



CONFIDENTIAL ORDINARY COUNCIL MEETING

CONFIDENTIAL MATTERS

16.1 Progressing the Playford Sports Precinct.....4

Released 26 May 2020

16.1 PROGRESSING THE PLAYFORD SPORTS PRECINCT

Contact Person: Shaun Kennedy

Why is this matter confidential?

Subject to an order pursuant to Section 90 (3) (b) of the Local Government Act 1999 this matter is confidential because in September 2014 Council signed a Memorandum of Understanding (MoU) with Adelaide United Football Club (AUFC). The MoU was developed to enable both parties to explore the potential of AUFC relocating its training base and administration offices to the City of Playford. Negotiations have been taking place in a commercial in confidence manner between both parties. This proposal outlines the financial commitment required to enable AUFC's relocation, which will then give Council staff the ability to negotiate a commercial lease arrangement.

A. COUNCIL/COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section

B. THE BUSINESS MATTER

16.1 PROGRESSING THE PLAYFORD SPORTS PRECINCT

Contact Person: Shaun Kennedy

Why is this matter before the Council or Committee?

Matters which cannot be delegated to a Committee or Staff

Purpose

Seek endorsement for a proposal to establish a training base and administration offices for Adelaide United Football Club (AUFC) within the Playford Sports Precinct.

STAFF RECOMMENDATION

1. Council endorses in principle support for Adelaide United Football Club to establish a training base and administration offices within the Playford Sports Precinct subject to the successful negotiations of a commercial lease.
2. Council acknowledges that Community Consultation is required in relation to leasing community land and that the Community Management Plan for Ridley Reserve will need to be updated to reflect any changes.
3. Council provides in principle agreement to allocate up to \$30,000 operating in the 2014/15 financial year through a budget review (to fund \$1.92M capital works) and acknowledges that ongoing funding of up to \$72,000 will need to be allocated through the 2015/16 budget process.

Relevance to Strategic Plan

Strategy 3. Elizabeth, Adelaide's northern CBD

Outcome 3.1 Provision of CBD facilities and services

Relevance to Public Consultation Policy

Council intends to enter into a commercial lease with AUFC for exclusive use of two pitches at Ridley Reserve. Council is required to consult with the community in relation to leasing community land and to update the Community Land Management Plan for Ridley Reserve.

Background

The Playford Sports Precinct is specifically identified as a Lighthouse Project under Strategy 3 within Council's Strategic Plan.

The Playford Sports Precinct Master Plan was endorsed by Council in June 2013, and in August 2014 approval was given for detailed design of Stage One to commence. This includes the development of tennis and lawn bowls facilities.

The development of football (soccer) facilities is scheduled for delivery as part of Stage 2 within the Playford Sports Precinct Master Plan.

Throughout 2014 Council held discussions with AUFC and Football Federation SA regarding potential options for the football facilities. This led to Council signing a MoU with AUFC in September 2014. The MoU sets out the desire of both parties to explore a joint venture of AUFC becoming a key tenant within the Playford Sports Precinct.

Since the signing of the MoU, Council has undertaken investigations to determine the training and administrative needs of AUFC. This has led to the development of a proposal for AUFC to transfer its training base to Ridley Reserve and administration offices to the Aquadome.

The training base and administration offices must be delivered by June 2015, hence the need to seek Council commitment outside the standard budget processes.

Analysis of Issues

AUFC's Current Situation

AUFC is South Australia's sole professional football club, fielding teams in the national A-League (men), W-League (women) and Youth League. Below are some key statistics which highlight the profile that AUFC have both nationally and within South Australia:

- 8,414 members
- Average home game attendance of 17,585
- Average combined national television audience of 190,738 (one of the strongest in the league)
- Average of 89,000 website views per month
- Over 67,000 Facebook followers
- Current titles holders of the Football Federation Australia Cup

AUFC's administration offices are currently based at Hindmarsh adjacent Coopers Stadium, while its teams train at different locations throughout Adelaide. Establishing a training base adjacent to its administration offices is seen as a major priority for the AUFC Board. This would provide continuity in training, an essential component for a professional club participating in national and international competitions.

Playford Sports Precinct Master Plan

The development of dedicated football (soccer) facilities at Ridley Reserve is proposed within the Playford Sports Precinct Master Plan. However the plan does not identify a specific tenant. Attracting AUFC to establish their training base and administration offices within the Sports Precinct would be a huge coup for the city. Along with Central Districts Football Club, AUFC will give the Sports Precinct a state and national level profile. This will generate significant branding and marketing opportunities for the city and generate ongoing economic activity.

The facilities required by AUFC and identified in stage 2 of the master plan include:

- Club room extension (dedicated facility leased to AUFC servicing two natural turf pitches)
- New shared club room (servicing one artificial pitch and one natural turf pitch)
- Artificial football pitch
- Field lighting
- Playground and exercise equipment
- Pitch fencing

- Spectator seating
- Car parking

The estimated cost of these facilities is \$6-\$8M, although this is not requested in this report, there is an expectation that these facilities will be delivered within three years with significant funding provided by Council.

Benefits of AUFC moving their training base to the Playford Sports Precinct

AUFC are one of only a handful of professional/semi-professional South Australian sporting teams participating in a national level competition. Notable others include:

Team	League	Council Area
Adelaide Crows	Australian Football League	City of Charles Sturt
Port Adelaide Power	Australian Football League	City of Port Adelaide Enfield
Adelaide 36ers	National Basketball League	City of Charles Sturt
Adelaide Lightning	Women's National Basketball League	City of Charles Sturt
Adelaide Bite	National Baseball League	City of Norwood and Payneham
Adelaide Thunderbirds	ANZ Championship	City of West Torrens
West End Redbacks	Sheffield Shield and Ryobi One Day Cup	City of Adelaide
Adelaide Strikers	T20 Big Bash League	City of Adelaide
SA Scorpions	Women's National Cricket League	City of Adelaide

Metrics clearly indicate AUFC is now the third highest profile team in South Australia, and the growth of the A-League and participation rates in the sport suggests this is likely to consolidate or improve.

If AUFC move their training base to the Playford Sports Precinct it is expected to generate significant community interest and pride. AUFC will hold open training sessions where members of the community will have the opportunity to watch and engage with players. They will likely host internal trial games and friendly games with other semi-professional clubs within Adelaide. Longer term AUFC has suggested the youth team may play their National Youth League matches from the venue. These games will attract people from outside the city and generate media coverage. As it currently stands, media outlets attend AUFC training sessions daily and most of these sessions concludes with an interview opportunity/press conference on site.

AUFC has also recently established an official Football School Program. The twenty session coaching program for junior players was developed by the head coach. The unique feature of this football school is each of the sessions is conducted by the AUFC coaches and players.

This program is hosted at three sites across Adelaide, and in November 2014 commenced the northern areas school at Ridley Reserve. With only a four week promotion, over 80 children registered for the program and AUFC is expecting the football school to significantly expand in the future.

The introduction of AUFC to the Playford Sports Precinct also creates a continuous integrated football pathway within the City of Playford. The pathway involves a hierarchical concept with 'leader' and 'feeder' clubs. AUFC would be considered a 'leader' club, as the sole professional football club in South Australia. Underneath sit the Playford City Patriots who participate in the Football Federation South Australia State League (Federation Cup Level). Under this sits a number of local amateur football clubs, most of which are affiliated with the Elizabeth and Districts Soccer Association. Leader clubs require a higher quality built form (playing fields, clubrooms, spectator seating etc.) as well as management structure

to ensure they can be competitive in elite level competitions. The Playford Sports Precinct aims to facilitate this.

Training Base

An immediate need to attract AUFC to the Sports Precinct requires the development of a training base and administration offices. The A-League pre-season begins in June 2015; both the training base and administration offices must be ready for tenancy by this time.

The construction of a training base at Ridley Reserve requires Council to give AUFC exclusive use of two pitches. These pitches must be fenced off from the community, as they will be maintained to a 'national level' standard. There can be no risk of community use damaging the pitches, as this would then disrupt the training standard of the professional teams.

In order to give AUFC exclusive use of two pitches and enter into a lease for greater than 5 years, the Community Management Plan will need to be updated and community consultation conducted as required under Section 202 of the Local Government Act 1999.

Under the terms of the lease AUFC would be responsible for maintenance of the two pitches. Council would continue to be responsible for irrigation and all maintenance beyond the fence line. The reason for this arrangement is due to Council's inability to meet AUFC's desired service standard. They require the pitches to be mowed on a daily basis, and would employ a specialist contractor. This is a similar arrangement to that which Council currently has in place with Central Districts Football Club.

Temporary buildings will need to be placed on site, until the existing club rooms are extended. The temporary building list includes:

- Change rooms (locker room, toilets and showers)
- Gym
- Coach's office
- First aid and physiotherapy
- Laundry and store room

Administration Offices

There is a need for AUFC's administration offices to be located in close proximity to its training base, due to the need of coaches and support staff to travel regularly between the two sites. The Aquadome presents as an ideal venue to accommodate AUFC's administration as it is located only 1.5km from Ridley Reserve and since its redevelopment in 2009, the front of the building (facing Elizabeth Way) has remained without a tenant.

Council has prepared plans to refurbish the Aquadome to accommodate up to twenty AUFC administrative staff. The refurbishment will include the creation of open plan offices, meeting rooms, reception area and even the possibility of a merchandise shop accessible from Elizabeth Way. The refurbishment enables the commercial leasing of the facility, even if AUFC decided not to renew the lease in the future.

The transfer of twenty staff to the Aquadome will provide significant economic benefits to the city. An economic impact model indicates that the creation of twenty local jobs would result in an estimated rise in output of \$4.18M in the City of Playford economy and the creation of an additional 29 jobs. The associated construction activity will also result in an estimated rise in output of \$4M in the City of Playford economy.

AUFC Lease

A long term lease will be negotiated with AUFC with a minimum annual fee of \$120,000. The lease will include AUFC's requirement to maintain two pitches at Ridley Reserve and a 'support agreement'. The support agreement will be similar to that which Council has with the Central Districts Football Club as part of their licence agreement. It will include key performance indicators such as:

- Promotion of the Playford Sports Precinct
- Development of the game (football) within the City of Playford
- Participation in Council programs such as OPAL
- Co-branding and marketing opportunities
- Attracting funding to develop facilities and programs

The expected lease term would be 5 years, with a right of renewal for a further 5 years, though this will be a component of the final negotiations with AUFC.

Disruption to Local Clubs

The two pitches which Council intends to offer exclusively to AUFC have not had a winter season tenant for the past two years. AUFC will require both pitches all year round (winter and summer seasons). Central Districts Softball Association currently use these two pitches during the summer season and will be transferred to the western end of Ridley Reserve. They will share these pitches temporarily with the Northern Wolves Football Club in the winter season. The Northern Wolves are being relocated from Spruance Reserve which will be developed into a Tennis Complex as part of the delivery of stage 1.

Due to the loss of two sportsgrounds (Spruance Reserve to the Tennis Complex and Ridley Reserve to AUFC), there is a need to bring forward the delivery of sportsgrounds planned for the growth areas. A city wide study has identified Penfield Reserve (AV Jennings Development on Womma Road) as a priority for delivery. A budget bid to undertake planning and prudential review will be requested as part of the 2015/16 budget process.

There is potential to utilise the portable buildings at Penfield Reserve following their use by AUFC at Ridley Reserve.

Options

Option 1

1. Council endorses in principle support for Adelaide United Football Club to establish a training base and administration offices within the Playford Sports Precinct subject to the successful negotiations of a commercial lease.
2. Council acknowledges that Community Consultation is required in relation to leasing community land and that the Community Management Plan for Ridley Reserve will need to be updated to reflect any changes.
3. Council provides in principle agreement to allocate up to \$30,000 operating in the 2014/15 financial year through a budget review (to fund \$1.92M capital works) and acknowledges that ongoing funding of up to \$72,000 will need to be allocated through the 2015/16 budget process.

Option 2

1. Council rejects the proposal to offer AUFC tenancy within the Playford Sports Precinct.

Analysis of Options

Option 1

The endorsement of the proposal to establish a training base and administration offices for AUFC within the Playford Sports Precinct is consistent with the objectives of the Lighthouse project.

As a national level club, AUFC have a large supporter and membership base within South Australia. They offer significant benefits to the City of Playford; including the opportunity for co-branding, live daily media presence, participation in community programs and increased economic activity.

Option 2

The rejection of this proposal will see AUFC explore other opportunities within Adelaide to establish its much needed training base. The opportunity to attract AUFC to the Sports Precinct can be considered a 'limited' opportunity, and it is likely that negotiations will cease following the rejection of this proposal.

Financial Implications

The financial implications for the move of AUFC to the Playford Sports Precinct are summarised in the tables below. The forecasted net operating cost to Council is up to \$72,000 pa. However, administration is confident that additional revenue can be negotiated from AUFC as part of the negotiations and would aim to have the net operating cost to Council in the vicinity of \$42,000 pa. This would need to be funded either through rate increase or through savings achieved by the Efficiency and Effectiveness program, as part of the 2015/16 budget process. To progress this Financial Year an allocation of up to \$30,000 operating funds will be required to fund the \$1.92 M capital funding.

CAPITAL required by June 2015	
Item	\$'000
Portable buildings	470
Perimeter fencing	130
Security system	20
Aquadome refurbishment	1,300
Total capital expenditure	1,920

OPERATING (recurring costs)	
Item	\$'000
Expenditure	
Maintenance	38
Depreciation	38
Finance costs	115
Total operating expenditure	192
Income	
AUFC Lease income (p.a.)	120
Total operating income	120
Net operating expenditure/(income)	
	72

Stage 2 components are required within three years and are estimated at \$6-8M

Item	Estimated Timing for Delivery
Field lighting	Planning underway, construction required in 2015/16
Club room extension (for AUFC)	Planning in 2015/16, delivery required in 2016/17 and 2017/18
Artificial pitch installation	
New change rooms (shared use)	
Car parking	
Spectator seating	

Preferred Options and Justification

Council's preferred option is to develop a training base for AUFC at Ridley Reserve and administration offices within the Aquadome and enter into a commercial lease.

C. COUNCIL/COMMITTEE TO DECIDE HOW LONG ITEM 16.1 IS TO BE KEPT IN CONFIDENCE

Responsible Executive Member: Shaun Kennedy

Purpose

To resolve the event or duration of releasing aspects of agenda item 16.1 .

STAFF RECOMMENDATION

Pursuant to Section 90 (3) (b) and Section 91(7) of the Local Government Act 1999 the Council orders that the following aspects of item 16.1 be kept confidential:

- Report for Item 16.1 upon signing of a lease agreement with AUFC or until the next annual review of confidential items.
- Minute for Item 16.1 upon signing of a lease agreement with AUFC or until the next annual review of confidential items.

OptionsOption 1

Pursuant to Section 90 (3) (b) and Section 91(7) of the Local Government Act 1999 the Council orders that the following aspects of item 16.1 be kept confidential:

- Report for Item 16.1 upon signing of a lease agreement with AUFC or until the next annual review of confidential items.
- Minute for Item 16.1 upon signing of a lease agreement with AUFC or until the next annual review of confidential items.

Option 2

The Council/Committee determines a different timeframe for any “in confidence” aspects of agenda item 16.1 to remain in confidence.

Analysis of OptionsOption 1

This option ensures the Council decide which aspects of this item should be kept in confidence and the duration of which they need to be kept in confidence. The Committee shall not release this item without the Council having considered the matter.

Option 2

The Council/Committee determines a different timeframe for any “in confidence” aspects of agenda item 16.1 to remain in confidence.