

**ITEM 3. PERRY PARK MULTIPURPOSE RECREATION CENTRE –  
PROJECT SCOPE UPDATE AND EXEMPTION FROM TENDER****FILE NO: S053936****SUMMARY**

This report outlines the developed scope for the multipurpose recreation centre at Perry Park for endorsement. It also seeks an exemption from tender to retain the existing Head Design Consultant and subconsultant team to deliver the developed scope.

A report to the Environment Committee on 2 December 2013 examined four options for development of the Perry Park facility. On 9 December 2013, Council resolved to endorse the project scope for works described as Option A in that report for the purpose of design development, and that a further report be brought back to Council for approval of the developed scope before a Development Application is lodged.

The developed scope is initially for a new separate building to the north-east of the existing stadium comprising two enclosed practice courts with the foundations and slab for future expansion as a four court centre (Stage 1).

The developed scope also includes proposals for future expansion, subject to available funding, allowing for two additional indoor practice courts and upgrade of one practice court to an event court (Stage 2).

It is recommended that this scope (Stage 1 and 2) be endorsed to proceed to planning approval and construction documentation, whilst Stage 1 only is recommended to proceed to tendering for construction to match current available funding.

**RECOMMENDATION**

It is resolved that:

- (A) Council endorse the developed scope as described in the subject report for the purpose of proceeding with seeking any relevant planning approvals and documentation of the construction works for Stage 1 and 2;
- (B) Council endorse the developed scope as described in the subject report for the purpose of proceeding to tender for the construction of Stage 1;
- (C) Council approve an exemption from tender for an adjusted scope for Head Design Consultant works in accordance with section 55(3)(i) of the Local Government Act 1993 as a result of the extenuating circumstances set out in the subject report;
- (D) Council note the financial and contractual implications detailed in confidential Attachments C and D to the subject report; and

- (E) Financial and Contractual Implications, Attachments C and D to the subject report, remain confidential in accordance with section 10A(2)(c) of the Local Government Act 1993, as it contains information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.

## **ATTACHMENTS**

**Attachment A:** Resolution of Council – 9 December 2013

**Attachment B:** Developed Scope Presentation

**Attachment C:** Financial Implications (Confidential)

**Attachment D:** Contractual Implications (Confidential)

**(As Attachments C and D are confidential, they will be circulated separately from the Agenda Paper and to Councillors and relevant senior staff only).**

**BACKGROUND**

1. Perry Park is located on the corner of Bourke Road and Maddox Street, Alexandria and is surrounded by industrial and commercial land uses. At approximately 24,000 square metres, Perry Park is one of the larger open spaces in the Alexandria and Green Square area.
2. Perry Park currently consists of a large flat area of turf grass, some sport facilities and a small amenities building. The park boundary is defined by vegetated mounds, which limit views and access into the site.
3. Perry Park is Crown Land. Council acts as the Reserve Trust Manager for the ongoing park management and maintenance. The existing Alexandria Basketball Stadium was built in 1968 and is located in the south west corner of the park on a separate lease in perpetuity from the Department of Lands to the City of Sydney Basketball Association (CSBA).
4. Previous studies and investigations for the development of multipurpose indoor courts and other recreation facilities at Perry Park have been undertaken by Council since 2009. These included a six court indoor facility, multipurpose synthetic sports field and park upgrade. These previous studies are outlined in a later section of this report.
5. On 24 June 2013, Council resolved to adopt the Operating and Capital Budgets, and future years' forward estimates, as included in the Corporate Plan 2013-2016 (Delivery Program), Resourcing Strategy (2013) and Operational Plan for 2013/14, including the allocation of \$10M relating to Perry Park, noting that:
  - (a) the City will work with the City of Sydney Basketball Association to develop a more cost effective way of delivering the additional four basketball courts they require;
  - (b) advice detailing future options for the facility will be provided to Councillors prior to the end of the calendar year; and
  - (c) the City will work with the City of Sydney Basketball Association to support their efforts to State and Federal Government funding, and/or private contributions to construct an expanded stadium.
6. A report to the Environment Committee on 2 December 2013 examined four options for development of the Perry Park facility. On 9 December 2013, Council resolved to endorse the project scope for works described as Option A in that report for the purpose of design development, and that a further report be brought back to Council for approval of the developed scope before a Development Application is lodged (refer to Attachment A).
7. Option A consists of a new, separate building behind the existing stadium, with two practice courts, without an event court, with foundations and slab for future expansion as a four court centre (referred to as Option C), as described in the previous Committee report.
8. Option A retains the existing basketball stadium and adds a basic two practice court centre adjacent. It has no event court or space for an event court.

9. Accommodation comprises two indoor multipurpose practice courts, entry and staff area, change rooms and amenities for two courts, store, plant and circulation. Floor area is approximately 2,300 square metres.
10. It also includes the foundations and concrete slab for the four court option for expansion in the future. The additional slab area could be used for outdoor practice courts in the interim.
11. Development cost for the Option A base project scope was estimated to be in the order of \$10.7 to \$12 million.
12. This option allows for expansion with the construction of two additional indoor courts (practice or event), subject to State and Federal Government funds and/ or private contributions becoming available. It is able to link to the existing stadium in the future.
13. It was proposed to lodge a Development Application for the four court facility, including event court (referred to as Option C). Construction could be staged from the two court Option A to the four court Option C, subject to funding, without further Development Applications then being required.

#### **DEVELOPED SCOPE**

14. In response to Council's Resolution of 9 December 2013, the concept design was developed within the staged scope and accommodation as detailed below.

#### **Stage 1**

15. Funding is available for construction of two indoor courts and two outdoor courts comprising:
  - (a) a new accessible entry from Maddox Street and basic landscaping along entry;
  - (b) a new separate building to the north-east of the existing stadium comprising two indoor multipurpose practice courts with additional foundations and slab for future expansion as a four court centre;
  - (c) accommodation including change rooms and amenities for two courts, entry and staff area, store, plant and circulation;
  - (d) works to the additional foundations and slab to allow this area to be used as two outdoor practice courts;
  - (e) simple and cost effective construction systems and materials including steel truss portal frame, masonry walls with impact resistant lining, high level windows, metal external cladding and a sprung timber floor, but not including a ceiling (unless funds are allocated for the ceiling);
  - (f) integration of viable environmental initiatives including stormwater capture and reuse, passive building ventilation, sustainable materials selection, maximise use of daylight and energy efficient lighting;
  - (g) retention of the existing Alexandria Basketball Stadium;

- (h) flexible centre operation to allow the existing stadium to continue to operate while the new centre is built on Crown Land managed by Council; and
- (i) allowance for possible future development by linking to the existing stadium or demolishing the existing stadium and constructing an additional two event court facility.

### Stage 2

16. Additional funding would be required for future Stage 2 construction (but is not recommended) to include:
- (a) enclosure of the external foundations and slab to create two additional indoor multipurpose practice courts, including space for an event court;
  - (b) additional accommodation including change rooms and amenities for an additional two courts, kiosk and merchandising areas, referee change rooms, staff change rooms and staff meeting room;
  - (c) construction systems and materials as for Stage 1;
  - (d) environmental initiatives as for Stage 1; and
  - (e) centre operation and possible future development as for Stage 1.

### Possible Future Works

17. Whilst no funding is currently available to further develop Perry Park as an open space, the building proposals have been configured to ensure there remains future opportunity for:
- (a) a multipurpose playing field, spectator viewing and supporting amenities;
  - (b) a legible parkland with good passive surveillance, retained trees, existing site features and conserved views to and from the site and facilities. One large space can be created rather than residual spaces left around the buildings and field; and
  - (c) minimal on-site car parking.

### FUNDING OPPORTUNITIES

18. Registration with the Australian Sports Foundation (ASF) under the Sport Incentive Program enables eligible organisations to seek tax deductible donations in support of a sport-related project. Donations received by the ASF form a pool of funds that are available to be granted to registered projects. Examples of eligible projects are the building of new facilities or upgrading an existing facility. Projects will only be considered where planning approval has been sought from the relevant planning authority.
19. The NSW Government Community Building Partnership offers grants to incorporated community based not-for-profit organisations for community infrastructure projects, including those that support participation in group sport. Up to \$300,000 is available for projects in the Sydney electoral district. The grant offer only becomes valid upon provision of evidence of development consent.

**EXEMPTION FROM TENDER**

20. If this project proceeds, a variation will be required from the Head Design Consultant to modify their services to deliver this project in line with the reduced project scope.
21. In accordance with section 55(3)(i) of the Local Government Act 1993, exemption from tender is required because of extenuating circumstances. Extenuating circumstances exist on this project and a satisfactory result would not be achieved by inviting tenders. Those circumstances are:
  - (a) the original project scope included a new six court multipurpose recreation centre, multipurpose field and landscape works. Due to budget constraints, the project scope has been reduced to a four court multipurpose recreation centre in two stages, with future opportunity for field and landscape works;
  - (b) the current consultant team has designed and developed numerous development options to assist this project moving forward, managed the project's subconsultants information to date and has an in-depth knowledge of the intricacies of the project. This knowledge is essential to the delivery of the modified services required and it will be more efficient and cost effective to retain the existing contractor; and
  - (c) the need for expedition exists for this project to be delivered by 2017 to meet community expectations.

**KEY IMPLICATIONS****Strategic Alignment - Sustainable Sydney 2030**

22. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This project is aligned with the following strategic directions and objectives:
  - (a) Direction 6 - Vibrant Local Communities and Economies – this project will provide accessible community level social infrastructure, services and programs; and
  - (b) Direction 9 - Sustainable Development, Renewal and Design – this project will contribute by improving the City's parks and encouraging active recreation. It will meet the environmental targets listed in the City's Environmental Management Plan and the City's 2030 vision.

**Organisational Impact**

23. The multipurpose recreation centre operator will be selected through a tender process. The operator will be responsible for management of the facilities and day-to-day operation. This will include provision of access to sporting groups other than basketball. The City will provide ongoing, planned and reactive maintenance and non-tenant related repair works in conjunction with specific lease conditions. The City will also be required to provide contract management resources for the ongoing management of the operation contract.

24. City of Sydney Basketball Association (CSBA) have advised they would like to manage the proposed expanded facility. CSBA will be able to submit a tender, along with other experienced operators, to outline how they would manage the facility and provide value to the community and the City.

### Risks

25. Contamination allowances and risks include:
- (a) contaminated soil materials have been identified by the environmental consultant and site auditor to be present across the Perry Park site. Contamination advice to date states that the top 100mm of soil material is sufficient as a capping material to provide a barrier that will prevent risk to the park users and maintenance personnel;
  - (b) the proposed construction site will be stripped of the top 100mm of soil on commencement. On completion, any areas not covered by the building footprint or paving (both of which will act as a capping barrier) will be covered by 100mm of new soil/ turf or mulch; and
  - (c) allowances have been made to:
    - (i) remove 100mm of soil/ turf/ gravel from 50 per cent of the site compound area, due to disturbance;
    - (ii) reinstate the affected site with clean soil and turf at the end of the project;
    - (iii) repave the hardstand/ bitumen at site entry and in the car park area to ensure the capping barrier is maintained; and
    - (iv) prepare a Remedial Action Plan and a Long-Term Environmental Management Plan for the proposed construction site.
26. Physically linking the new multipurpose recreation centre to the existing stadium potentially triggers requirements for upgrades of the existing stadium to meet current Building Code of Australia fire and access standards. Therefore, the developed scope does not provide a link to the existing stadium.
27. Sydney Water is proposing the construction of a stormwater culvert, which will traverse Perry Park diagonally. This is a major civil works construction project, which will occupy the majority of the park area during construction works, and construction of the multipurpose recreation centre cannot commence until Sydney Water trunk drainage construction works are complete. The program for Sydney Water to complete these works is March to August 2015. The current program for commencement of the proposed basketball stadium is September 2015. The risk to the multipurpose recreation centre project is that the culvert works (including reinstatement and handover of the site) are delayed, consequently delaying the commencement of construction of the multipurpose recreation centre.

**Social / Cultural / Community**

28. The proposal aligns with the recommendations of the City of Sydney Open Space and Recreational Needs Study (2007) and the Local Action Plan - City South, 2007, the Green Square Library, Community and Cultural Centre Report (2008), the Green Square Health and Recreation Facility Study (2008) and the Draft City of Sydney Sport Facilities Demand Study (July 2013).
29. It will help contribute to current multipurpose court demand and enable greater public use and enjoyment of Perry Park.

**Environmental**

30. Within the budget allocation the project will, where possible, incorporate passive principles of environmental sustainability and make efforts to reduced demand for natural resources in design, management and operation. Management and operation of the building will encourage end users to consider alternatives to car transport including walking, public transport and bicycles. A separate project is investigating the viability of mounting photovoltaic panels on the roof.

**BUDGET IMPLICATIONS**

31. There are sufficient funds allocated in the Draft Delivery Program 2014-17 to proceed with the recommended scope.
32. The current cost estimates, financial and contractual implications are presented in confidential Attachments C and D.

**RELEVANT LEGISLATION**

33. Environmental Planning and Assessment Act 1979. (Part 4 and 5): The scope of works has been review by a statutory planner and a DA is required for this development. Some of the proposed works may not require planning approval, and may be exempt development.
34. Crown Lands Act 1989
35. Attachments C and D to this report are to remain confidential in accordance with section 10A(2)(c) of the Local Government Act 1993, as they contain information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

**CRITICAL DATES / TIME FRAMES**

36. Critical dates include:

Seek any relevant planning approvals – Stages 1 & 2	Aug 2014
EOI/Tender – Stage 1	Nov 2014 to Apr 2015
Commence Construction – Stage 1 (dependent on trunk drainage construction)	Sep 2015
Complete Construction – Stage 1	Late 2016
Open Centre – Stage 1	Early 2017



## PREVIOUS STUDIES AND INVESTIGATIONS

### Identification of Need

37. The City of Sydney Open Space and Recreational Needs Study (2007) identified Perry Park to be developed for active sports. It recommended that the City investigate the feasibility of providing a multipurpose synthetic field and supported the expansion of additional indoor courts.
38. The Green Square Library, Community and Cultural Centre Report (2008) and Green Square Health and Recreation Facility Study (2008) identified the need for active recreation facilities for the Green Square area. Perry Park was seen as suitable for active sports because of the surrounding non-residential land uses, proximity to Green Square Station and possible connections to the Alexandra Canal open space network.
39. Council has five indoor courts. Two courts at King George V Recreation Facility in The Rocks, one court at Cook + Phillip Park Aquatic and Fitness Centre in the City, one three quarter sized court at Ultimo Community Centre and one court at Peter Forsyth Auditorium in Glebe. All Council-owned courts are located within the northern Local Government Area (LGA) and no Council owned courts are located in the southern LGA. There are, however, two new privately owned indoor courts near to the site at 184 Bourke Road (500m away). Overall demand currently exceeds the available courts. Existing community sports groups compete for the limited facilities and local school halls, or travel outside the LGA.

### Previous Investigations

40. In September 2007, Council approved a development application from the CSBA for a new building comprising six indoor multipurpose courts with two event courts, entry and staff areas, change rooms and amenities, crèche, program and function space, store, plant, circulation and car parking. The Development Application approval lapsed in September 2009.
41. In November 2009, Council resolved that a draft concept plan be prepared and community consultation be undertaken for active recreation facilities at Perry Park, including an indoor multipurpose recreation centre, multipurpose field and associated landscape works. Community consultation was undertaken in March 2010. The majority of feedback from the community supported the proposal.
42. In August 2011, Council endorsed the developed project scope at Perry Park comprising demolition of the existing stadium, construction of a new multipurpose recreation centre, multipurpose field and landscape works. The sports facility accommodation included six indoor multipurpose courts with two event courts, entry and staff areas, change rooms and amenities, crèche, program and function space, store, plant, circulation and offsite car parking. Environmental initiatives included photovoltaics, daylight opportunities and efficient lighting, natural ventilation, solar thermal water heating, rainwater harvesting and reuse, thermal mass, sustainable materials, waste and building management. Council also supported an operator management model to manage the building facility and field on behalf of the City. The CSBA was to have ongoing shared access to the new facility with other sporting codes under the operator management model. Further investigations were to be carried out on car parking, CSBA operation through construction, land ownership, tree management and cost.

43. A developed design was prepared in response to the August 2011 Council endorsed scope including:
  - (a) six indoor multipurpose court facility with support amenities including crèche, kiosk, offices, exercise room and club rooms;
  - (b) 40 car parking spaces onsite, 40 car parking spaces on the adjacent Sydney Water easement and 92 car parking spaces in adjacent streets or industrial site parking areas;
  - (c) multipurpose synthetic field and associated amenities;
  - (d) park refurbishment; and
  - (e) environmentally sustainable design initiatives.
44. During 2012, facilities benchmarking, stakeholder consultation, detailed investigations and costings were carried out.
45. Cost estimates exceeded budget allocations for the project and the project status was put under review.
46. In June 2013, Council resolved that the City would work with the CSBA to develop a more cost effective way of delivering the additional four basketball courts they required. Multiple feasibility studies were undertaken and a recommendation made to Council for a new separate building behind the existing stadium with two practice courts, with foundations and slab for future expansion as a four practice court centre with space for event court.

## CONSULTATION

### Public

47. In March 2010, consultation on the draft concept plan took place and included a community meeting attended by approximately 100 people, intercept surveys in the park, an online survey, email submissions and feedback from key users including hockey, basketball, volleyball and badminton associations. 230 surveys/submissions were received. Community feedback supported the proposal. Throughout 2011 and 2012, ongoing consultation with key external stakeholders, including key user groups and operators was completed to inform the developed project scope and design of the six court multipurpose recreation centre, multipurpose field and landscape works. As part of this consultation, the CSBA, Basketball NSW, Netball NSW, Badminton NSW and Football NSW (Futsal) were invited to stakeholder workshops on the courts. Glebe Hockey, UTS Hockey, Hockey NSW, Football NSW, AFL NSW/ ACT, Oztag NSW and Touch Football were invited to workshops on the field.

48. In May 2013, draft Integrated Planning and Reporting documents were placed on public exhibition, containing a recommendation that plans for the new indoor multipurpose centre and park works at Perry Park not proceed after detailed investigations and design development revealed the overall costs would significantly exceed Council's available funds for this project. Two submissions were received asking Council to reconsider this project. As a result, in June 2013 Council resolved to include an allocation of \$10 million relating to Perry Park in Capital Works expenditure and consult with the CSBA to develop a more cost effective way of delivering four multipurpose courts to Perry Park, along with supporting the CSBA's efforts to gain State and Federal funding and/or private contributions to construct an expanded stadium.
49. Throughout August, September and October 2013, the City met with and consulted with the CSBA to complete numerous four court development options that were previously reported to Council. The CSBA's preferred four court options include one event court and the ability to easily link to the existing Alexandria Basketball Stadium.
50. The City met and consulted with the CSBA during concept development and modified the concept design in response to their comments.
51. Ongoing stakeholder consultation with user groups and operators will continue throughout the design documentation process to seek feedback on the refined design and detailed facilities planning.
52. Statutory notification periods and exhibition will be undertaken as part of any required planning approvals process.

### **Design Advisory Panel**

53. The developed concept was presented to the Design Advisory Panel on 8 April 2014. The following comments were noted in the minutes of the Design Advisory Panel meeting:

*"The Panel supported the overall concept and commended the work to deliver the project within budget constraints.*

*The Panel recommended that the visual connection between the park and the indoor space be improved, and the solidity of the building along the park edge be reduced. The Panel suggested utilising glass doors and incorporating additional lower level windows to achieve this. The Panel also noted that the impact of direct light on the sports uses within the building needed consideration.*

*The Panel recommended further development of the building's natural ventilation, raising concerns that in the current scheme air circulation would occur at a level too high to be effective at court level.*

*The Panel noted that the departure from the original concept of a timber roof structure detracts from the quality and character of the design. The Panel noted that this has occurred due to budget constraints, and recommended exploring the use of Cross Laminated Timber (CLT) beams as a potentially cost effective option. (Further to this the Project's Quantity Surveyor discussed CLT with Kerry Clare, Design Advisory Panel Member, who confirmed that it would not be a suitable product in this application).*

*The Panel commended (the architect) on a simple and elegant concept.”*

54. In response to the comments received from the Design Advisory Panel:
- (a) amenities areas were relocated to the western side of the recreation centre to allow greater visual permeability along the park edge;
  - (b) the impact of direct light on the courts will be monitored through design development;
  - (c) ventilation will be modelled through design development;
  - (d) Cross Laminated Timber (CLT) beams were investigated but found to be not suitable for this application. Quantity Surveyor advice was that their use would add significant cost to the project.
55. Internal photomontages shown to the Design Advisory Panel indicated the inclusion of a suspended ceiling. At that time, the cost of the ceiling was included within available funding. However, the design changes made in response to the comments received from the Panel resulted in an increase in construction cost of 3.5 per cent, and the inclusion of the ceiling would now require additional funds being available.
56. Due to the acoustic and maintenance advantages, it is proposed to request an optional price for the ceiling at tender. Council can then decide whether to include the ceiling in the construction contract dependent on available funding.
57. In addition, advice will be forwarded to the Design Advisory Panel indicating the design changes made in response to their comments, including an acceptable proposal that does not include a ceiling.

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