

ITEM NUMBER: 17.4

CONFIDENTIAL REPORT

JETTY ROAD, GLENELG MASTERPLAN INVESTMENT AND DESIGN PARAMETERS

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: 168/23 Jetty Road Glenelg Masterplan Investment and Design Parameters 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: 168/23 Jetty Road Glenelg Masterplan Investment and Design Parameters 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; and the information would prejudice the commercial position of the Council.

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: 17.4

Subject: Jetty Road, Glenelg Masterplan Investment and Design Parameters

Date: 23 May 2023

Written By: Project Manager, Public Realm and Urban Design

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

A Council workshop was held on 18 April 2023 to understand Elected Members position regarding the level of investment and key design parameters for the remaining stages of the Jetty Road Masterplan.

As a result of the Workshop, this report is seeking to approve the key design parameters, the level of investment and funding options for the remaining stages of the project.

RECOMMENDATION

That Council:

1. approves an investment of \$30 million of Council funding to deliver the upgrade of Jetty Road Glenelg;
2. approves the design elements to be considered as identified in this report under the 'Design Elements and Parameters' section;
3. approves Administration to undertake a high-level review of the existing Masterplan design for consideration by Council with a value not to exceed \$80,000;
4. approves Administration and their design consultants to commence discussions with the Department of Infrastructure and Transport and determine their support for changes to traffic and public transport along Jetty Road, Glenelg and the surrounding precinct; and

RETAIN IN CONFIDENCE - Section 91(7) Order

5. That having considered Agenda Item 17.4 168/23 Jetty Road Glenelg Masterplan Investment and Design Parameters 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 and minutes be retained in confidence for a period of 6 months and/or the Chief Executive Officer is authorised to release the documents when a public announcement is made and that this order be reviewed every 12 months.
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STRATEGIC PLAN

The design phase of Stage 2 of the Jetty Road Masterplan directly connects and delivers on all of the Our Place 2050+ Strategic Plan objectives for 2020-30. The Masterplan principles which the concept design will be built upon, were formulated through three phases of extensive community consultation and further demonstrate the direct alignment to the Strategic Plan and ensure Jetty Road is truly considered 'Our Place'.

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable at this time

BACKGROUND

On 8 September 2015, Councillor Wilson tabled a Motion on Notice seeking a report from Administration on plans, ideas, designs and any other diagrams that have been developed for the street scape for Jetty Road precinct.

Following from this Motion, budget was allocated in the 2016/17 budget for the development of a Masterplan for Jetty Road, Glenelg. A grant was received from the State Government to match the investment made by Council in the Masterplan.

Work commenced on the Masterplan in 2016, and a final concept was endorsed by Council on 13 February 2018.

The purpose of the Masterplan is to harness the growing population, place a strategic focus on leveraging Jetty Road's existing offerings and the Glenelg beach area as one of South Australia's premiere tourism destinations.

Further, the Masterplan provides a planning and design framework for current and future development in the area by building on the intrinsic character of the area, increasing functionality, amenity, and the commercial value of precinct.

Stage 1 of the Masterplan, which included Chapel Plaza and Bouchée Walk, was funded and completed in 2021.

Preliminary design investigations on the remainder of the Masterplan have identified that the cost of delivery have substantially increased since initial cost estimations and further consideration of design outcomes and Council's investment is required.

There is currently \$450,000 in the 2022/23 budget for Stage 2 design work. There is no other funding commitment to deliver the remainder of the project.

As an outcome of the recent Federal election, the Federal Government invited Council to apply for a \$10 million grant as a contribution to the implementation of the Jetty Road Masterplan.

Administration is currently compiling a business case to address the various selection criteria outlined by the Federal Government.

REPORT

Given the projected rise in project delivery cost, future population growth based on new and current developments in the precinct and strategic objectives of the project, the project needs to revisit the scope and outcomes of the Jetty Road Masterplan. On 18 April 2023 Administration facilitated a Council workshop with Elected Members to identify the investment appetite, funding implications and core design parameters for future stages of the project.

Investment and Funding

To determine the approach for the upgrade of Jetty Road, the Council must determine the level of investment in the project and how it would fund that investment. In 2016, at the completion of the Masterplan, the project was costed at approximately \$20 million to complete. Recent costings have indicated to deliver the original Masterplan would cost more than \$40 million, depending on factors such as the level of night works required. Council had included for the investment of \$10 million in its Long-Term Financial Plan, based on the assumption the remaining 50% funding could be received through grants.

The Federal Government has invested Council to apply for \$10 million grant, as an outcome of the last Federal election. Discussions with the State Government indicate Jetty Road Masterplan is not a project they would provide funding for.

Based on this, the Council has the following options:

- Continue to proceed with the implementation of the Masterplan and fund most of the project with the option estimated to cost more than \$40 million.
- Undertake a renewal project to upgrade the pavers but not change the function of the street. There is still 20+ years asset life in the pavers. It is estimated this option could cost +\$25 million.
- Undertake a paver replace project. This option is estimated it could cost \$15 million.
- Undertake a combination of Masterplan and renewal project. In this option parts of the street would be designed, and the function changed, and other sections of the street would involve a renewal of existing infrastructure. The cost of this option would depend on the level of design required in certain sections of the street.

At the workshop it was explained for every \$10 million of new borrowings, the annual repayment for Council is \$1 million. If Council were to impose a levy to cover the cost of that borrowing, it would equate to a one-off levy of 2.4% for every \$10 million borrowed.

An example was provided to illustrate the above. If Council made a \$20 million investment, borrowing for 15 years at an interest rate of 5.15%, the annual repayment costs would be \$1.93 millions (for both principal and interest). A rate levy of 1.6% for each year over 3 years would cover repayment costs.

It was indicated during the workshop the Jetty Road Masterplan was a priority project for Council and wished to invest \$30 million, with the additional funding of \$10 million from the Federal Government. This would bring the total value of the project to \$40 million. In

addition, it was indicated that Council would like to amend the original Masterplan design to look at a combination of design and renewal to manage the costs of the project.

At this stage of the project, Council needs to approve the level of investment commitment to progress the project. Consideration for the introduction of mechanisms to fund the project will be considered as part of the 2024/25 Annual Business Plan process.

Design Elements and Parameters

For the purpose of reviewing the Masterplan, and future planning and design of the precinct, design elements were discussed in the workshop.

The Gateway zone (Moseley Street, Jetty Road, Colley Terrace corner) was identified as the section requiring the focus in design and investment. This section of the street will require a change in its function due to the number of competing usages between pedestrians, private vehicles, buses and the tram. A review of Masterplan will identify this zone as the priority.

In terms of design outcomes, the following were considered the most important elements:

- pedestrian access and safety
- increased greening
- reduction or removal of tram barriers.

Improved traffic balance and space for activation were identified as somewhat important. The rationalisation of on- street parking will also be considered.

The following were also identified as areas for investigation as part of the design phase:

- seasonal closure of Jetty Road
- removal of the tram from Moseley Square
- reduction in use of private vehicle movements
- the re-routing of buses away from the Colley and Jetty Road corner

There is no commitment to the delivery of the above design elements, as some may not be possible to deliver as an outcome or in conflict with each other. However, they do provide Administration with parameters to commence the design development of the next stages of the Masterplan.

Next steps

Based on the approval of funding commitment and design elements, Administration recommends a high-level review of the existing Masterplan. This review will inform the future design of the street, the allocation of budgets for each section of the project, as well as possible construction approaches and timeframes. The outcomes of this review would include:

1. Deliver a plan that detail high level street design that incorporates areas of renewal and Masterplan design features as per the design parameters approved by Council.

2. Reconsider and define current Masterplan Zones to accelerate construction delivery of the entire Masterplan scope area and suggest opportunities to reduce the amount of construction stages.
3. Undertake an engineering survey of the Masterplan scope area to inform key design moves.
4. Constructability advice to determine appropriate delivery staging and design investment for a budget that does not exceed \$40 million.

The outcomes will be provided back to Council for approval. It is estimated cost for this review is \$80,000 and would be allocated from the existing design budget.

In addition, on approval of recommendations in this report Administration will also:

1. Liaise with the Department of Infrastructure and Transport to develop design parameters in line with Attachment 2.
2. Prepare a new prudential report for consideration by Council based on revised project scope and the proposed level of investment.

BUDGET

A budget for the design development has been allocated as follows:

- Financial year 2021/22 \$366,119 (carry forward)
- Financial year 2022/23 \$450,000

The proposed full street concept design and updated prudential report would be funded from the 2021/22 carry forward budget.

LIFE CYCLE COSTS

To be confirmed post-design development.