

minutes

Joondalup Performing Arts and Cultural Facility Steering Committee

MEETING HELD ON **WEDNESDAY, 20 FEBRUARY 2013**

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CITY OF JOONDALUP

MINUTES OF THE JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY STEERING COMMITTEE MEETING HELD IN CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON WEDNESDAY, 20 FEBRUARY 2013.

ATTENDANCE

Committee Members:

Cr Kerry Hollywood	
Cr John Chester	
Cr Russ Fishwick, JP	<i>from 5.36pm</i>
Cr Liam Gobbert	<i>until 6.38pm</i>
Cr Tom McLean, JP	
Mr Alastair Bryant	Specialist Expertise
Mr Brett Dorney (<i>Deputy Member</i>)	Executive Director Strategic Planning, West Coast Institute of Training
Ms Christine Evans	President, Endeavour Theatre Company
Mr Scott Henderson	Vice President (Corporate), Edith Cowan University
Mr Garry Hunt	Chief Executive Officer, City of Joondalup

Officers:

Mr Jamie Parry	Director Governance and Strategy	<i>until 5.40pm</i>
Mr Blignault Olivier	Manager City Projects	
Mr Brad Sillence	Manager Governance	<i>absent from 6.43pm to 6.47pm</i>
Mr John Byrne	Governance Coordinator	
Mr Scott Collins	Senior Projects Officer	<i>from 5.42pm</i>
Mrs Deborah Gouges	Governance Officer	

Guests:

Mr Michael Chappell	Pracsys	<i>from 5.42pm</i>
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DECLARATION OF OPENING

In the absence of an elected Presiding Member and in accordance with authorisation from the Chief Executive Officer, the Director Governance and Strategy acted as Presiding Member and declared the meeting open at 5.35pm.

Cr Russ Fishwick, JP entered the room, the time being 5.36pm.

ELECTION OF PRESIDING MEMBER

Section 5.12 of the *Local Government Act 1995* requires a committee appointed by a local government to appoint a Presiding Member as the first item of business at its first meeting. Schedule 2.3 of the Act requires the Chief Executive Officer to preside. As the Chief Executive Officer is a committee member, the Director Governance and Strategy was authorised to preside at the meeting until the office of Presiding Member was filled.

The Director Governance and Strategy sought nominations for the position of Presiding Member.

Nominations for the position of Presiding Member were given to the Director Governance and Strategy in writing.

Cr Gobbert nominated Cr Hollywood for the position of Presiding Member. Cr Hollywood accepted the nomination.

There being no further nominations, Cr Hollywood was declared elected unopposed to the position of Presiding Member and assumed the Chair at 5.38pm.

ELECTION OF DEPUTY PRESIDING MEMBER

Cr Hollywood sought nominations for the position of Deputy Presiding Member.

Nominations for the position of Deputy Presiding Member were given to the Presiding Member in writing.

Cr Hollywood nominated Cr McLean for the position of Deputy Presiding Member. Cr McLean accepted the nomination.

There being no further nominations, Cr McLean was declared elected unopposed to the position of Deputy Presiding Member.

Director Governance and Strategy left the Room, the time being 5.40pm.

APOLOGIES/LEAVE OF ABSENCE

Apologies

Mr Russell Coad
Mr Nigel D'Cruz
Superintendent Scott Higgins
Mr Brian Yearwood

Leave of Absence

Cr Philippa Taylor

CONFIRMATION OF MINUTES

MINUTES OF THE JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY STEERING COMMITTEE MEETING HELD ON 15 SEPTEMBER 2011

MOVED Cr Fishwick, SECONDED Cr McLean that the minutes of the meeting of the Joondalup Performing Arts and Cultural Facility Steering Committee held on 15 September 2011 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (10/0)

In favour of the Motion: Crs Hollywood, Chester, Fishwick, Gobbert and McLean, Mr Bryant, Mr Dorney, Ms Evans, Mr Henderson and Mr Hunt.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

In accordance with Clause 76 of the City's *Standing Orders Local Law 2005*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

The Senior Projects Officer and Mr Michael Chappell entered the Room, the time being 5.42pm.

REPORTS

ITEM 1 JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY - PROJECT STATUS REPORT

WARD	North
RESPONSIBLE DIRECTOR	Mr Garry Hunt Chief Executive Officer
FILE NUMBER	75577, 101515
ATTACHMENTS	Attachment 1 Market Analysis and Feasibility Study <i>(Please Note: This Attachment is confidential and will appear in the official Minute Book only)</i> Attachment 2 Consultation Plan Attachment 3 Artist impressions Attachment 4 Project Program
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For Council to consider the results of the market analysis and feasibility study, including design description and the options available for progressing the project. An update on the proposed Jinan Garden is also provided for information.

EXECUTIVE SUMMARY

In March 2012 the City engaged consultants, Pracsys, to undertake a market analysis and feasibility study for the Joondalup Performing Arts and Cultural Facility (JPACF).

The study covers the following key topics:

- Demand and supply analysis with gap analysis (latent and unmet demand for activities and facilities).
- Accommodation schedule and detailed development concept description.
- Operations management and description of the proposed facility.
- Documented business analysis framework and financial analysis.

The final report was delivered to the City in November 2012 (Attachment 1 refers).

An interim status report on the market analysis and feasibility study was presented to Elected Members at the Strategy Session held on 4 September 2012 and the final Market Analysis and Feasibility Study was presented to Elected Members on 27 November 2012. External members of the JPACF- Steering Committee were briefed on the results of the study at a series of informal meetings held during December 2012.

Following a review of the market analysis and feasibility study by City officers, a project program, including tasks and milestones, has been developed to progress the project. The project program, including proposed tasks, is discussed later in this report.

It is recommended that Council:

- 1 *NOTES the Joondalup Performing Arts and Cultural Facility Project Status Report, including the Market Analysis and Feasibility Study as detailed in Attachment 1 to this Report;*
- 2 *SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility project in accordance with the project program as detailed in Attachment 4 to this Report, including the following tasks:*
 - 2.1 *Further investigations into alternative facility design options;*
 - 2.2 *Undertake a Social Impact Assessment of the Joondalup Performing Arts and Cultural Facility;*
 - 2.3 *Further investigations of potential capital funding sources for the construction of the Joondalup Performing Arts and Cultural Facility;*
 - 2.4 *Further investigation of processes towards developing a concept design for the facility.*

BACKGROUND

At its meeting held on 22 June 2010 (CJ103-06/20 refers), Council established the JPACF-Steering Committee and endorsed the Project Philosophy and Parameters for the JPACF which articulated the philosophy/vision for the facility as:

- the provision of a world class, state of the art facility; incorporating innovative and sustainable design, symbiotic with the existing natural and built environment
- a place for the pursuit of activities such as:
 - performing arts
 - visual arts and crafts
 - film and media
 - cultural events
- able to host a mixture of commercial and community activities

- the creation of an inclusive environment – a place to celebrate imagination and creativity
- inspiring individuals and the community to participate in culture and the arts
- reinforcing the Joondalup City Centre as the creative and education centre of the northern corridor.

Further, Council endorsed the following Terms of Reference for the JPACF-Steering Committee at its meeting held on 21 September 2010 (CJ150-09/10 refers):

- To provide advice and make recommendations to Council on:
 - the architectural design elements to be incorporated into the Joondalup Performing Arts and Cultural Facility
 - the core components to be included in the Joondalup Performing Arts and Cultural Facility
 - the capacity of the design features to be included in the Joondalup Performing Arts and Cultural Facility
 - the options for the ongoing management and utilisation of the Joondalup Performing Arts and Cultural Facility.
- The authority to form a reference or working group (as deemed appropriate) to assist with the implementation of the required tasks.

At its meeting held on 11 October 2011 (CJ200-10/11 refers), at the recommendation of the JPACF-Steering Committee, Council agreed, in part, to support:

“the undertaking of future market analysis involving comprehensive research into:

- *Market analysis of stakeholder requirements and potential users of facilities for the performing arts events and visual arts;*
- *Events and visual arts activities;*
- *Consumer preferences;*
- *Economic impact studies and economic modelling;*
- *Management and operational modelling;*
- *Funding and financial models; and*
- *Social and community impact studies.”*

In March 2012, in accordance with the City’s procurement processes, consultants Pracsys were engaged by the City to undertake a market analysis and feasibility study for the JPACF.

DETAILS

The City engaged Pracsys to conduct a market analysis and feasibility study for the proposed JPACF. The JPACF will represent an on-going cost to the City if it is built; however it will significantly improve the City’s cultural life and urban development.

The research undertaken for the market analysis and feasibility study indicates there is currently a significant under provision of performing arts and cultural facilities within the northern corridor.

As part of the study extensive demand modelling was undertaken based on Australian Bureau of Statistics (ABS) surveys of culture and arts participation and attendance, and population projections. These tools were used to develop a model that estimates the level of cultural activity that could be expected of a Western Australian population of the size and demographic profile of the primary catchment area (defined as the Cities of Joondalup and Wanneroo).

The ABS culture and arts participation and attendance survey data indicated that people within the primary catchment area were involved, or would like to be involved, in significantly more activities than the estimation model suggested. This indicates local residents are either travelling outside of the primary catchment area for their cultural pursuits or the activity is not occurring at all.

Extensive consultation was also undertaken as part of the market analysis (Attachment 2 refers). This consultation included Western Australian cultural organisations and art producers, local cultural organisations within the City, the existing school-based performing arts centres in the area, existing conference and function venues and the Perth Convention Bureau.

The results of the consultation reinforced the suggestion that there is a lack of facilities within the City and the north west metropolitan region. Evidence exists that local groups travel considerable distances to access suitable facilities for performances and the like. A significant number of respondents consulted indicated their support for the development of a purpose-built performing arts centre, with a large primary performance space.

Based on the results of the market analysis a model program of events was developed connecting the results with the facility design. The model program is typical of programs run by existing facilities similar to that proposed for the JPACF. A detailed design description was also developed, informed by the model program and the market analysis. The design description outlined in the study allows for considerable community cultural activity and activation and differs to that of a traditional performing arts facility. For the purposes of the study the design is referred to as an "Art Box". Artistic impressions of what an Art Box design could look like on the development site have been prepared (Attachment 3 refers).

While an exact accommodation schedule is yet to be confirmed, the Art Box design proposed in response to the market analysis contains the following spaces:

- A lyric theatre of 850 seats, including a fly tower, of the highest mechanical standard, lighting and acoustic specifications.
- A 200 seat black box theatre to accommodate a variety of non-traditional theatre stagings and performances.
- A range of rehearsal spaces that could also serve as places for small performances and general community activities.
- Theatre support spaces such as box office, green room, make up and change areas, backstage workshops and storage.
- A foyer to serve both theatres that could also function as a reception and exhibition space.
- A dedicated art gallery.
- Spaces for the practice of fine art and crafts.

- Curatorial storage.
- Bar and catering facilities (the proximity to the West Coast Institute of Training Hospitality School should be factored into this activity).
- Offices and managerial spaces.
- An undercroft car park to cater for staff, and patrons of the JPACF and day-time public parking.

The proposed accommodation schedule addresses the demand identified through the market analysis and defines the primary purpose of the JPACF as being the delivery of a wide range of performance activities including drama, dance and music and the provision of visual arts spaces. The proposed facility would also accommodate secondary functions such as conferences and civic receptions adding to its financial viability. In addition, the consideration of additional (multi-level) car-parking and commercial office space may assist with the financial viability of the facility.

The capital cost for the "Art Box" facility described above is in the vicinity of \$78 million. This figure would increase to approximately \$100.5 million with the inclusion of additional car parking and commercial office space.

For the purposes of analysing the financial feasibility of the Art Box design, a management model whereby the JPACF is run as a division/department of the City was used. However, this model is one of a number of potential management models that have varying degrees of autonomy from the City.

In addition to the capital cost, it has been estimated that the JPACF will require an ongoing operating contribution from the City. The feasibility analysis estimates this contribution to be approximately \$496,000 per annum after reaching projected operational capacity. Further rigorous analysis of the ongoing operating contribution and the financing costs associated with the City's contribution to constructing the facility is required. However, this analysis is dependent on the design and management options under consideration by Council.

Given the substantial financial implications to the City of constructing the JPACF and the potential on-going financial contribution, as part of the feasibility study, further research was conducted that investigated options for reducing the capital cost of the facility while maintaining Council's philosophy and parameters for the development.

The construction of an Art Box design for the JPACF:

- allows for substantial community activity, in addition to professional performances in the two main spaces
- provides significant visual arts potential
- provides purpose built arts and crafts workshop and learning spaces that have the potential to improve community engagement.

An alternative to the Art Box design is the construction of a more traditional performing arts centre (traditional PAC) that would provide a greater focus on performing arts due to the absence of an art gallery, workshop and dedicated studio spaces, curatorial spaces and a reduction in the size of the conference and function spaces.

For comparison purposes an estimate of the capital cost of a traditional performing arts centre was made based on the provision of the following:

- 550 seat lyric theatre
- 200 seat flexible “black box” theatre
- front of house amenities (including foyer, bar/restaurant and ancillary spaces)
- back of house amenities (including dressing rooms, storage and ancillary spaces)
- rehearsal and function spaces
- management spaces
- undercroft parking.

The capital cost of a traditional PAC is estimated to be \$58.8 million.

The program for a traditional design would vary considerably in terms of diversity and scale from that proposed by the Art Box design. Given that the size of the main theatre would be smaller, a traditional PAC would be limited in the number of annual hires, particularly for local community groups thereby reducing the potential income stream.

Issues and options considered

It is clear from the results of the market analysis and feasibility study that there is a lack of facilities within the City and the north west metropolitan region. However, the construction and on-going operational costs will have significant financial implications to the City.

In considering proceeding with the development of a concept design for the JPACF, based on the information obtained through the market analysis and feasibility study, further investigation into the financial impact of the facility will need to be undertaken. The financial feasibility undertaken thus far focussed on the Art Box design. Substantial variations to this design, such as those considered in the traditional PAC will significantly impact on all financial aspects of the development; including capital cost, potential on-going City contribution, revenue, management costs and cost of finance.

These investigations, together with the identification of additional funding sources, will enable further recommendations to Council.

Further consideration of the benefits to the community of providing a comprehensive cultural and artistic program to residents and ratepayers should also be taken into account. The social impact of the provision of a facility such as the JPACF includes:

- personal and capital outcomes and practical outcomes associated with participation in arts and cultural activities
- personal confidence and self-esteem outcomes
- educational impacts
- local economic impact and regeneration
- health promotion
- increased social cohesion
- community development
- community empowerment

- social inclusion
- a sense of local identity
- improved community safety
- sustainable development.

It is considered appropriate that a social and economic impact study be undertaken as part of the next phase of the project.

A proposed project program has been prepared for consideration (Attachment 4 refers). The next tasks and milestones are summarised below:

- Further investigations into alternative facility design options.
- Undertake a Social Impact Assessment of the JPACF.
- Further investigations of potential capital funding sources for the construction of the JPACF.
- Consideration of options for the development of a concept design for the facility.

Jinan Garden

At its meeting held on 14 December 2010 (CJ217-12/10 refers), Council agreed to incorporate the Jinan Garden into the design of the JPACF. However, preliminary site investigations indicate that the JPACF site (Lot 1001 (3) Teakle Court) does not have the capacity to house both the JPACF and the Jinan Garden. In order to accurately review the design for the garden potential sites were investigated and an area of Central Park, adjacent to the JPACF site, was identified as a potential site for the Jinan Garden.

The design documentation prepared by the Jinan Municipal People's Government was reviewed by consultants Plan E and has been modified to suit the potential site and Western Australian conditions and statutory requirements. The City is currently undertaking a financial assessment of the revised design. Upon completion, financial assessment and proposed design will be presented to Council for consideration.

While the Jinan Garden is a development project in its own right, significant synergies exist between the proposed garden and the JPACF. Opportunities exist to integrate the access to both the garden and the JPACF into a cultural forecourt. It is therefore considered appropriate that the JPACF-Steering Committee has the opportunity to provide comment and feedback on the proposed location and design development of the Jinan Garden.

Legislation / Strategic Community Plan / policy implications

Legislation	The City is governed by the requirements of the <i>Local Government Act 1995</i> in relation to dealings involving commercial undertakings and land development.
Strategic Community Plan	
Key theme	Community Wellbeing.
Objective	Cultural development.

Strategic initiative Establish a significant cultural facility with the capacity to attract world-class visual and performing arts events.

Policy Not applicable.

Risk management considerations

A Risk Register for the JPACF is provided as part of the Market Analysis and Feasibility Study. A comprehensive Risk Management Assessment Report outlining the risks apparent to the project will be prepared and updated as the project progresses.

Financial/budget implications

The development of a Performing Arts and Cultural Facility will require a significant financial contribution towards the capital cost and a significant ongoing subsidy for the facility's operations.

Account no.	1-210-C1002
Budget Item	Joondalup Performing Arts and Cultural Facility
Budget amount	\$ 406,850
Amount spent to date	\$ 161,778
Proposed cost	\$ N/A
Balance	\$ 245,072

The budget allocated for 2012-13 is for the engagement of consultants and other costs to assist with site assessment, feasibility plans, design concepts and financial modelling.

All amounts quoted in this report are to be exclusive of GST.

Regional significance

The construction of the Joondalup Performing Arts and Cultural Facility will enhance the City Centre as the major commercial, educational, recreational and arts and culture centre for the northern corridor of the Perth metropolitan area.

Sustainability implications

It is anticipated that environmental sustainability implications will be considered during the preparation of a concept design for the facility.

The engagement of the general community and bodies representing the arts community in the design and development stage of the project will cultivate a sense of ownership over the facility. This sense of ownership will provide the impetus for the ongoing sustainability of the facility by ensuring maximum use by a wide variety of individuals and groups.

Consultation

A significant component of the Market Analysis and Feasibility Study undertaken by consultants Pracsys included consultation with Western Australian cultural organisations, arts producers, local cultural organisations, school based performing arts centres, existing conference/function venues and the Perth Convention Bureau.

The study also included data obtained by the City through consultation with local schools, Joondalup Learning Precinct institutions and the Department of Culture and the Arts.

Community consultation will also be undertaken in accordance with the City's public consultation policies and protocols as the project progresses.

COMMENT

The Market Analysis and Feasibility Study has indicated that a Performing Arts and Cultural Facility will require significant capital investment and an ongoing operational subsidy. There exists a potential risk of the City over-investing in a cash flow negative facility therefore further investigations should be undertaken into opportunities for capital cost reduction and additional revenue streams through detailed examination of alternative facility concept design options.

To completely understand the cultural, social and economic impacts of a performing arts and cultural facility on the City, a comprehensive Social Impact Assessment should be conducted once a concept design has been ascertained. This assessment would assist the City in determining the overall impact of the JPACF and if the facility will be an effective method of achieving its cultural aspirations.

A capital cost funding strategy should be developed to explore all opportunities for capital fund raising. The study would explore in detail the possibilities for funding a performing arts and cultural facility including identification of funding sources and recommendations to maximise funding from key stakeholders.

Investigations into options for the development of a facility concept design have commenced and require further research. Alternative methods of developing a facility concept design such as an architectural design competition would be explored.

VOTING REQUIREMENTS

Simple Majority.

Cr Gobbert left the Room, the time being 6.38pm.

The Manager Governance left the Room, the time being 6.43pm and returned at 6.47pm.

MOVED Cr Chester, SECONDED Cr Fishwick that Council:

- 1 NOTES the Joondalup Performing Arts and Cultural Facility Project Status Report, including the Market Analysis and Feasibility Study as detailed in Attachment 1 to this Report;**
- 2 SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project in accordance with the project program as detailed in Attachment 4 to this Report, including the following tasks:**
 - 2.1 Further investigations into alternative facility design options;**
 - 2.2 Undertake a Social Impact Assessment of the Joondalup Performing Arts and Cultural Facility;**
 - 2.3 Further investigations of potential capital funding sources for the construction of the Joondalup Performing Arts and Cultural Facility;**
 - 2.4 Further investigation of processes towards developing a concept design for the facility.**

The Motion was Put and

CARRIED (9/0)

In favour of the Motion: Crs Hollywood, Chester, Fishwick and McLean, Mr Bryant, Mr Dorney, Ms Evans, Mr Henderson and Mr Hunt.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnjpacf200213.pdf](#)

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the Meeting closed at 6.50pm; the following Committee Members being present at that time:

Cr Kerry Hollywood
Cr John Chester
Cr Russ Fishwick, JP
Cr Tom McLean, JP
Mr Alastair Bryant
Mr Brett Dorney
Ms Christine Evans
Mr Scott Henderson
Mr Garry Hunt