

Item 13.4 Project Update – King Island Hub

Reporting: Growth & Strategy Manager – Helen Thomas

SUMMARY:

Work continues on securing the grant of \$5M from the Commonwealth for the development of a King Island Hub. Having taken into account feedback from the community on previous concepts developed, Council has proceeded with consideration of a third location for this new facility, being the vacant block adjacent to the Currie Museum. A concept design has been developed in consultation with key stakeholders and details of this shared with the Commonwealth to inform their drafting of the grant deed. Approval is now sought from Council to execute the Deed of Agreement when it is offered, to continue the engagement of Core Collective as the project architects, and to defer the planned community information night until such time as the Deed of Agreement is executed and a project timeline agreed.

DISCUSSION:

Over the past three years, Council has sought to progress the concept of co-locating visitor and community services to reduce operating costs for each activity and improving amenity for users. Funding of \$5M was promised in March 2019 under the Community Development Grants (CDG) program, coinciding with provision of State government funding of \$120k to develop a feasibility study for the project. Over the next 12 months, Council consulted with the community on the function and location of the proposed Hub, with a significant proportion of residents contributing.

Following the completion of the feasibility study, presented to Council at its ordinary meeting in June 2020, the community were again invited to comment on the two locations considered in the report. This feedback, reported to Council at its ordinary meeting August 2020, suggested a preference for development of the privately owned site at 28 Edward Street, Currie, and the General Manager was authorised to negotiate the purchase of that site. Unfortunately, it was not possible to reach an agreement on the value of that site, and at its ordinary meeting in October 2020 Council was presented with a number of options to consider on how to proceed. Resolution 178/20 included the decision that Council *“agree to extend the scope of the Hub business case to include the viability of options 2 [revert to the Les Ross Park site] and 3 [upgrade existing Hub facilities] noted in the report and advise the community of its decision”* and *“conduct further community and stakeholder consultations as an integral component of the business case process”*.

Since that decision was made, a number of discussions have been held with key stakeholders, including representatives from King Island Tourism Inc, King Island Regional Development Organisation, King Island Chamber of Commerce and the King Island Historical Society. Concerns raised by community members during earlier consultations about the impacts of a Hub at Les Ross Park on commercial and recreational activity at the Harbour was taken into consideration, and a new location selected for this project. The functionality of the Hub was agreed as including:

- KIRDO operations, including business services

- Online Access Centre
- Visitor Information services
- Commercial offices and meeting rooms for lease on a variety of terms
- A multi-purpose space suitable for business and/or private functions
- Capacity to act as an emergency evacuation and recovery centre

The current concept comprises of two parts – a new building on Lighthouse Street, adjacent to the Currie Museum, and some improvements to the Town Hall building to improve its functionality as an emergency evacuation and recovery centre.

A thorough concept design for the new building on Lighthouse St has been developed by Core Collective Architects, including an indicative budget for the full project. This includes the conversion of the General Manager’s residence into the Arts & Cultural Centre, relocating this facility to a building owned by Council and removing the risk inherent in renting a building. A high-level concept has been identified for the Town Hall building and advice provided by a local builder on the affordability of that plan, but there is more work needed to ensure the best of use of space.

These materials have been used to inform the Commonwealth on the deliverables and milestones for the development of the grant deed, submitted late last week. It is hoped that a Deed of Agreement will be issued to Council for execution before Christmas. It is recommended that Council authorises the General Manager to execute the Deed of Agreement when it is received.

One of the first tasks to undertake following the execution of the Deed of Agreement is to commence the detailed design of the Hub facility. Building on the concept design and initial stakeholder consultation, the detailed design process allows for the specific operational requirements of the facility to be explored and defined as well as making decisions on the materials and finishes used in construction. This will inform the tender documentation for the building contractor and any agreements in place with stakeholders, e.g. KIRDO and KITI, regarding the operation of the facility.

The concept design was completed by Core Collective Architects, engaged through a public expression of interest process in 2019 for the completion of the feasibility study. To date, Core Collective have provided an excellent service, delivering agreed outcomes on time and within budget. Engaging Core Collective for the detailed design process on this project removes the risk of a new architect wanting to make their mark by moving away from the concept design, which would necessarily extend the timeline of the project by requiring new conversations with the community and other stakeholders. It could also be beneficial to Council to utilise Core Collective for the development of plans for the works required at the Town Hall building, as they have a strong track record in working with heritage buildings. There is no advantage identified in moving away from Core Collective for the continuation of this project.

The anticipated cost for Core Collective to provide detailed design, construction tender documentation, coordination of specialist consultants and act as superintendent through the construction period is estimated at 10% of the construction budget, being \$280,000. Council's Code for Tenders & Contracts stipulates a purchase of this value requires a public tender or expression of interest process, or an exemption approved by Council.

As Core Collective were initially identified through a public expression of interest process, it is suggested that their ability to offer value for money has already been tested in the market. Their performance through the project to date has been exemplary, with every expectation that this will continue should Council choose to continue with their engagement. The scope of works required includes detailed design for the Lighthouse Street site, construction tender documents for both the Lighthouse Street site and the Town Hall building, coordination of specialist consultants for both parts of the project, and the role of superintendent through the construction process at both sites. To ensure the efficient continuation of this project, it is recommended that Council authorise the General Manager, once a Deed of Agreement is in place with the Commonwealth, to engage Core Collective for delivery of the services noted above.

At its ordinary meeting in November 2021, Council resolved to host a community information night on 1 December. Discussion between Councillors and staff in the weeks since that resolution identified that this meeting be deferred. Council are now asked to endorse the rescheduling of this community update until after a Deed of Agreement is executed and a project timeline has been agreed, noting that this will likely be in the new year.

Recommendations:

1. That Council endorse the project concept as presented to the Commonwealth.

That Council authorise:

- 2. the General Manager to finalise and sign the Deed of Agreement for funding of the King Island Hub**
- 3. an exemption from the requirements of the Code for Tenders & Contracts to directly engage Core Collective Architects for the detailed design of the Hub and to support the development of construction tender documents, subject to the successful execution of the Deed of Agreement**
- 4. the deferral of the Community Information Night until such time as a Deed of Agreement has been executed and the project timeline agreed**

Moved Cr D McFie
Cr G Green

1. That Council endorse the project concept as presented to the Commonwealth.

That Council authorise:

2. The General Manager to finalise and sign the Deed of Agreement for funding of the King island Hub
3. An exemption from the requirements of the Code of Tenders & Contracts to negotiate directly with Core Collective Architects for the detailed design of the Hub and to support the development of construction tender documents, subject to the successful execution of the Deed of Agreement
4. The deferral of the Community Information Night until such time as a Deed of Agreement has been executed and the project timeline agreed.
5. That the outcome of the negotiation with Core Collective Architects come back to council for approval prior to funds being acquitted.

Moved Cr Ian Allan
Cr Thor Clemons

An amendment:

1. That Council endorse the project concept as presented to the Commonwealth.

That Council authorise:

2. The General Manager to finalise and sign the Deed of Agreement for funding of the King island Hub
3. Negotiate with Core Collective Architects for the detailed design of the Hub and to support the development of construction tender documents, subject to the successful execution of the Deed of Agreement
4. The deferral of the Community Information Night until such time as a Deed of Agreement has been executed and the project timeline agreed.
5. That the outcome of the negotiation with Core Collective Architects come back to council for approval prior to funds being acquitted.

CARRIED unanimously

224/21

Moved Cr T Clemons
Cr D McFie

The amendment became the motion and was put and **CARRIED unanimously**

225/21