financial constraints, the AAC Project remains as a high priority in the coming Corporate Business Plan.
- Achievement of external grants become even more critical to timely delivery of this strategic city project.
- The City's current bid for Federal funding will be significantly enhanced if the Project's design is advanced, making the AAC Project fully "shovel-ready".
- The city should consider advancing the "Design and Documentation" of the AAC from 2018/19 to 2016/17, making a firm commitment of its intention to proceed if grant funding is achieved.