

## ITEM NUMBER: 18.3

### CONFIDENTIAL REPORT

#### **GLENELG TOWN HALL – COMMERCIAL AREAS (Report No: 100/22)**

*Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:*

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.

**Recommendation – Exclusion of the Public – Section 90(3)(b) Order**

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 100/22 Glenelg Town Hall – Commercial Areas in confidence.
  - 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 100/22 Glenelg Town Hall – Commercial Areas on the following grounds:
    - b.** pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is proposing to conduct business or would prejudice the commercial position of the Council as discusses possible business cases

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
  - 3.** The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: 18.3

Subject: **GLENELG TOWN HALL – COMMERCIAL AREAS**

Date: 12 April 2022

Written By: Commercial Lead

General Manager: Community and Business, Ms M Lock

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### **SUMMARY**

This report presents the findings of a review of the commercial spaces in Glenelg Town Hall (GTH) and the appraisal of future development options. The preferred option of a destination dining product is described, with proposed next steps.

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### **RECOMMENDATION**

#### **That Council:**

1. **endorse a recommendation for the future use of the commercial areas of the Glenelg Town Hall as a Destination dining product developed with partner; and**
2. **endorse the request for Expression of Interest (EOI) proceed to market.**

#### **RETAIN IN CONFIDENCE - Section 91(7) Order**

3. **That having considered Agenda Item 18.3 Report No: 100/22 Glenelg Town Hall – Commercial Areas in confidence under section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report, attachments and minutes relevant to this item be retained in confidence for a period of 18 months and the Chief Executive Officer is authorised to release the documents thereafter**
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### **STRATEGIC PLAN**

INNOVATION – A thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

### **COUNCIL POLICY**

Property Policy

## STATUTORY PROVISIONS

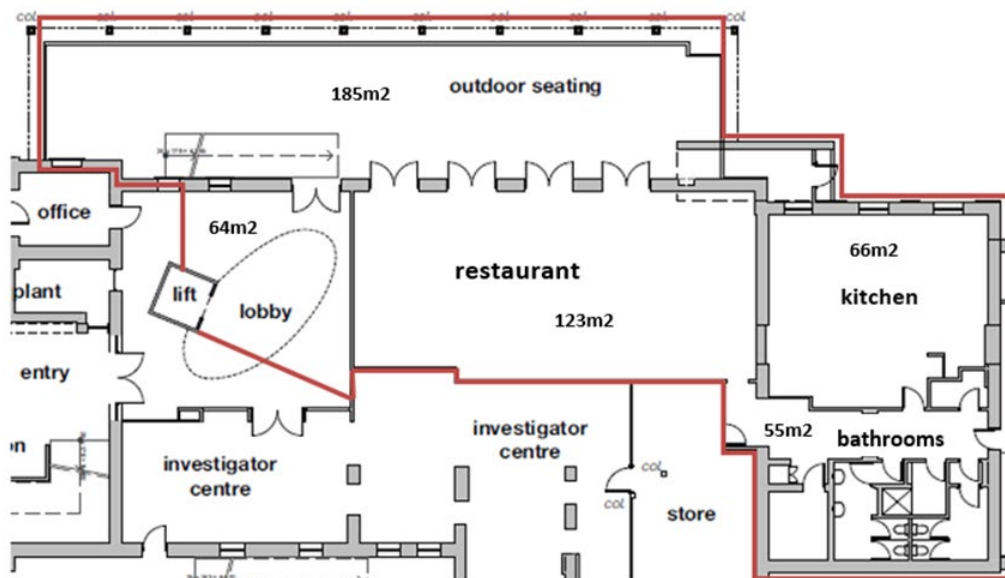
*Planning, Development & Infrastructure Act 2016*

## BACKGROUND

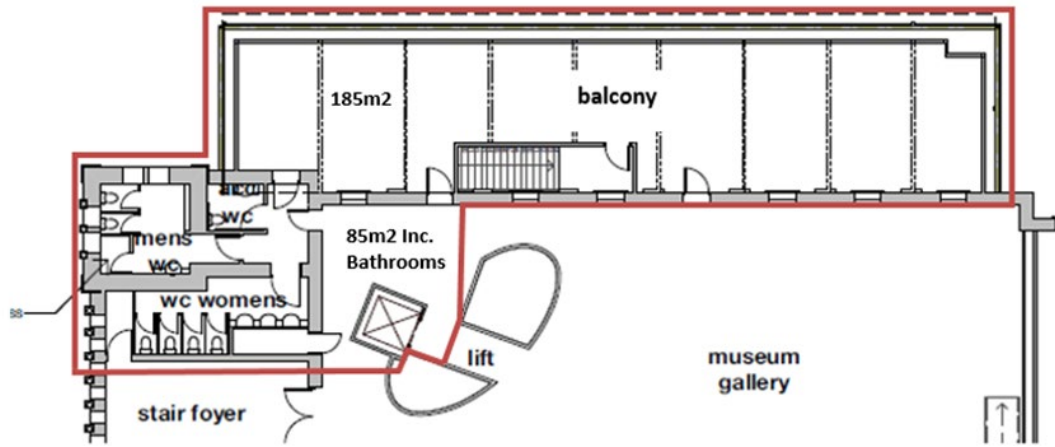
The heritage-listed Glenelg Town Hall (GTH) is an iconic building in Moseley Square, Glenelg. Council's vision is to redevelop GTH as a cultural heritage destination with improved commercial offerings to engage new audiences and enhance the visitor experience. While the full redevelopment of GTH is to be considered as part of Council's long-term project prioritisation, commercial activation of selected spaces can proceed independently of the larger redevelopment project.

Two areas within Glenelg Town Hall, the ground floor shore-facing area and the first floor balcony, have previously been let as commercial tenancies as per below. In a review of the previous operations since 2000, which were a succession of cafes/restaurants on the ground floor and a wine bar upstairs, it was found that the majority of these tenants struggled to make success of these businesses by not maximising revenue/return.

Ground Floor, Floor Plan – area outlined in red suggested area for restaurant. Square meterages are estimates only.



First Floor, Balcony Floor Plan – area outlined in red suggested area for bar. Square meterages are estimates only.



## REPORT

A number of alternatives have been considered as options for the future development of the commercial areas of Glenelg Town Hall:

1. **Café and Balcony let as separate tenancies**  
Tenant operating in the space as per previous tenancies, i.e. Café/Restaurant Style, no stipulation in type or standard of product offering.
2. **Retail incubator and office tenancy**  
Create an area on the ground floor for a retail concept that brings together emerging brands. Balcony be leased as office space to a high end architect firm or similar.
3. **Play café and separate balcony tenancy**  
Create an extension to the outdoor play space whereby the ground floor tenancy becomes a play café.
4. **Expanded public gallery space**  
Incorporate the current spaces into the existing Bay Discovery Centre (BDC), creating additional gallery areas where small to medium sized exhibitions could be held.
5. **Destination dining product developed with partner**  
Work with a partner operator to create a destination space that would include a high-end Michelin Star/Hatted Restaurant. (Although the Michelin Guide is not currently available in Australia the equivalent is the Australia Good Food Guide with Chef's Hats given as the rating, with 12-13 hats being fine cuisine and 18-19 hats equivalent to three Michelin stars.)

To address seasonality and building a sustainable clientele of both tourists and locals, it would need the capacity to have a variety of offerings. This would include more casual alfresco outdoor dining in the area in and around the front of the ground floor external area, possibly moving on to the upper end of Moseley Square to expand the space as part of the destination, in a manner sympathetic to the adjacent playground. It could also incorporate a quality takeaway option that could be consumed on the foreshore/beach. The balcony would be operated as a high-end cocktail/wine bar by the same partner.

Using the same partner/operator across the whole site would simplify the amount of facilities required i.e. kitchens, bathrooms, staffing etc. Investment would be required by both Council and partner with areas including the toilets in the back of house (Ground Floor) which would need to be brought up inline to a 5 star experience, the lift and area within the BDC and first floor toilets all to be brought up to the same required standard. Lift access will be required for accessibility requirements and as part of DDA compliance; however existing stairs access would still be available to access balcony for those not requiring the lift.

Due to location and destination area, the preferred product type/use would be a high class seafood option. Pricing and menu engineering will need to be at the forefront of the concept to ensure all target markets are met/engaged.

Following an appraisal of the respective merits of the options presented at the workshop held Tuesday 22 March, Option 5 is the recommended option. A destination dining product would complement the further redevelopment of the Glenelg Town Hall and would integrate well especially with being able to assist and cater of events with in the spaces.

Further investigation would be needed into possible return on investment versus expected capital expenditure. However, at 8% to 10% of turnover, if this business were able to turn over \$50k per week, the potential return to council would be in the vicinity of \$260k per annum.

An initial base concept design be created as part of an EOI prospectus to attract a suitable partner. The purpose would be to present a vision of the intent and the potential of the space, without being overly prescriptive to a potential partner. It would also look at options to address challenges the site poses, such as the lack of adjacent vehicle access for patron drop-off. Developing this concept prior to going to market ensures there is a shared understanding of the intent from the outset with any potential partner.

The EOI would be used to attract businesses/operators of suitable track record or capability either locally, within the state or nationally. The preference would be a South Australian partner, targeting established chefs, celebrity chefs and restaurant entrepreneurs within South Australia.

## **BUDGET**

Funding for this EOI will be from within existing budget allocations.

## **LIFE CYCLE COSTS**

The life cycle costs will be determined as part of the development of the project with the chosen partner.