

## ITEM NUMBER: 18.2

### CONFIDENTIAL REPORT

#### HOARDING FEE RELIEF

*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.
- d. Commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

**Recommendation – Exclusion of the Public – Section 90(3)(b & d) 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: 14/22 Hoarding Fee Relief 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: 14/22 Hoarding Fee Relief in confidence 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 conducting business; or would prejudice the commercial position of Council.
    - d.** pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

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: 18.2

Subject: Hoarding Fee Relief

Date: 25 January 2022

Written By: Manager, Development Services

General Manager: Strategy and Corporate, Ms P Jackson

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## SUMMARY

Following approval by the State Commission Assessment Panel (SCAP) of the final stage of the Avista Retirement Apartments located at 8 Durham Street, Glenelg, Council has received a formal request from the developer (Karidis Corporation) seeking relief from the anticipated hoarding fees associated with construction. This report considers whether the circumstances of the development site, which contribute to the relatively high hoarding fees, warrant some cost dispensation, and how much regard should be given to a similar and relatively recent decision of Council regarding hoarding fee relief in the immediate locality. This report recommends that due to locational circumstances, and in the interest of equity in public decision making, that conditional relief is provided to the cost of hoarding on this occasion.

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## RECOMMENDATIONS

That Council:

1. **Accede to the request made by Karidis Corporation in the letter dated 12 January 2022 for partial dispensation from future hoarding fees associated with the construction of a multi-storey building located at 8 Durham Street, Glenelg on the basis that:**
  - a) **the maximum hoarding fee payable to Council is \$185,000 (\$203,500 including GST); and**
  - b) **dispensation from the hoarding fee ceases to be offered following a period of eighteen (18) months from the commencement date of construction, after which time Council reserves the right to impose a hoardings fee at the amount found in Council's fees and charges schedule operative at the time; and**
  - c) **dispensation for the hoarding fee is provided in recognition of the construction zone's incursion onto a number of public car parking spaces, which inflate the cost of closing Durham Street for the purpose of undertaking the development.**
2. **Part 1(a) to (c) of this resolution is valid until 30 April 2022, with construction commenced after this date not entitled to dispensation from the hoarding fee otherwise attributable to the construction of the development.**

3. Part 1(a) to (c) of this resolution is contingent on the provision and approval of a formal hoarding application for assessment by Council Administration pursuant to Section 221 of the *Local Government Act 1999*. The hoarding application shall include structural details of the hoarding, methods and materials for the screening of the hoarding and building site from the public realm, and details relating to the method and timing for the temporary closure of Durham Street.

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

4. That having considered Agenda Item 18.2 Report No: 14/22 Hoarding Fee Relief Durham Street in confidence under section 90(2) and (3)( b) and (d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and attachments be retained in confidence until further notice and the Chief Executive Officer is authorised to release the documents when the matter is concluded, giving due consideration to any relevant legal considerations, and that this order be reviewed every 12 months.

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#### **STRATEGIC PLAN**

This proposal contributes to the Innovation focus area of the Strategic Plan by applying “creativity in all aspects of thought and action to build an economy and community that are inclusive, diverse, sustainable and resilient”.

#### **STATUTORY PROVISIONS**

*Local Government Act 1999* [s221]

#### **BACKGROUND**

Construction is about to commence on the final stage of the Avista Retirement Apartments, located at 8 Durham Street, Glenelg. Part of the pre-construction process requires the developer (Karidis Corporation) to negotiate with Council an appropriate construction zone that utilizes the public road in order to facilitate construction of the development. The estimated cost of the hoarding permit for use of the construction zone is \$465,216. For comparison, at its Meeting held on 14 December 2021, Council resolved in confidence to grant partial dispensation from the hoarding fees attributable to the Taplin Group’s hotel and retail development located on the corner of Jetty Road and Colley Terrace, Glenelg (Resolution No. C121021/2445). The full fee amount payable to Council was calculated at \$219,000, with Council resolving to cap the hoarding fee at \$76,500 (\$85,000 incl. GST) with penalties for exceeding the construction timeframe.

## REPORT

Council has received a formal request from the developer (Karidis Corporation) seeking relief from the anticipated hoarding fees associated with construction of the final stage of the Avista Retirement Apartments located at 8 Durham Street, Glenelg. The request does not indicate the amount of fee relief sought.

*Refer Attachment 1*

Having recently granted partial dispensation to the Taplin Group for its hotel development on the corner of Jetty Road and Colley Terrace, there is perhaps an expectation that other proposals in similarly challenging locations are considered for a fee reduction as well. Whilst the Taplin Group was offered an approximate 60% discount on the hoarding fee payable, the request was offset by a comparatively costly hoarding solution that was designed to benefit the public by maintaining access through the precinct during the period of construction. The Karidis Corporation's request for a fee reduction is solely based on the high cost of the hoarding, which Council Administration has calculated to be \$465,216 over an eighteen (18) month construction period (see Attachment 2 for the calculation methodology). The comparatively high cost of the hoarding is attributable to the need to decommission fourteen (14) on-street car parking spaces at various stages during an eighteen (18) month construction period.

*Refer Attachment 2*

The receipt of hoarding fees for construction sites represents unbudgeted income for the Council. In this regard, any decision to offer dispensation from the calculated fees does not represent lost income, if not foregone income. Notwithstanding, the exclusion of public land for the purpose of facilitating private construction projects does deny the community use of that space for a lengthy period of time, including access to otherwise available on-street car parking spaces.

Whilst the primary reason for granting fee relief to the Taplin Group was to ensure that pedestrian and vehicular movement continue unabated during the construction period, Council also sought to provide the incentive to progress the development without further delay, which would assist with the timely and coordinated integration of Jetty Road with Moseley Square (commensurate with the implementation of Council's Master Plan for the precinct). The Karidis Corporation site is located diagonally opposite the Taplin Group's development site, so there is strategic value in ensuring that both developments are incentivised to proceed in a timely manner.

In light of Council's previous decision relating to the Taplin Group's development, and given the locational synergies between it and that of the Karidis Corporation's site, it would seem appropriate to provide some dispensation from the scheduled fees, albeit conditional and limited to a strict commencement deadline, with an eighteen (18) month construction timeframe, after which time Council reserves its right to impose hoarding fees in accordance with the adopted rate. This may also provide an incentive to the Karidis Corporation to shorten the construction timeframe as far as possible.

In this regard, it is proposed that a fee reduction is provided to the Karidis Corporation in the order of 60%, being capped at \$185,000 (\$203,500 incl. GST), recognising that whilst the unadjusted fees are exorbitant (relative to other construction sites), the decommissioning of a large number of on-street car parking spaces in a premier location must come at a financial cost to developers. Such a resolution would also demonstrate equity in Council's decisions,

recognising that the Taplin and Karidis proposals are very similar in terms of their location, complexity and timing of construction, and strategic benefits they provide to the western precinct of Jetty Road. Moving forward, Council may be asked to consider fee relief for other development sites, but these will be considered on their individual merits, with the unique circumstances of the Taplin and Karidis sites ensuring that Council can be justified in not extending such special consideration to other developers.

Fourteen (14) on-street car parking spaces are impacted to various degrees by the hoarding proposal. None of the car parking spaces are ticketed, and they do generate considerably less income from infringements compared with the adjusted hoarding fee payable to Council resulting from their decommissioning over an eighteen (18) month period. It is reasonable to argue that an adjusted hoarding fee of \$185,000 (\$203,500 incl. GST) is adequate compensation for the inconvenience caused by the loss of fourteen (14) on-street car parking spaces and altered traffic conditions on Durham Street over a limited eighteen (18) month period.

Any relief to the fees payable by the Karidis Corporation does not extend to the physical hoarding itself, which will require a separate application for structural assessment by Council Administration, and approval for the method of screening the site during the period of construction (at no cost). Council Administration will also be required to separately approve the timeframe and methodology for the temporary closure of Durham Street, being a decision that will need to be cognizant of other nearby construction sites and any planned community events that may be impacted at the time.

## **SUMMARY**

Council is being asked to consider fee relief by the Karidis Corporation for the hoarding required to undertake its approved development at 8 Durham Street, Glenelg. The request comes without concessions on the part of the developer, and on the basis that the unadjusted fees are high. Notwithstanding, there are also extenuating circumstances associated with this construction site that set it apart from most others in the city. It is an extension of the link between Jetty Road to Moseley Square, and also a vacant site that is in need of redevelopment and renewed activation. It is therefore beneficial if the site is developed promptly and in a timely manner, with Council offering incentives for doing so. There is also the issue of equity and how Council manages such requests, with many similarities attributable to the recent decision for the Taplin Group. It is therefore recommended that conditional support is provided to the request by the Karidis Corporation for dispensation from fees associated with the hoarding over Council's land.

## **BUDGET**

Should Council accede to the request for fee relief, it is estimated that this would equate to an unbudgeted income of \$185,000 (\$203,500 incl. GST), although representing a foregone additional income of approximately \$262,000 if the hoarding fee was invoiced in full.

## **LIFE CYCLE COSTS**

There are no life cycle costs associated with this matter.

# Attachment 1





KARIDIS CORPORATION LIMITED  
BUILDING BETTER CITIES

**Mr Roberto Bria**  
Chief Executive Officer  
Holdfast Bay City Council  
Brighton Civic Centre  
24 Jetty Road  
Brighton SA 5048

Serviced Apartment Operations  
Retirement Village Operations  
Student Accommodation  
Industrial Development  
Property Management  
Property Development  
Project Management  
Car Park Operations  
Property Investment  
Commercial Offices  
Joint Ventures  
Retail Spaces

12/01/2022

Dear Roberto,

Happy New Year! Thank you for the opportunity to meet on Tuesday 21<sup>st</sup> December 2021.

As discussed, Karidis Corporation Limited (KCL), are undertaking Stage 3 development of the AVISTA Retirement precinct on Durham Street, Glenelg. As such, Schiavello Construction (SA) Pty Ltd have been engaged to facilitate the pre-construction and construction activities. Schiavello have been liaising with the Holdfast Bay City Council (HBCC) Community Safety team regarding various applications required throughout the build.

**The exciting AVISTA Retirement Stage 3 project expansion will incorporate the following:**

- **14 Retirement Independent Living Units**
- **A Top Floor Community Centre with panoramic views**
- **56 Serviced Apartments**
- **Commercial and Hospitality areas to support the residents and local area**

**When the above stage is combined with the existing development it will be a hive of activity. Our economic modeling highlights there will be an estimated direct economic input into the local economy of greater than \$3,790,000 annually.** This does not account for indirect inputs, nor does it account for the local spending of some 109 construction workers during construction or the operational workers post completion. We ask the Council to consider the ecumenic benefit of the development when reviewing the existing fee structure as it is a substantial impact to construction.

The Hoarding Applications required to be submitted by Schiavello to facilitate the works in a safe manner, include implementation of a construction hoarding, change of traffic direction to Durham street; and amendments to current street parking in line with the change of traffic direction. The affected streets in relation to the above-mentioned applications include, but are not limited to Durham Street and Chittleborough Lane. Schiavello have obtained traffic management plans from Workzone Traffic Control for both the day-to-day traffic management of Durham Street during the build, as well as traffic management in street closure situations. These are attached for reference. Schiavello have also engaged Be Engineering Solutions to conduct a preliminary traffic assessment of the route path for semi-trailer deliveries at the request of HBCC.

The application to be submitted by Schiavello will include the following:

- Hoarding fees,



- Removal of parking zones within hoarding
- Removal of parking zones to allow truck access to hoarding
- Removal of parking zones as a result of change of traffic direction
- Removal of parking zones on certain days to allow standby of deliveries, such as concrete trucks
- Closing of Chittleborough Lane on specific dates to facilitate exclusion zones around overhead works

Durham Street currently provides 28 parking spaces currently. The construction methodology seeks to remove 14 parking places for the duration of the build, with 3 of these 14 spaces able to be provided back to the public on Sundays. In addition to the 14 spaces, Schiavello seek to utilise 5 parking spaces for a total of 29 non-consecutive days throughout the project on working days only.

Schiavello have provided KCL an indicative cost for the council fees based on Holdfast Bay City Council Approved Hoarding Fees 2021/22. This considerably exceeds KCL's budget for this portion of the preliminary project costs.

Further to our discussions in person, we understand that council has the ability to provide concession to reduce the Approved Hoarding Fees.

Respectfully, KCL are requesting a review and reduction of the following fees at the next council meeting, 27 January 2022. The fees in particular we would like reviewed are:

- *Fees for free or permit parking use or closure (per day, based on marked space of 6.5 linear metre of curb), currently listed at \$54 per day.*
- *Fee – (per m2 per week or part thereof) (on road), currently listed at \$6.60 per m2, per week*

In addition, whilst we recognise the completion of the 18-month long development will impact Durham Street and neighbouring properties in the short term, will see many positive outcomes and improvements to both Durham Street; and the Glenelg region in the long term.

KCL understand that the response to this letter will not be immediate. As such, Schiavello will proceed with the applications required to commence this project, noting fee adjustments to be finalised with HBCC and KCL.

We look forward to hearing from you following the council meeting 27 January 2022.

**Kind Regards,**



**Peter Karidis**  
**Karidis Corporation Ltd**

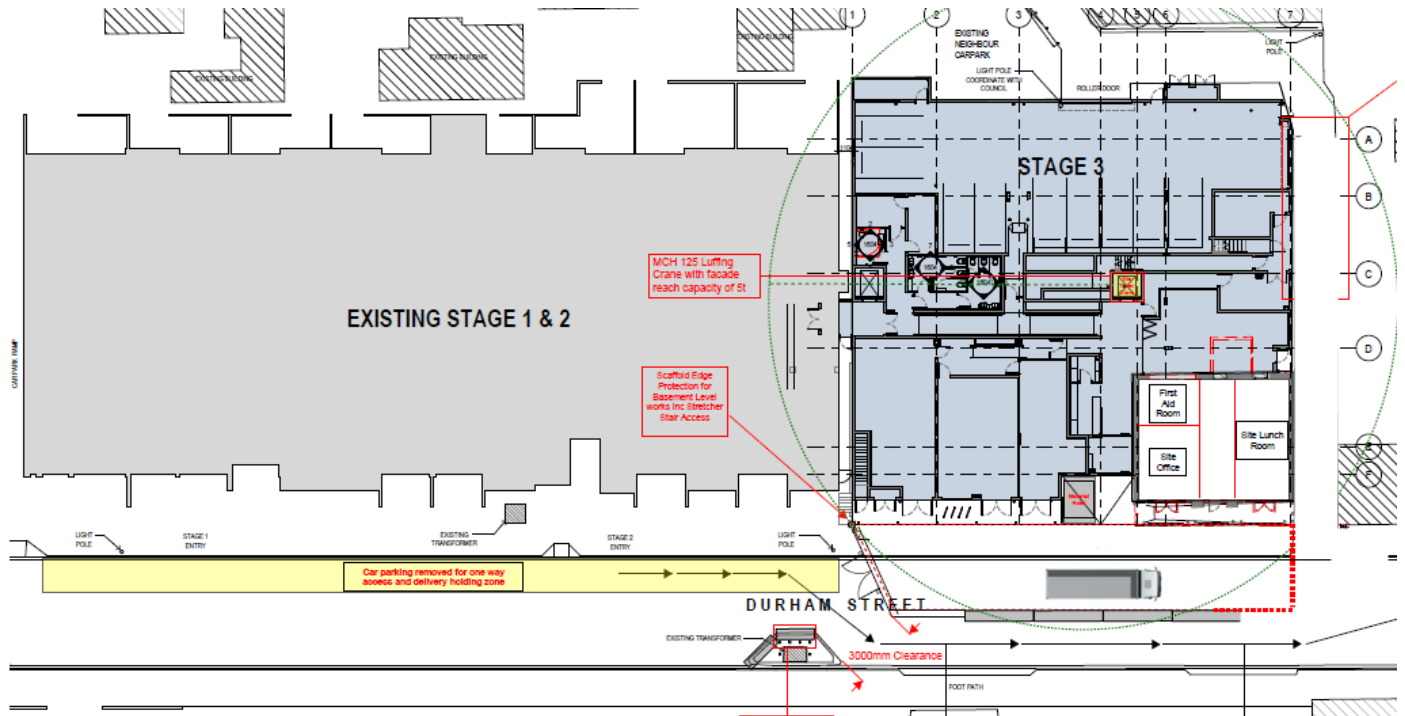
# Attachment 2



# AVISTA STAGE 3

## Durham Street, Glenelg

### Hoarding Site Management Plan



- Yellow shaded area 'Car parking removed for one way access and delivery holding zone'
- 10 parking bays are in the yellow shaded area in front of Avista sites 1 & 2
- Hoarded (fenced) area in front of site (Stage 3) = 181.5m (Length 33m X width 5.5)
- Hoarded area includes removal of 6 parking bays (1P zone)



## Council Approved Hoarding Fees 2021/22:

HOARDING	Cost
Application Fee	\$62.00
Fee – (per m2 per week or part thereof)(on road)	\$6.60
Footpath Closure (per m2 per week or part thereof)	\$6.60
Road Closure with hoarding (per week or part thereof)	\$282.00
Traffic Management Plan Assessment Private Works	\$125.00
Community Directional Sign	\$137.00
Fees for paid car park use or closure (per day)	\$94.00
Fees for free or permit parking use or closure (per day, based on marked space of 6.5 linear metre of curb)	\$54.00

### COSTINGS – calculations

181.5 sq/m Hoarded Area (road & footpath)



Deduct 61.6 sq/m of car parking (6 parking bays within hoarded area – separate cost)

**= 119.9sq/m HOARDING AREA**

119.9 sq/m Hoarding

X \$6.60 p/wk

**= \$791.34 per week**

X 4 weeks

**= \$3,165.36 per month**

**+ \$9,072.00 per month**

(6 parking bays X \$54 per day X 7 days X 4 weeks = \$9072.00)

**= \$12,237.36 per month**

## Removal of 9 parking bays



9 parking bays in front of Avista sites 1 & 2

9 bays X \$54 X 7 days X 4 weeks

**= \$13,608.00 per month**

**Hoarding Area + 6 parks = \$12,237.66 per month**

**9 Parking bays = \$13,608.00 per month**

**TOTAL \$25,845.36 monthly fee**