

ITEM NUMBER: 18.1

CONFIDENTIAL REPORT

KINGSTON PARK KIOSK – FINAL CONCEPT DESIGNS (Report No: 104/22)

Pursuant to Section 90 (2) 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.

CONFIDENTIAL

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: 104/22 - Kingston Park Kiosk 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: 104/22 – Kingston Park Kiosk 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 it 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.
-

Item No: 18.1

Subject: KINGSTON PARK KIOSK – FINAL CONCEPT DESIGN

Date: 12 April 2022

Written By: Project Manager, Public Realm & Urban Design

General Manager: General Manager Strategy & Corporate – Ms P Jackson

SUMMARY

At its meeting on 11 October 2020, Council noted a business case for the Kingston Park Kiosk and endorsed Administration undertake further concept and detailed design for a preferred location. At the meeting Council also requested a concept and detailed be brought back to Council with a final construction budget and financial feasibility assessment for approval. This report tables a final design for the Kiosk for approval, as well as providing the cost estimates for construction and updated financial feasibility assessment. Approval for additional budget to undertake construction is also sought from Council.

RECOMMENDATION

That Council:

1. endorse the revised concept design for the Kingston Park Kiosk;
2. note the updated financial feasibility for the Kingston Park Kiosk;
3. approve construction of the Kingston Park Kiosk; and
4. approve an additional \$200,000 for construction of the Kingston Park Kiosk from the 2021/22 budget.

RETAIN IN CONFIDENCE - Section 91(7) Order

5. That having considered Agenda Item 18.1 Report No: 104/22 – Kingston Park Kiosk 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 Attachment 2 be retained in confidence for a period of 18 months and the Chief Executive Officer be authorised to release of the documents thereafter
-

STRATEGIC PLAN

Placemaking: Creating lively and safe places

Placemaking: Developing walkable connected neighbourhoods

Placemaking: Building character and celebrating history

Community: Celebrating culture and diversity

Economy: Boosting our visitor economy

Environment: Protecting Biodiversity

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

BACKGROUND

On 14 May 2019 Council endorsed amendments to the Kingston Park Reserve Master Plan. Included in the motion was removal of the Kiosk and Interpretative Centre from the Master Plan and undertaking a feasibility study of a Kiosk at Kingston Park. The feasibility study was undertaken in October 2020 and determined that the most appropriate location for the proposed kiosk would be in the south-west corner of the Brighton Beachfront Holiday Park, adjacent to the coastal path. A business case and cost estimation were also undertaken in October 2020 to inform the construction budget for the kiosk.

At its meeting on 11 October 2020 (Motion C101120/2130), noted the business case, endorsed Administration to undertake further concept and detailed design for the preferred location and requested that further concept and detailed design be brought back to Council with a final construction budget for approval and financial feasibility assessment.

In April 2021, an expression of interest to provide Café Services for the kiosk was released with The Seller Door being confirmed as the successful applicant in October 2021.

In May 2021, a request for tender was released to provide both the concept design and detailed design for the kiosk, with Troppo Architects being confirmed as the successful applicant in July 2021.

Administration has been working with both Troppo Architects and The Seller Door in creating a concept design for the Kingston Park Kiosk which would allow The Seller Door to be able to deliver on their successful tender application in terms of food and beverage offerings and customer experience. The proposed concept design has been through a thorough review process within Council to ensure that all aspects of design, functionality and safety have been considered and incorporated. Elected Member feedback from the Council workshop on 7 December 2021 has also been considered and included where appropriate at the conceptual stage.

REPORT

Concept Design

On 7 December 2021, a Council workshop was undertaken to present the first concept design for the Kingston Park Kiosk. Based on this feedback the concept was further refined and costed. A cost estimate was undertaken of this concept. To minimise the cost of the project Administration, in collaboration with Troppo Architects, Capisce QS and The Seller Door, undertook a value management exercise of the project and further refined the materiality and cosmetic features. The final concept attached for consideration by Council.

Attachment 1

Construction Budget

Based on the final concept, the cost estimate for construction of the project is \$953,000. In the 2020/21 and 2021/22 annual business plans a total of \$800,000 has been allocated for construction of this project. The construction budget was based on high level concepts developed to inform the business case in October 2020. There are three main factors that have resulted in the increase to construction costs:

- Escalation of costs: Increase of \$56,000 for the same design between October 2020 material rates and January 2022 material rates, not including industry escalation because of an expensive market.
- Additional Amenities for Café Services Provider: A key part of the project design phase was ensuring that the concept would a provider to deliver successful café services. As a result, there was an increase to kitchen space, storage space and amenities than had been previously included in the design produced in October 2020 which informed the initial project construction budget of \$800,000.
- Concept Detail: Due to the extensive consultation which took place during the design phase for the kiosk, the final design included a significant amount of detail, resulting in fewer assumptions and high-level allowances needing to be made during the costing phase. As such, the quantity surveyor was able to include significantly more individual items within the cost estimation which resulted in a higher but considerably more accurate construction estimate.

As a result of these factors, it is recommendation that the construction budget for the Kingston Park Kiosk be increased by an additional \$200,000, bringing the total construction budget to \$1,000,000. This will allow for the construction budget as estimated as well as factoring in additional contingency for further cost escalations. On approval of the final concept and budget, Administration will tender for construction of the project. In the event the tender proposals are above the budget allocated, Administration will table a report to Council with further options.

There is currently an additional \$150,000 allocated in the draft 2022/23 budget for this project, it is proposed that budget allocation be removed and that the \$200,000 be allocated from the

2021/22 budget. This will allow Administration to commence the tendering process and enter into contracts prior to the approval of the 2022/23 in June/July.

Financial Feasibility

As discussed, at the meeting on 11 October 2020, Council was presented with a business case on the financial feasibility of the project. The financial model included in the business case was built on assumptions as several key factors were unknown at that stage, namely the lease rental that could be received and the capital cost of the project.

In February 2022, McGees Property were engaged to undertake a valuation of the market rental for the Kiosk based on the final concept designs and location. The valuation provided was a rental [REDACTED]. The valuation is attached to the report for Council's information.

Attachment 2

Based on a capital investment of \$953,000 and a rental return [REDACTED], the financial model (real cost analysis) has been updated for consideration by Council. The benefits and costs [REDACTED].

Benefits	\$
Rental Income	[REDACTED]
Residual Value	[REDACTED]
Total Benefits	[REDACTED]
Costs	
Capital Costs	[REDACTED]
Maintenance Costs	[REDACTED]
Loss of Caravan Park Income	[REDACTED]
Total Costs	[REDACTED]
TOTAL	[REDACTED]

The same analysis undertaken in October 2020 was based on capital costs of [REDACTED] and a rental income of [REDACTED] per annum and returned a cost [REDACTED]. The financial analysis demonstrates that while the final concept returns a cost over the period due to the loss of caravan park income, an increase in capital costs coupled with a greater return on income minimises the cost to Council over the same period.

Kaurna and Other Third-Party Consultation

The preferred location of the Kiosk is the south-western corner of the Brighton Holiday Park. This is located within a site of known aboriginal cultural significance including nearby registered burial sites. Administration has been working closely with the Kaurna Nation for approximately 5 years on the Kingston Park precinct. In 2018 the now General Manager, Strategy & Corporate met with the wider Kaurna community to discuss the Kingston Park Master Plan, including the Kiosk. During

these discussions it was made clear Kaurna would not approve development of a Kiosk in the Reserve, however they were comfortable with the construction of a Kiosk in the Caravan Park site. As a result of these discussions, the Master Plan was amended and the feasibility of a Kiosk and preferred locations for a site commenced. Further consultation is proposed in April/May with the wider Kaurna community as part of a final stage of consultation on both the Kiosk and the Kingston Park Master Plan. Like any development Council undertakes in an area of cultural sensitivity, a Cultural Heritage Plan will be developed and approved by Kaurna prior to any construction being undertaken and any conditions identified through that plan will be met by Council.

Initial discussions have commenced with Coast Protection Board regarding the project, due to its proximity to the coastline and seawall infrastructure and this consultation will continue. Like any development Council undertakes, the project will also be subject to a development assessment process which will include third party consultation.

BUDGET

A total of \$800,000 has been approved over the 2020/21 and 2021/22 Annual Business Plans. A further \$200,000 is sought from the 2021/22 budget.

LIFECYCLE COSTS

Based on a total capital [REDACTED], the maintenance costs over [REDACTED] estimated at [REDACTED].

CONFIDENTIAL

Attachment 1

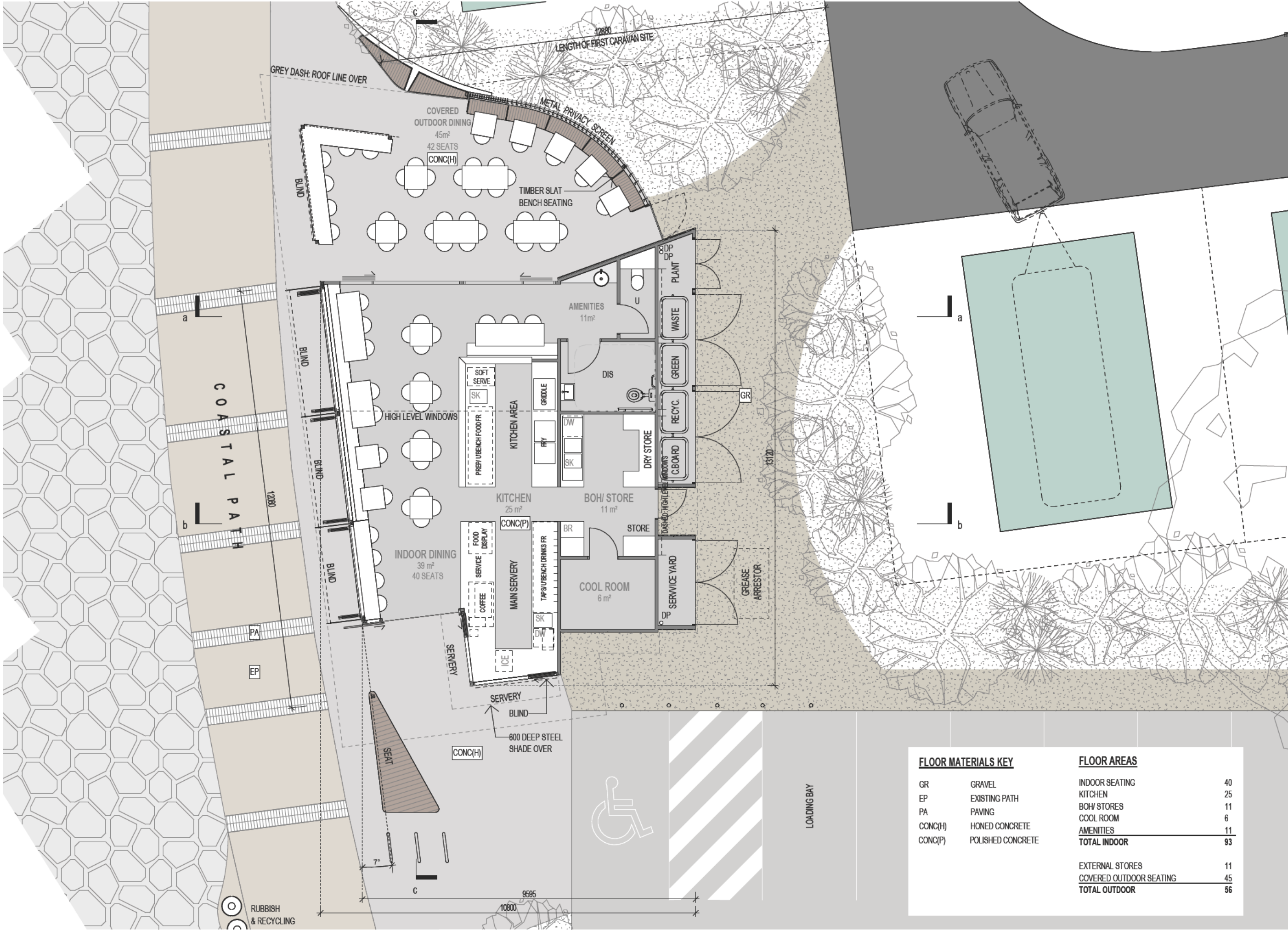




Kingston Park Foreshore Kiosk

REVISED CONCEPT DESIGN PACKAGE

18TH JANUARY 2022



FLOOR MATERIALS KEY		FLOOR AREAS	
GR	GRAVEL	INDOOR SEATING	40
EP	EXISTING PATH	KITCHEN	25
PA	PAVING	BOH/ STORES	11
CONC(H)	HONED CONCRETE	COOL ROOM	6
CONC(P)	POLISHED CONCRETE	AMENITIES	11
		TOTAL INDOOR	93
		EXTERNAL STORES	11
		COVERED OUTDOOR SEATING	45
		TOTAL OUTDOOR	56

FLOOR PLAN

KINGSTON PARK FORESHORE KIOSK | CONCEPT DESIGN

18TH JANUARY 2022



3D VIEWS

KINGSTON PARK FORESHORE KIOSK | CONCEPT DESIGN
18TH JANUARY 2022