CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday 2 November 2021 at 7.00 pm

Refer Item 11.13

Confidential Item

11.13 Proposed Performing Arts Centre

General Manager Corporate & Community Services, Michelle Hammond's Report

Purpose of Report

To consider a site for the proposed PAC (Performing Arts Centre) in collaboration with the DfE (Department for Education).

Strategic Plan Link

Focus Area 1.3.2 Support the arts

Focus Area 1.5.1 A connected Community with people engaged in meaningful activities

Focus Area 3.4.1 Provide facilities that support Community groups, clubs, organisations and broader Community needs

Previous Council/Committee Resolution

At its meeting on 18 August 2020, Council resolved:

> 'That Council support the engagement of consultants to undertake a Feasibility Study (including a business case) for a Performing Arts Centre with a fully operational theatre with the following attributes:
>
> - 350 to 500 seat capacity with retractable seating
> - Suitable for dance concerts, cabarets, performances
> - Multi-use and flexible space
> - Includes stage, wings, loading docks, dressing rooms
> - Gallery space in the foyer (with the foyer itself being a feature)
> - A canteen/café/servery space
> - Appropriate and ample power sources
> - Base technology (eg sound and lighting) with capacity for hirers to bring in additional technology
> - Ample storage
> - ESD (Environmental Sustainable Design) Principles and a five star Greenstar rating.'

At its meeting on 3 August 2021, Council resolved the following unanimously:

> '1. Council endorses the following base concept for a Performing Arts Centre and that Staff engage a suitably experienced architect to develop a concept design and costings for this venue:
>
> - a 380 seat, and a 500 seat capacity theatre with a combination of fixed and retractable seating to enable flexible use of the space

- a proscenium arch theatre with a fixed stage with a minimum size of 10m x 12m
- a base level of technical equipment (sound and lighting) that is sufficient for most users to hire the theatre, and that provides capacity for other users to hire and bring in additional equipment they require
- a fly system (can be partial or full and should be separately costed)
- appropriate acoustic treatments
- sufficient wing space
- appropriate and accessible loading dock
- a secondary space, at least the same size as the stage, to be used as a rehearsal space, a secondary performance space (with stackable chairs), or other uses
- a large foyer that could be used as a gallery and meeting space
- storage
- appropriately sized dressing rooms
- environmental sustainable design
- a servery area which could be used as a box office/canteen
- appropriate number of meeting/break out rooms; one of these potentially acoustically treated to allow for a live orchestra, or recordings, and
- fully accessible facilities including changing places, and

2. Staff continue to engage in discussions with the Department for Education to determine whether a Performing Arts Centre can be constructed at the site for the new school at Rostrevor that meet the needs of both Council and School Communities, and

3. a further report be prepared for Council when the concept design and costings are available.'

Background

Staff had been in discussions with DfE staff prior to the Council meeting of 3 August, and in line with the resolution at that meeting (above), these discussions have continued.

The announcement of the new High School on the current Norwood Morialta High School site on St Bernards Road, Rostrevor, provided Staff with a unique opportunity to discuss the possibility of building a PAC in collaboration with the new School.

The development of the new High School at Rostrevor, which has now been named 'Morialta Secondary College' is due to commence in early 2022, with the School (Morialta Secondary College) officially opening in first term 2023. The existing buildings on the current site will be demolished, and the new School will be a complete new build. This in itself is an extremely unique and opportunistic situation.

Discussions with DfE have been very positive, and as DfE has a philosophy of 'Schools as Community Hubs', they have been keen to work with Council on developing a Community Facility. DfE were also planning a PAC for the new School, so this provided the foundations for fruitful conversations between Staff and DfE.

Several meetings have ensued and discussions have reached a critical stage where Council need to make a decision as to whether they wish the conversations with DfE to continue, with the aim of collaborating and building a Council managed and operated PAC on the School site.

Discussion

DfE have a tight timeframe to meet their key milestones to ensure construction of the new School is completed by January 2023. DfE will be submitting plans to SCAP (State Commission Assessment Panel) in November and are expecting the plans to be approved in early 2022. It should be noted that the School PAC is not planned to be completed until 2024, however plans and approvals for that part of the project are also required at this time.

DfE have developed a design that enables Council to build up to a 500 seat PAC on the School site. The PAC would be a 'Community Facility' and as such would be completely separate and distinct from the School PAC. The draft design which is still at a very high level sees the Council PAC as a fully functional and independent facility, with the School PAC having a smaller Theatre (approximately 200 seats), some dance/rehearsal studios, and a VET Kitchen.

The benefit of this model is that Council would have 24x7 access to the PAC and it is intended that Council would also have first right of access to the School PAC outside of School hours when their facility is not being used by the School. Conversely, it is intended that the School would have first right of access to the Council PAC when it is not in use. This provides great flexibility for both parties, with Council effectively having access to an additional Theatre outside of school hours, as well as rehearsal spaces and a kitchen. The School sees benefits for them in that they can access a professional large Theatre which would add value to their curriculum with students potentially being able to learn from professional or amateur directors, performers, technical crew, backstage crew and potentially being involved in assisting with front of house activities and development of programs.

The proposed PAC would be situated in the north western corner of the School on the corner of St Bernards Road and Morialta Road West. The design includes an underground carpark which would exist under both the Council PAC and the School PAC facility, however would be for Council use only. As a result Council would be required to fund the construction of the carpark. This corner of the site is well suited to an underground carpark as the site slopes down toward St Bernards Road. Including an underground carpark will facilitate both PACs being on the same level and provide an easy and accessible flow between the two facilities. DfE have confirmed that for a 500 seat Theatre, 100 car park spaces would be required, which can be achieved through the underground car park. Furthermore, there will also be additional overflow carparking in the School carpark outside of School hours.

Council would be considered a key user through the design phase of this project and would have a seat at the table at all design meetings. The external façade of the Council PAC would be determined by DfE with no input from Council and would be sympathetic to the surrounding area and the rest of the School site. Council would have absolute discretion over the interior design of the PAC.

Preliminary high level costings provided by DfE indicate that the Council PAC would cost between $18m and $24m depending on the size of the Theatre. These costs are for a 380 seat theatre at the lower end and a 500 seat theatre at the higher end, and include the construction of an underground carpark. Staff consider that these costs are reasonable given the costs of construction of PACs provided in the Feasibility Study recently commissioned by Council.

DfE have provided some draft guiding principles (reproduced below) for Council to consider. These are still being worked through and Staff consider they are reasonable, and a good outcome for Council. A key feature of any resultant agreement will be that Council will lease the asset on a peppercorn lease ($1 per year) for the life of the asset, or for a length that Council determine. This could be written as a 10 + 10 + 10 year contract for the life of the asset with the right of review to be solely at Council's discretion.

The Guiding Principles proposed by DfE are provided below:

Benefits

- 'Schools as Community Hubs' is a strategic objective for DfE. By combining facilities, we achieve this
- The opportunity for the Community to come onto the site (in a safe way) and to encourage collaboration and partnerships
- The availability of a high-quality Performing Arts facility for the School to use, when available
- Creating an opportunity for students to engage with entertainment industry professionals/other disciplines
- Sharing of a variety of spaces in the facility with priority uses to suit each party.

CCC Staff Comment: This aligns with Council thinking and gives rise to a model that is beneficial to both parties

Ownership

- The State to remain Owner of the Asset, operated as a shared facility that can also be segregated as required
- City of Campbelltown (CoC) to have a long term Lease over the facility.

CCC Staff Comment: This is beneficial to Council as Council can use this asset for the life of the asset and does not need to find or buy a land site to build a PAC. This is considered a low risk option to Council. In addition, the PAC would not be an asset on Council's balance sheet, and as such, no depreciation expense would be required, which reduces the amount of rates income that would otherwise be required to build this facility.

Costs

- Capital cost - Extra over value of construction costs for the facility inclusive of carparking to be agreed, COC contribution to be agreed
- Operational and Maintenance Costs for the facility. Confirmation of cost responsibility
- Recognition of the value of the land in the final agreement.

CCC Staff Comment: This is considered fair and is a good outcome for Council. Initial discussions have indicated that separate metres may be installed to determine exact costs (eg electricity). In the initial discussions regarding recognition of the value of the School land, Staff have proposed this may take the form of a set amount of free uses per annum of the Council PAC facility.

Operations

- Management of the facility - for the life of the facility.

CCC Staff Comment: DfE will manage the overall facility with Council being responsible for maintenance and operating costs. However, Staff will clarify who is responsible for the replacement of structural elements (eg air conditioning) if they need replacement.

Access

- CoC to have primary access to, and control of the main theatre, with DFE to have first option on its use when not booked. Terms to be agreed
- DFE to have control of small theatre, VET Kitchen and teaching spaces, with CoC to have first option on its use outside of school hours. Terms to be agreed.

CCC Staff Comment: This is the best outcome possible for Council on a School site. It is unusual that Council would have 24x7 access to a facility on a School site; that combined with the fact that Council has first right of access to the School PAC facility and adjacent rooms, is a great outcome.

Planning

- Separate public entry/exit to the main theatre. Ability to open/close this area to the school
- Ability to operate the Community facility independent of the school facilities
- Safety of children to be paramount
- Proximity to the street and parking very important
- Access for All as a principle for all facility planning
- DFE to design and build their 'minimal required brief' for the successful delivery of Music/Drama curriculum in addition to any Community facilities
- Suitable car parking to be provided for the Community facility, noting DFE does not require this additional parking for their school operations
- Allowance for deliveries / access.

CCC Staff Comment: Again, this is an excellent outcome for Council which provides 24x7 access for both Council and the community, without interrupting school operations. Staff acknowledge that both car parking and traffic management will be key features of this proposal.

Design

- DFE to incorporate the design and documentation of the facility, delivered by their consultant team, and into their existing program

- Cost advice to be provided to CoC by RLB
- CoC to be a key stakeholder/user, and to be involved at Design, PCG and Site meetings for the duration
- Traffic modelling still to be undertaken by consultants to advise the risk/impact of the large theatre.

CCC Staff Comment: This model works well for Council and provides opportunity for Council to influence the design, being a key stakeholder/user. Council will have sole discretion about the interior design and structure of the Council PAC facility.

Procurement

- Project to be delivered via a Managing Contractor model, with conversion to Fixed lump sum likely
- DFE remains as the client, DIT as the Superintendent.

CCC Staff Comment: Staff support this approach.

Program

- Design Phase is underway now
- SCAP submission in October without CoC Option
- Inclusion of this large option for the SCAP submission will need confirmation by mid October
- Early works scheduled to commence in February/March 2022
- Performing Arts building scheduled for completion in late 2023
- Confirmation required of likely order of capital cost (and contribution), so CoC can confirm involvement in the design phase.

CCC Staff Comment: Since the time of writing the guiding principles, and to meet their timeframes, DfE will be presenting their plans to SCAP on 17 November without the Council facility included. This can be added at a later date, and submitted to SCAP as an amendment, should Council decide to proceed with the design phase.

There are several benefits in building the PAC on the School site including the following:

- it is a cost effective option as Council would pay for the construction of the PAC and the carpark, however would not be required to buy a site to build a PAC
- minimal impact to rates as under this model there would be no depreciation expense recorded in the financial statements and therefore no associated rate increase to cover this expense
- it is the most affordable way to achieve a multi use facility. Council will have access to the Council PAC 24x7, as well as access to an additional Theatre, meeting rooms/rehearsal rooms, and potentially a VET kitchen, when the School is not using these facilities. In practice this is likely to mean most school holidays, weeknights and weekends during the school term
- the site itself meets Council's requirements of a prominent location, the PAC will have great exposure on St Bernard's Road

- economies of scale should be able to be achieved through the construction phase, and with ongoing operational and maintenance costs.

Disadvantages of building the PAC on the School site include:

- as the PAC won't be an asset of Council as it is on DfE land, the cost of construction will be expensed in the year it is paid and this will have a direct impact on Council's operating result. This means Council will have a one-off large operating deficit (which may spread over two financial years). However this deficit can be easily explained, and is not considered a major issue. It provides an advantage in that no depreciation expense will be recorded for the life of the asset, which minimises the impact on rates going forward (as stated above)
- the space available on the School site limits the size of the PAC which means that Council may not be able to achieve everything on its wish list. With the ability to use the School site, Staff consider that most things on the wish list will be achieved.

DfE are looking for an in principle decision from Council as soon as practical. Council would need to consult with the Community about whether they support the construction of a PAC and whether they are willing to fund $18 to $24m to build it. The Community should also be asked whether they support the construction of the PAC on the School site.

DfE need a final decision (albeit still subject to a Prudential Report) from Council by the end of the year if possible so that they can continue to progress their project with or without Council. If Council choose to proceed with a PAC on this site, DfE will need to lodge an amended plan to SCAP for approval. If Council progress with the development, it is expected that the Council PAC will be completed by mid 2024.

Social Implications

There is much evidence that arts and culture, and performing arts in particular, builds Community pride and identity, inspires Community and civic participation and create a culture of inclusion. It also contributes to Community connectedness, wellbeing and resilience.

Environmental / Climate Change Implications

In line with the Council resolution the PAC will be built with ESD (Environmental Sustainable Design) Principles and a five star Greenstar rating.

Asset Management Implications

Under the proposed model there will be no Council asset as a result of construction of the PAC. Council will be the managing tenant of the PAC and will be responsible for maintenance and operating costs.

Governance / Risk Management

If Council resolve to undertake Community consultation, and the Community and ultimately Council support this project, a Prudential Report would be required which will provide Council and the Community with assurance around the process and the project.

Community Engagement

Council will need to engage with the Community in the first instance to determine whether they support spending $18 to $24m on a PAC and also whether they support it being constructed on the School site. It is critical that this Community engagement is undertaken immediately so that Council can provide a decision to DfE as soon as practical as to whether it wishes to continue discussions and be part of the design phase of this project.

Regional Implications

A PAC is expected to attract patrons from across the metropolitan area.

Economic Development Implications

A PAC is expected to increase economic activity within the Council area as patrons using the PAC may shop and eat in the area.

Financial Implications

The construction cost of the PAC would be an expense in the year of construction. There is no budget for this expense and no commitment by Council or the Community to fund it at this stage. If the Community, and ultimately Council, support the construction of the PAC, the construction cost would be funded from Council's existing cash balances.

Ongoing maintenance and operating costs would need to be included in future budgets which are yet to be determined.

Recommendation

That Council provide 'in-principle' support for the establishment of a Performing Arts Centre on the site of the Morialta Secondary College, subject to:

- **Community support (to be determined through a Community consultation process)**
- **a satisfactory agreement being reached between Council and the Department for Education to meet Council's needs, and**
- **a Prudential Report supporting the proposed development.**