

# minutes

## Joondalup Performing Arts and Cultural Facility Steering Committee

MEETING HELD ON **WEDNESDAY 24 JUNE 2015 AND  
WEDNESDAY 22 JULY 2015**

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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 24 JUNE 2015 AND WEDNESDAY 22 JULY 2015.

#### ATTENDANCE

##### Committee Members:

Cr Kerry Hollywood	North Ward	<i>Presiding Member</i>
Cr Liam Gobbert	Central Ward	
Cr Tom McLean, JP	North Ward	<i>Deputy Presiding Member</i>
Cr Sam Thomas	North-Central Ward	
Cr John Chester	South-East Ward	
Cr Mike Norman	South-West Ward	
Cr Russ Fishwick, JP	South Ward	
Mr Garry Hunt	Chief Executive Officer, City of Joondalup	
Mr Brian Yearwood	Director Facilities and Services, Edith Cowan University – <i>deputising for Mr Scott Henderson</i>	
Mr Russell Coad	General Manager Training and Business Services, West Coast Institute	
Ms Barbara Brown	Executive Manager, Quality Assurance and Curriculum Support Unit, WA Police Academy – <i>deputising for Superintendent Alan Morton</i>	
Mr Alastair Bryant	Expert Specialist	
Ms Sharon Joseph	President, Joondalup Encore Theatre Society	
Ms Christine Evans	President, Endeavour Theatre Company	
Mr Bill Robinson	President, Joondalup Community Arts Association	

##### Officers:

Mr Blignault Olivier	Manager City Projects
Mr Scott Collins	Senior Projects Officer
Mr Brad Sillence	Manager Governance
Mr Allan Ellingham	Senior Financial Analyst

##### Guests:

Mr A Lilleyman	Project Architect – ARM Architecture
Ms J Watson	Project Architect – ARM Architecture
Mr R Mollett	Project Architectural Advisor

#### DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.05pm.

## **DECLARATIONS OF INTEREST**

Nil.

## **APOLOGIES/LEAVE OF ABSENCE**

### **Apologies**

Mr Scott Henderson.  
Superintendent Alan Morton.

### **Leave of Absence previously approved**

Cr Brian Corr	26 May to 26 June 2015 inclusive.
Cr Liam Gobbert	23 June to 25 June 2015 inclusive.
Cr Sam Thomas	4 July to 8 July 2015 inclusive.
Cr Geoff Amphlett, JP	15 July to 20 July 2015 inclusive.
Cr Liam Gobbert	24 July to 29 July 2015 inclusive.
Cr Mike Norman	22 July to 9 August 2015 inclusive.

## **CONFIRMATION OF MINUTES**

### **MINUTES OF THE JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY STEERING COMMITTEE MEETING HELD ON 12 MARCH 2015**

**MOVED Cr Fishwick, SECONDED Cr McLean that the minutes of the meeting of the Joondalup Performing Arts and Cultural Facility Steering Committee held on 12 March 2015 be confirmed as a true and correct record.**

**The Motion was Put and**

**CARRIED (15/0)**

**In favour of the Motion:** Crs Hollywood, Chester, Fishwick, Gobbert, McLean, Norman and Thomas, Ms Brown, Mr Bryant, Mr Coad, Ms Evans, Mr Hunt, Ms Joseph, Mr Robinson and Mr Yearwood.

## **ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

Nil.

## **IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**

In accordance with Clause 5.2 of the *City's Meeting Procedures Local Law 2013*, this meeting was not open to the public.

## **PETITIONS AND DEPUTATIONS**

Nil.

**REPORTS**

**ITEM 1 JOONDALUP PERFORMING ARTS AND  
CULTURAL FACILITY – PROGRESS REPORT**

<b>WARD</b>	North
<b>RESPONSIBLE DIRECTOR</b>	Mr Garry Hunt Office of the CEO
<b>FILE NUMBER</b>	75577, 101515
<b>ATTACHMENTS</b>	Attachment 1 Project Program Attachment 2 National Stronger Regions Fund Assessment Criteria Guidelines
<b>AUTHORITY / DISCRETION</b>	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

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**PURPOSE**

To update Council on the progress of the Joondalup Performing Arts and Cultural Facility (JPACF) project, particularly details of the conceptual design review and the associated business case.

**EXECUTIVE SUMMARY**

The JPACF Steering Committee met on 12 March 2015 to consider a progress report on the JPACF project. At that meeting ARM Architecture presented an update on the design review process. The JPACF Steering Committee noted the project progress and the presentation by ARM Architecture and requested the Chief Executive Officer to provide a further report on the following design issues:

- Traffic treatments and modelling around the facility.
- Designated use and location of the art gallery.
- Seating capacity of the main auditorium.
- Treatment and considerations of the external plant and infrastructure adjoining the facility.
- Treatment and visual presence of the eastern facade adjacent to West Coast Institute.

These issues have now been investigated and details are provided in this Report.

There are several options for the progression of the design development of the JPACF project. In order to address the concept design in greater detail the project will need to progress to a 'schematic design' stage. This is discussed in detail in this Report.

Also, in accordance with the Project Program (Attachment 1 refers) the project team has been progressively preparing a business case based on the current conceptual design. The business case is suitable for the requirements of the National Stronger Regions Fund (NSRF) which is a Federal Government competitive program to fund infrastructure in local communities. Under the program grants of up to \$10 million are available for projects. Details of the assessment criteria for the NSRF are attached (Attachment 2 refers). As outlined in the JPACF Progress Report, considered by the JPACF Steering Committee on 12 March 2015, the City intends to present a grant application to the National Stronger Regions Fund by the closing date of 31 July 2015.

*It is therefore recommended that Council:*

- 1 *NOTES the details of the design review of the Joondalup Performing Arts and Cultural Facility Project as detailed in this Report;*
- 2 *SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project to a schematic design stage as outlined in this Report, in accordance with the indicative project program as detailed in Attachment 1 to this Report;*
- 3 *REQUESTS the Chief Executive Officer to provide a further report to the Joondalup Performing Arts and Cultural Facility Steering Committee outlining a strategy and costings for the schematic design stage of the project;*
- 4 *NOTES the summary of the Joondalup Performing Arts and Cultural Facility Business Case as presented in this Report and NOTES the Chief Executive Officer will submit a grant application to the Federal Government's National Stronger Regions Fund.*

## **BACKGROUND**

At its meeting held on 20 February 2013 the JPACF Steering Committee recommended that Council notes the JPACF Market Analysis and Feasibility Study and supports the progression of the JPACF project.

It was identified that one of the key stages of the JPACF project was the progression of a concept design for the facility based on the "Art Box" model as outlined in the JPACF Market Analysis and Feasibility Study.

At its meeting held on 19 March 2013 (CJ040-03/13 refers) it was agreed in part that Council:

- "1 APPROVES the "Art Box" as the preferred model for the basis of an architectural design competition for the development of a refined conceptual design for the Joondalup Performing Arts and Cultural Facility;*
- 2 AUTHORISES the Chief Executive Officer to initiate an architectural design competition for the development of a refined conceptual design for the Joondalup Performing Arts and Cultural Facility."*

The City commenced a two stage architectural design competition through an Expression of Interest process in April 2013.

At its meeting held on 15 April 2014 (CJ060-04/14 and CJ061-04/14 refer) Council considered two reports relating to the JPACF project progress and the Architectural Design Competition and resolved in part:

*“That Council:*

- 2 *SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project in accordance with the project program as detailed in Attachment 2 to Report CJ060-04/14, including the undertaking of a social impact assessment of the Joondalup Performing Arts and Cultural Facility;*
- 4 *NOTES the Chief Executive Officer will establish a Design Working Group and appoint members to the group to assist the City with the development of the conceptual design for the Joondalup Performing Arts and Cultural Facility.”*

And:

*“That Council:*

- 1 *ENDORSES Ashton Raggatt McDougall Pty Ltd T/A ARM Architecture as the winner of the Joondalup Performing Arts and Cultural Facility Architectural Design Competition;*
- 2 *AUTHORISES the Chief Executive Officer to enter into negotiations with Ashton Raggatt McDougall Pty Ltd T/A ARM Architecture to determine the architectural fees and project program to get to a modified conceptual design as required to enable the project to progress.”*

At its meeting held on 12 March 2015 the JPACF Steering Committee considered the report entitled Joondalup Performing Arts and Cultural Facility – Progress Report. The report outlined the progress on the project including details of the design review of the concept design, funding strategy and business case. At this meeting the Project Architects – ARM Architecture, presented to the JPACF Steering Committee on the progress of the design review process. The JPACF Steering Committee resolved as follows:

*“That the Joondalup Performing Arts and Cultural Facility Steering Committee:*

- 1 *NOTES the progress of the Joondalup Performing Arts and Cultural Facility Project as detailed in this Report;*
- 2 *NOTES the presentation made by ARM Architecture;*
- 3 *REQUESTS the Chief Executive Officer provide a further report on the following:*
  - 3.1 *Traffic treatments and modelling around the facility;*
  - 3.2 *Designated use and location of the art gallery;*
  - 3.3 *Seating capacity of the main auditorium;*
  - 3.4 *Treatment and considerations of the external plant and infrastructure adjoining the facility;*

3.5 *Treatment and visual presence of the eastern facade adjacent to West Coast Institute.*”

## **DETAILS**

### Design Review

Since the last meeting of the JPACF Steering Committee the conceptual design has undergone a design review resulting in several issues being identified as follows:

- Traffic treatments and modelling around the facility.
- Designated use and location of the art gallery.
- Seating capacity of the main auditorium.
- Treatment and considerations of the external plant and infrastructure adjoining the facility.
- Treatment and visual presence of the eastern facade adjacent to West Coast Institute.

To appropriately address these issues the Design Working Group convened on several occasions to discuss the options. Furthermore, performing arts centre management consultant Mr Guy Boyce was re-engaged to provide comment on the issues.

Each of the identified issues are discussed below:

#### *Traffic*

Traffic modelling for the facility was addressed by traffic engineers AECOM with the preliminary findings presented to the JPACF Steering Committee at its meeting held on 12 March 2015. Since then AECOM have undertaken further work and have presented the City with a Traffic Impact Assessment report as summarised below:

- Generally the facility will not have a significant impact on the surrounding traffic network.
- Five traffic treatment options were presented for the intersection of Grand Boulevard to assist with handling the additional traffic associated with the JPACF:
  - Retaining the existing treatment of un-signalised left in / left out only.
  - Retaining the existing layout but allowing a right turn in movement
  - Providing an un-signalised junction catering for all movements.
  - Providing a signalised junction catering for all movements.
  - Providing a roundabout catering for all movements.
- Signalising the intersection of Teakle Court and Grand Boulevard to cater for all direction movements was identified by AECOM as the preferred option however the cost of implementation of this option is greater than other options (see indicative cost below).

It should be noted that the current capital cost for the JPACF facility does not include works external to the facility such as the bus and taxi drop-off bays and other traffic modifications as detailed in the Traffic Impact Assessment. Therefore an indicative estimate of costs for the abovementioned traffic treatment options was provided to the City by the project quantity surveyors – Donald Cant Watts Corke. The roundabout option was not costed as, in the opinion of the project architects, this would involve realigning Grand Boulevard which would encroach on adjoining private land resulting in significant costs.

	Fully Signalised	Retain Existing Layout	Right/Left In, Left Out	Full Movement, Give Way
Indicative Budget	\$826,482	\$226,734	\$409,584	\$533,922

It is not suggested at this stage that a particular traffic treatment option be identified to service the facility. It may be an option that the existing traffic layout is maintained for the facility and traffic conditions managed and monitored during events to gauge if there is any requirement for roadwork modifications.

Further traffic assessment work may still be required to determine the extent of the impact of the facility on the traffic network. Future design changes could potentially impact the capacity of the facility car park and impacts from future developments in the vicinity, such as the *Edith Cowan University Endowment Precinct Masterplan* may need to be accounted for.

#### *Art Gallery Location*

There are several factors to consider regarding the gallery, particularly the ultimate purpose and scale of the gallery and the location within the building.

The current location of the gallery is on level two in the south-western corner of the building. With a view of providing greater prominence as viewed from the forecourt and foyer areas of the building ARM Architecture provided an alternative location for the gallery on the ground floor adjacent to the foyer and restaurant/bar.

The two options are discussed below:

- 1 Location as per current concept plan
  - The gallery is located on Level 2, on the west side of the building overlooking Grand Boulevard. It is accessed independently via a foyer and lift on Grand Boulevard, and includes secondary access through the main foyer of the building during shared events.
  - The gallery is visible from the street, creating a destination and identity in its own right, separate from the entry to the theatre. For major exhibition opening, the location will help to activate the Grand Boulevard elevation with people and movement.
  - This location is suited to a more professional, commercial gallery, which would host the City of Joondalup collection and major travelling exhibitions. It could be closed off to create a climate-controlled

environment without impacting the rest of the building. Feasibility studies suggest major exhibitions could attract patrons who would otherwise not visit the JPACF, which would activate the main facility.

## 2 Alternative location

- The gallery is located on ground level, on the north side of the building adjacent to the landscape forecourt, Central Park and Jinan Gardens. It is accessed independently via the forecourt, or through the main foyer of the building.
- In this location the gallery is directly accessed from the ground and main foyer, and would be visible from the park, making it attractive to pedestrian movement. This location would be suited to a community-focused gallery similar to the current Joondalup Art Gallery (formerly known as the blender Gallery). Art could be displayed in the window, and associated in-residence workshop and studio spaces would provide interest and activation to the facade.
- The gallery would also have a strong link with the community rooms above. Putting community art front-and-centre in the JPACF will create a feeling of ownership and foster interest in the arts.
- While this option will involve some reconfiguring of the car park layout, it is not expected to have a major impact on the total number of car bays.
- A gallery in this location could also be developed as a 'flexible' space where other commercial and community activities could occur when not being used for art exhibitions. The space could be adapted depending on future commercial and management arrangements.

With both of the above options, it is worth noting the role of the foyer space in hosting major community art exhibitions such as the Joondalup Invitation Art Awards.

### *Main Auditorium Capacity*

As discussed in the Progress Report considered by the JPACF Steering Committee at its meeting held on 12 March 2015 options for an increase to the capacity of the main auditorium have been investigated. The Design Working Group has investigated two options for expanding the capacity of the main auditorium from 850 seats to 1,000 seats.

Both options present various issues, particularly access to seating, reduction in legroom, loss of performance 'intimacy' and most noticeably, a significant impact on the capital cost of the facility.

Further consultant advice has been sought on the benefits of increasing the main auditorium and further research was undertaken into benchmark facility attendance numbers and projected attendance numbers for the JPACF. Advice indicates that the facility cannot assume any significant increase in either attendance or commercial hires as a result of increasing the capacity of the main auditorium.

The details of the three options for the capacity of the main auditorium are:

- 1 850 seats (Capacity as per current concept design)
  - The current layout is comprised of approximately 668 stalls plus 168 balcony seats. Curved rows and no intermediate aisles create an intimate space with good sightlines, suitable for both spoken-word theatre and music. Space between rows is comfortable at approximately one metre. The stalls are accessed from the Ground and Level 1 foyers, and the balcony accessed from the Level 2 foyer.
  
- 2 Increase to 1,000 seats (retains a single balcony)
  - The current layout can be increased to comprise approximately 725 stalls plus 275 balcony seats. Seats are added to the back of the stalls, and the space between rows is slightly compressed to 950 millimetres to maintain intimacy. Maintaining one metre between rows is possible if comfort is a priority over intimacy, as with many modern venues. Seats are also added to the front and sides of the balcony, increasing the overlap.
  - The stalls are accessed from the Ground Level and Level 1 foyers, and the balcony accessed from the Level 2 foyer. The roof of the auditorium box is raised from the current configuration which would affect the current profile of the roof. The design concept allows the functional spaces of the facility to be easily adapted to suit a change in height of the main auditorium.
  - The additional capital cost of this option is estimated at \$5.4 million - \$7.5 million (current at 2015).
  
- 3 Increase to 1,000 seats (Double Balcony)
  - This option comprises approximately 520 stalls plus 240 balcony seats on the first balcony and an additional 240 balcony seats on the second balcony. Seats are taken from the back of the stalls, making the auditorium box about six metres shorter and increasing the intimacy and sightlines.
  - The stalls are accessed from the Ground Level foyer only, the first balcony accessed from Level 1 foyer, and the second balcony accessed from the Level 2 foyer. The roof of the auditorium box is raised by three metres.
  - The additional capital cost of this option is estimated at \$6.8 million - \$9.3 million (current at 2015).

*Architectural treatment of the forecourt area and eastern facade*

Consideration of architectural treatment of existing infrastructure external to the site and the impact of the JPACF on adjoining buildings have been explored by the Design Working Group. Advice from the project Architectural Advisor is that work on these types of design issues are usually undertaken during the detailed design phase of the project.

The existing services building (pumproom / Western Power substation) on Grand Boulevard sits at the western end of the landscape forecourt and cannot be practically removed or relocated. In the JPACF concept design, the services building is integrated into the landscape forecourt, by demolishing the existing shell of the building and redesigning a new shell around the services. Existing ground levels and contours will help to reduce the visible height of the building.

Re-cladding treatment could include:

- a green roof/wall building, integrated as a landscape feature
- art billboards/display structure which might include events like the Joondalup Inside-Out Billboard program
- incorporating the building into event infrastructure, such as an outdoor stage/performance venue.

These options will be refined further in the detailed design phase, following detailed services investigation and liaison with relevant authorities such as Western Power and Water Corporation.

The cost to develop the forecourt area, including architectural treatment of the existing services building and integration of the forecourt with the Jinan Gardens, was not included in the original cost estimate for the JPACF therefore the project quantity surveyor was engaged to provide costings. An indicative estimate of the costs to develop these areas is between \$1.3 million and \$1.7 million (current at 2015).

The eastern facade of the JPACF adjacent to the West Coast Institute (WCI) building is an important design element of the JPACF, screening the multi-level car parking behind. Material options might include perforated steel mesh or moulded concrete panelling integrated with the current concept design. Custom-made perforation patterns or fabrication techniques can be used to create 'art-wall' installations while providing for required ventilation.

The design will take into consideration the existing office windows and will explore the use of an access laneway between WCI and JPACF.

### Project Progression

Once the concept design for the facility has been confirmed the project can progress from the concept design phase to the detailed design phase. The first step in the detailed design phase is the 'schematic design' stage.

The schematic design stage involves the development of the design through more detailed planning of spaces within the facility and includes the development of section and elevation drawings. The overall parameters of the building will be confirmed and preliminary input from consultants and engineers will commence.

It should be noted that commencement of the schematic design stage of the project represents a significant milestone in the development of the JPACF and will also present significant financial costs. The estimated cost of undertaking the schematic design stage is approximately \$1.45 million. Progression to a schematic design stage will require the City to negotiate a contract for architectural services with the Architect.

Business Case

The JPACF Business Case provides detailed financial projections and option evaluations based on an assumed staffing structure and program of events derived from the 2012 Market Analysis and Feasibility Study and subsequent reviews. The business case demonstrates, as has previously been identified, that the facility will not generate an operating profit but will instead require a significant subsidy each year by the City. In fact investigations undertaken on comparable performing arts centres demonstrate that facilities of this type do not generate an operating profit and all require some level of subsidy from the owner.

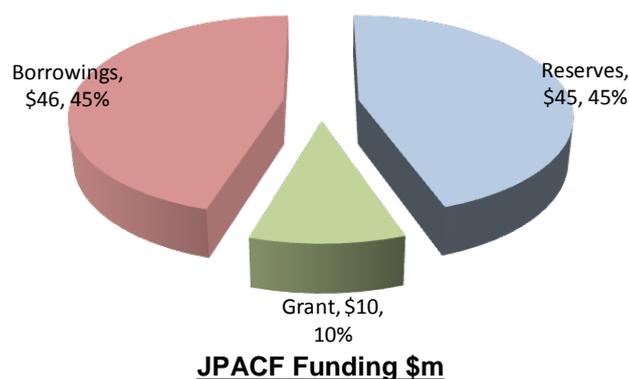
*Subsidy*

The table below summarises the subsidy that is projected for the JPACF, at Year 5 (2023-24) which is deemed to be the steady state. This indicates that the JPACF would require a subsidy of \$869,000 per year. The estimated subsidy of \$869,000 is comparable with facilities of a similar size and catchment area, however there are risks with the estimated \$869,000 subsidy. The majority of the expenses are fixed, but the majority of the income is uncertain. The JPACF management will need to maintain a diverse quality program to ensure the facility is well attended and the subsidy is reasonable.

Operating Income & Expenses (Year 5__2023-24, excluding inflation)	Income	Expenses	Difference	
	\$000s	\$000s	\$000s	%
1 Primary and Secondary Space	\$1,477	(\$1,106)	\$371	25%
2 Conferences & Exhibitions	\$195	(\$60)	\$134	69%
3 Studios (Craft, Drawing & Dance)	\$127	(\$33)	\$94	74%
4 Parking	\$344	(\$127)	\$217	63%
5 Food & Beverage	\$51	(\$36)	\$15	30%
6 Leases: Commercial / Restaurant	\$90		\$90	100%
7 Sponsorship	\$100		\$100	100%
8 Staffing, Marketing, Admin		(\$1,112)	(\$1,112)	
9 Building Costs & Utilities		(\$779)	(\$779)	
<b>Total Subsidy</b>	<b>\$2,384</b>	<b>(\$3,253)</b>	<b>(\$869)</b>	<b>-36%</b>

*Capital Funding*

The capital funding for the facility would derive from City of Reserves, Grant (if application to National Stronger Regions Fund is successful) and borrowings. The borrowings would be repaid with future proceeds from the sale of land holdings, where possible. The chart below indicates the funding sources (escalated values – assuming a \$10 million NSRF grant).



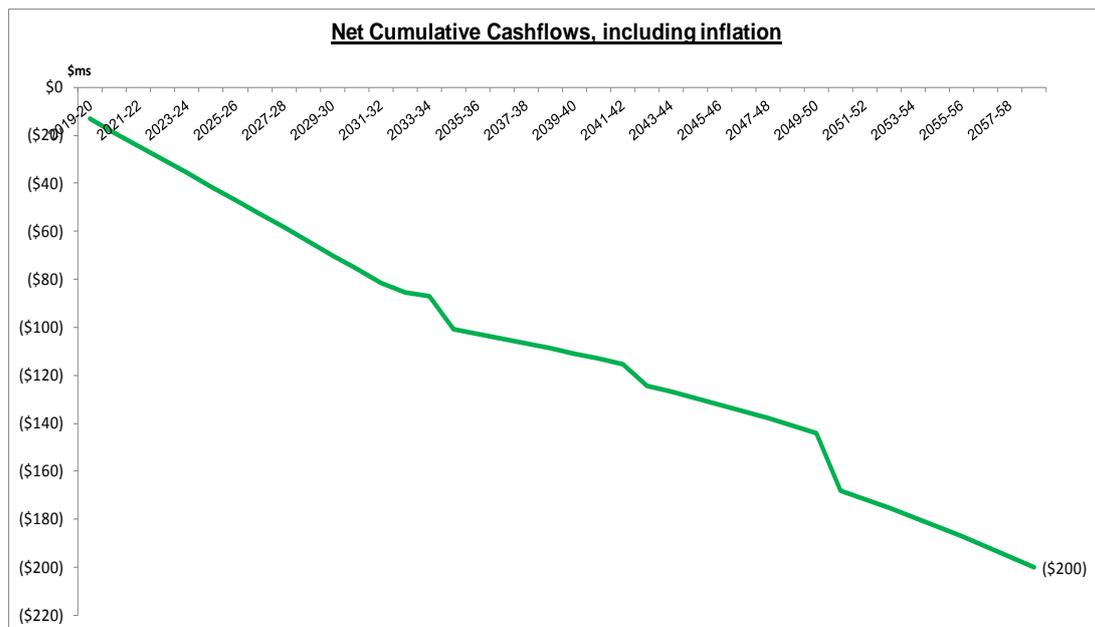
*Cumulative Cash flows*

The cash flows for the JPACF are evaluated over a 45 year period (from 2014-15 to 2058-59) which includes the five years to plan/design/construct/facility and 40 years of operation. The 45 year timeframe is necessary to ensure that the long-term implications of the JPACF are fully considered, and ensures that some of the capital renewal expenditure can be included in the evaluation.

The cumulative cash flows for the JPACF reach approximately \$200 million by 2058-59. This is a significant commitment for the City of Joondalup and its ratepayers:

- The one-off capital cost per ratepayer would equate to \$1,484.
- The annual subsidy per ratepayer is \$13.73.

Furthermore for each attendee at the venue, there would be a subsidy equivalent to \$6.41 paid by each ratepayer each year. The loan repayments are completed by 2034-35, with the reductions thereafter being the operating subsidy. Additionally, the projections also include estimated costs of capital renewal, with approximately \$15 million of capital requiring replacement by 2058-59. The graph below shows the cumulative cash flows including inflation:



*National Stronger Regions Fund*

The NSRF is a Federal Government program providing funding of \$1 billion over five years to fund priority infrastructure that promotes ongoing economic development, supports disadvantaged regions or areas of disadvantage within a region and are sustainable into the future. Facilitated by Regional Development Australia, grants of up to \$10 million are available for projects. Round one of the NSRF closed in November 2014. Round Two opened on 1 May 2015 and closes 31 July 2015.

Projects of a similar nature to the JPACF have previously been successful in obtained funding through the NSRF. Casey City Council (40 kilometres south-east of Melbourne) was recently successful in their round one funding application, receiving \$10 million toward a proposed \$55 million regional community arts centre consisting of a theatre, studio space, function centre and regional art gallery.

The City intends to submit an application for a \$10 million grant towards the capital costs for the JPACF.

### Issues and options considered

Not applicable.

### Legislation / Strategic Community Plan / policy implications

**Legislation** The City is governed by the requirements of the *Local Government Act 1995* 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 a world-class visual and performing arts events.

**Policy** Not applicable.

### Risk management considerations

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

#### Current financial year impact

<b>Account no.</b>	1-210-C1002
<b>Budget Item</b>	Joondalup Performing Arts and Cultural Facility
<b>Budget amount</b>	\$905,485
<b>Amount spent to date</b>	\$145,947
<b>Proposed cost</b>	N/A
<b>Balance</b>	\$759,538

The budget allocated for 2014-15 is for the engagement of consultants and other costs to assist with site assessment, feasibility plans, design development and commencement of a business case.

#### Future financial year impact

The development of the JPACF will require a significant financial contribution towards the capital cost and a significant ongoing annual subsidy for the facility's operations. Investigations have indicated that ongoing annual operating subsidies for comparable facilities in Australia are in excess of \$1 million. Future financial year impacts will be the subject of further investigations into the design and management structure of the facility.

An estimated capital cost of \$94 million is included within the adopted *20 Year Strategic Financial Plan 2013-2014 to 2032-2033*. The capital cost of \$94 million is derived from the cost estimate for the current conceptual design for the facility as costed by a quantity surveyor and excludes escalation beyond 2013. The cost includes the estimated cost to develop the Jinan Gardens (also costed by a quantity surveyor in 2013) and other project planning and sundry development costs.

It should be noted that the estimated capital costs of \$94 million excludes:

1. traffic modifications
2. works to the forecourt area and integration of the JPACF with Jinan Gardens and Central Park
3. architectural treatment to the existing services building in the current Central Park car park.

Costings for these items are discussed in this Report and are subject to future decisions on design and project scope.

A review of the *20 Year Strategic Financial Plan (2014-2015 to 2033-2034)* is currently in progress. The review will incorporate the latest costings based on the refined conceptual design for the facility.

**20 Year Strategic Financial Plan impact** \$94 million.

**Impact year** 2018-19

All amounts quoted in this Report are 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 detailed environmental sustainability implications will be considered during concept design development and during the preparation of a detailed 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**

During the Architectural Design Competition, ratepayers, residents and the broader community were given the opportunity to view the four conceptual design submissions and vote on their favourite design. More recently the City has consulted with performing arts facility managers and state government officers and it is expected that further community consultation will be undertaken as the project progresses.

## **COMMENT**

The JPACF project has been reviewed and expert opinion has been gained on design issues, management options, event programming and operational costs for the facility. The business case for the facility is now well resolved and is considered to be appropriately robust for the purpose of the National Stronger Regions Fund grant applications.

It is proposed that representatives from ARM Architecture and the project Architectural Advisor will attend the meeting of the Joondalup Performing Arts and Cultural Facility Steering Committee to outline the details of the design review and to respond to any questions members may have.

## **VOTING REQUIREMENTS**

Simple Majority.

## **OFFICER'S RECOMMENDATION**

That Council:

- 1 NOTES the details of the design review of the Joondalup Performing Arts and Cultural Facility Project as detailed in this Report;
- 2 SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project to a schematic design stage as outlined in this Report, in accordance with the indicative project program as detailed in Attachment 1 to this Report;
- 3 REQUESTS the Chief Executive Officer to provide a further report to the Joondalup Performing Arts and Cultural Facility Steering Committee outlining a strategy and costings for the schematic design stage of the project;
- 4 NOTES the summary of the Joondalup Performing Arts and Cultural Facility Business Case as presented in this Report and NOTES the Chief Executive Officer will submit a grant application to the Federal Government's National Stronger Regions Fund.

**MOVED Cr Chester, SECONDED Cr Norman that Council:**

- 1 NOTES the details of the design review of the Joondalup Performing Arts and Cultural Facility Project as detailed in this Report and as presented to the Joondalup Performing Arts and Cultural Facility Steering Committee;**
- 2 SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project to a schematic design stage as outlined in this Report, in accordance with the indicative project program as detailed in Attachment 1 to this Report;**
- 3 REQUESTS the Chief Executive Officer to provide a further report to the Joondalup Performing Arts and Cultural Facility Steering Committee outlining a strategy and costings for the schematic design stage of the project;**
- 4 NOTES the summary of the Joondalup Performing Arts and Cultural Facility Business Case as presented in this Report and NOTES the Chief Executive Officer will submit a grant application to the Federal Government's National Stronger Regions Fund.**

**The Motion was Put and**

**CARRIED (15/0)**

**In favour of the Motion:** Crs Hollywood, Chester, Fishwick, Gobbert, McLean, Norman and Thomas, Ms Brown, Mr Bryant, Mr Coad, Ms Evans, Mr Hunt, Ms Joseph, Mr Robinson and Mr Yearwood.

*Appendix 1 refers*

*To access this attachment on electronic document, click here:*

[Attach1agnipacf240615.pdf](#)

**PROCEDURAL MOTION – THAT THE MEETING BE ADJOURNED – [08122],  
[02154]**

**MOVED Mr Hunt, SECONDED Cr Norman that the meeting be ADJOURNED and RECONVENED on an appropriate day and time as determined by the Presiding Member to allow a further report to be presented to the Joondalup Performing Arts and Cultural Facility Steering Committee.**

**The Procedural Motion was Put and**

**CARRIED (15/0)**

**In favour of the Procedural Motion:** Crs Hollywood, Chester, Fishwick, Gobbert, McLean, Norman and Thomas, Ms Brown, Mr Bryant, Mr Coad, Ms Evans, Mr Hunt, Ms Joseph, Mr Robinson and Mr Yearwood.

The meeting **ADJOURNED** at 7.20pm on Wednesday 24 June 2015 with the following committee members being present at that time:

Cr Kerry Hollywood  
Cr John Chester  
Cr Russ Fishwick, JP  
Cr Liam Gobbert  
Cr Tom McLean, JP  
Cr Mike Norman  
Cr Sam Thomas  
Ms Barbara Brown  
Mr Alastair Bryant  
Mr Russell Coad  
Ms Christine Evans  
Mr Garry Hunt  
Ms Sharon Joseph  
Mr Bill Robinson  
Mr Brian Yearwood

## **RESUMPTION OF MEETING**

The Presiding Member declared the **Joondalup Performing Arts and Cultural Facility Steering Committee** meeting that commenced on Wednesday 24 June 2015 **RESUMED** at 6.03pm on Wednesday 22 July 2015, the following persons being present:

### **ATTENDANCE**

#### **Committee Members:**

Cr Kerry Hollywood	North Ward	<i>Presiding Member</i>
Cr Tom McLean, JP	North Ward	<i>Deputy Presiding Member</i>
Cr John Chester	South-East Ward	
Cr Russ Fishwick, JP	South Ward	
Mr Garry Hunt	Chief Executive Officer, City of Joondalup	
Mr Brian Yearwood	Director Facilities and Services, Edith Cowan University – <i>deputising for Mr Scott Henderson</i>	
Mr Russell Coad	General Manager Training and Business Services, West Coast Institute	
Ms Barbara Brown	Executive Manager, Quality Assurance and Curriculum Support Unit, WA Police Academy – <i>deputising for Superintendent Alan Morton</i>	
Mr Alastair Bryant	Expert Specialist	
Ms Sharon Joseph	President, Joondalup Encore Theatre Society	
Ms Christine Evans	President, Endeavour Theatre Company	
Mr Bill Robinson	President, Joondalup Community Arts Association	

#### **Observer:**

Cmdr Tony Flack APM	Acting Commander, WA Police Academy
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#### **Officers:**

Mr Blignault Olivier	Manager City Projects
Mr Scott Collins	Senior Projects Officer
Mr Brad Sillence	Manager Governance
Mr Allan Ellingham	Senior Financial Analyst
Mrs Lesley Taylor	Governance Officer

#### **Apologies:**

Cr Liam Gobbert	
Cr Christine Hamilton-Prime	<i>Deputising for Cr Mike Norman</i>
Cr Sam Thomas	

## **ITEM 2 JOONDALUP PERFORMING ARTS AND CULTURAL FACILITY – BUSINESS CASE PROGRESS REPORT**

<b>WARD</b>	North
<b>RESPONSIBLE DIRECTOR</b>	Mr Garry Hunt Office of the CEO
<b>FILE NUMBER,</b>	75577, 101515
<b>ATTACHMENT</b>	Nil.
<b>AUTHORITY / DISCRETION</b>	Information – includes items provided to Council for information purposes only that do not require a decision of Council (that is for ‘noting’).

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### **PURPOSE**

For Council to note the progress of the draft business case for the Joondalup Performing Arts and Cultural Facility (JPACF).

### **EXECUTIVE SUMMARY**

At its meeting held on 24 June 2015 the Joondalup Performing Arts and Cultural Facility Steering Committee considered a progress report on the JPACF project. The report and accompanying presentation to the Steering Committee detailed the design review findings and also provided details on the progress of the business case for the facility. Upon considering the report and accompanying presentation, the Steering Committee adjourned the meeting to allow additional information on the business case to be presented at a later date.

This report provides information on the progression of the business case for the JPACF noting that the business case is still a work in progress and requires further refinement.

It is proposed that the business case, when finalised, will inform a grant application to the Federal Government’s National Stronger Regions Fund (NSRF). The submissions period for the NSRF closes on 31 July 2015.

*It is therefore recommended that Council NOTES the progress of the draft business case for the Joondalup Performing Arts and Cultural Facility.*

## BACKGROUND

At its meeting held on 20 February 2013 the Joondalup Performing Arts and Cultural Facility Steering Committee recommended that Council notes the JPACF Market Analysis and Feasibility Study and supports the progression of the JPACF project.

It was identified that one of the key stages of the JPACF project was the progression of a concept design for the facility based on the "Art Box" model as outlined in the JPACF Market Analysis and Feasibility Study.

At its meeting held on 19 March 2013 (CJ040-03/13 refers) it was agreed in part that Council:

- “1 APPROVES the “Art Box” as the preferred model for the basis of an architectural design competition for the development of a refined conceptual design for the Joondalup Performing Arts and Cultural Facility;
- 2 AUTHORIZES the Chief Executive Officer to initiate an architectural design competition for the development of a refined conceptual design for the Joondalup Performing Arts and Cultural Facility.”

The City commenced a two stage architectural design competition through an Expression of Interest process in April 2013.

At its meeting held on 15 April 2014 (CJ060-04/14 and CJ061-04/14 refer) Council considered two reports relating to the JPACF project progress and the Architectural Design Competition and resolved in part:

“That Council:

- SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project in accordance with the project program as detailed in Attachment 2 to Report CJ060-04/14, including the undertaking of a social impact assessment of the Joondalup Performing Arts and Cultural Facility;
- NOTES the Chief Executive Officer will establish a Design Working Group and appoint members to the group to assist the City with the development of the conceptual design for the Joondalup Performing Arts and Cultural Facility.”

And:

“That Council:

- ENDORSES Ashton Raggatt McDougall Pty Ltd T/A ARM Architecture as the winner of the Joondalup Performing Arts and Cultural Facility Architectural Design Competition;
- AUTHORIZES the Chief Executive Officer to enter into negotiations with Ashton Raggatt McDougall Pty Ltd T/A ARM Architecture to determine the architectural fees and project program to get to a modified conceptual design as required to enable the project to progress.”

At its meeting held on 12 March 2015 the JPACF Steering Committee considered the report entitled Joondalup Performing Arts and Cultural Facility – Progress Report. The report outlined the progress on the project including details of the design review of the concept design, funding strategy and business case. At this meeting the Project Architects – ARM Architecture, presented to the JPACF Steering Committee on the progress of the design review process. The JPACF Steering Committee resolved as follows:

*“That the Joondalup Performing Arts and Cultural Facility Steering Committee:*

- 1 *NOTES the progress of the Joondalup Performing Arts and Cultural Facility Project as detailed in this Report;*
- 2 *NOTES the presentation made by ARM Architecture;*
- 3 *REQUESTS the Chief Executive Officer provide a further report on the following:*
  - 3.1 *Traffic treatments and modelling around the facility;*
  - 3.2 *Designated use and location of the art gallery;*
  - 3.3 *Seating capacity of the main auditorium;*
  - 3.4 *Treatment and considerations of the external plant and infrastructure adjoining the facility;*
  - 3.5 *Treatment and visual presence of the eastern facade adjacent to West Coast Institute.*

At its meeting held on 24 June 2015 the JPACF Steering Committee considered the report entitled Joondalup Performing Arts and Cultural Facility – Progress Report. The report and accompanying presentation to the Steering Committee detailed the design review findings, funding strategy and progress of the business case based on the ARM Architecture design. Upon considering the report and presentation the Steering Committee recommended to Council that it:

- “1 *NOTES the details of the design review of the Joondalup Performing Arts and Cultural Facility Project as detailed in this Report and as presented at the Joondalup Performing Arts and Cultural Facility Steering Committee;*
- 2 *SUPPORTS progressing the Joondalup Performing Arts and Cultural Facility Project to a schematic design stage as outlined in this Report, in accordance with the indicative project program as detailed in Attachment 1 to this Report;*
- 3 *REQUESTS the Chief Executive Officer to provide a further report to the Joondalup Performing Arts and Cultural Facility Steering Committee outlining a strategy and costings for the schematic design stage of the project;*
- 4 *NOTES the summary of the Joondalup Performing Arts and Cultural Facility Business Case as presented in this Report and NOTES the Chief Executive Officer will submit a grant application to the Federal Government’s National Stronger Regions Fund.”*

During that meeting several questions were raised regarding the business case section of the report. It was suggested that a further report be prepared with further details on the business case. Subsequently the Steering Committee adjourned the meeting so that this report could be presented.

## DETAILS

Since the meeting of the JPACF Steering Committee held on the 24 June 2015 the City has continued with the refinement of the JPACF Business Case.

It is proposed that the business case, when finalised, will inform a grant application to the Federal Government's National Stronger Regions Fund (NSRF). The submissions period for the NSRF closes on 31 July 2015.

### Issues and options considered

Not applicable.

### Legislation / Strategic Community Plan / policy implications

**Legislation** The City is governed by the requirements of the *Local Government Act 1995* 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 a world-class visual and performing arts events.

**Policy** Not applicable.

### Risk management considerations

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

#### Current financial year impact

<b>Account no.</b>	1-210-C1002
<b>Budget Item</b>	Joondalup Performing Arts and Cultural Facility.
<b>Budget amount</b>	\$1,736,954
<b>Amount spent to date</b>	\$0
<b>Proposed cost</b>	N/A
<b>Balance</b>	\$1,736,954

The budget allocated for 2015-16 is for the engagement of consultants and other costs to assist with site assessment and detailed design for the facility.

#### Future financial year impact

The development of the JPACF will require a significant financial contribution towards the capital cost and a significant on-going annual subsidy for the facility's operations.

An estimated capital cost of the facility is \$93.9 million (The rounded figure of \$94 million is included within the adopted *20 Year Strategic Financial Plan 2013-14 to 2032-33*). It should be noted however that the estimated capital costs of \$93.9 million excludes traffic modifications, works to the forecourt area, integration of the JPACF with Jinan Gardens and Central Park and architectural treatment to the existing services building in the current Central Park car park.

Estimated costings for these additional items were considered by the Steering Committee at the meeting held on 24 June 2015. These costs, in addition to escalation from 2013 to 2015 dollars, need to be considered in order to reflect the overall cost of the development of the JPACF. The estimated costs for the additional items are as follows:

- \$1.7 million for traffic treatments and external works
- \$2.0 million to bring the 2013 source data to 2015 dollars.

Accordingly the capital costs of \$93.9 million are proposed to be revised to \$97.6 million.

Investigations have indicated that annual operating subsidies for comparable facilities in Australia can exceed \$1 million. The business case is continuing to be refined using data from the Australian Performing Arts Centres Association and performing arts management consultant input. The current financial analysis for the JPACF indicates an annual operating subsidy of between \$800,000 and \$900,000.

<b>20 Year Strategic Financial Plan impact</b>	\$94 million
<b>Impact year</b>	2018-19

All amounts quoted in this report are 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 detailed design for the facility.

### **Consultation**

During the Architectural Design Competition, ratepayers, residents and the broader community were given the opportunity to view the four conceptual design submissions and vote on their favourite design. More recently the City has consulted with performing arts facility managers and State Government officers and it is expected that further community consultation will be undertaken as the project progresses.

### **COMMENT**

Not applicable.

### **VOTING REQUIREMENTS**

Simple Majority.

**MOVED Cr Chester, SECONDED Mr Bryant that Council NOTES the progress of the draft business case for the Joondalup Performing Arts and Cultural Facility.**

**The Motion was Put and**

**CARRIED (12/0)**

**In favour of the Motion:** Crs Hollywood, Chester, Fishwick and McLean, Ms Brown, Mr Bryant, Mr Coad, Ms Evans, Mr Hunt, Ms Joseph, Mr Robinson and Mr Yearwood.

**URGENT BUSINESS**

Nil.

**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 6.40pm; the following Committee Members being present at that time:

Cr Kerry Hollywood  
Cr Tom McLean, JP  
Cr John Chester  
Cr Russ Fishwick, JP  
Mr Alastair Bryant  
Mr Russell Coad  
Ms Christine Evans  
Mr Garry Hunt  
Mr Brian Yearwood  
Ms Sharon Joseph  
Ms Barbara Brown  
Mr Bill Robinson