

5.3.4 LATE ITEM: Litis Stadium – Status of Change room facility

Ward:	North	Date:	4 September 2015
Precinct:	Precinct 3 - Leederville	File Ref:	SC614
Attachment:	1 – Site Plan		
Tabled Items:	-		
Reporting Officer:	J Paton, Director Corporate Services		
Responsible Officer:	J Paton, Director Corporate Services		

OFFICER RECOMMENDATION:

That Council:

- NOTES** it has been necessary for the City to close the existing changeroom facilities at Litis Stadium to ensure the safety of members of the Floreat Athena Soccer Club and visiting teams;
- Subject to 3. Below **AUTHORISES** the Chief Executive Officer to make the necessary arrangements to provide temporary changeroom facilities at Litis Stadium for the remaining term of the Lease with Floreat Athena Soccer Club, in accordance with 4. below;
- APPROVES BY ABSOLUTE MAJORITY**, in accordance with *Section 6.8(1) of the Local Government Act 1995* the unbudgeted expenditure associated with the costs in 2 above; and
- NOTES** the 2015/16 Budget includes \$150,000 for remedial works on the Grandstand at Litis Stadium, however it is proposed that the works will be restricted to those required to secure, sure-up or make safe the portions of the grandstand that are determined to be in need of such work, with the balance of the funds being freed up to facilitate the following budget reallocation;

PROJECT/ACCOUNT	CURRENT BUDGET	REALLOCATION
Litis Stadium – Grandstand Remediation Works	\$150,000	(\$60,000)
Litis Stadium - Temporary Changerooms	\$0	\$60,000

PURPOSE OF REPORT:

To provide Council with an update on the status of the changeroom facility at Litis Stadium and consideration of provision of temporary facilities.

BACKGROUND:

The Property

Litis Stadium is located at 41 Britannia Road, Leederville, being a portion of Lots 31 and 32, which is held in freehold by the City of Vincent and forms part of Britannia Road Reserve.

The site was originally the Lake Monger Velodrome. In 1982, Floreat Athena Soccer Club (the Club) was granted a lease over a 540m² portion for the construction of its clubhouse. The Club was granted a lease over the balance of the site with the execution of a second lease dated 17 January 1994.

In 1998, works were undertaken by the Club to remove the velodrome and remediate the site, which was funded with contributions from the Club, a CSRFF Grant and the Town of Vincent.

The total combined area of the leased site is approximately 2.5 hectares, with the main structures consisting of:

- Clubhouse
- Grandstand
- Changerooms
- Toilet block (x2)
- Gate house and storage.

With the exception of the Clubhouse, the majority of the infrastructure dates back to 1959, when the velodrome was constructed for the 1962 Commonwealth Games

The Lease

In 1997, the Club surrendered the 1982 and 1994 leases and was granted a new single lease over the full 2.5 hectare site for the following Term:

- Initial Term – ten years commencing 1 January 1997 and expiring 31 December 2006.
- First Option – five years commencing 1 January 2007 and expiring 31 December 2011.
- Second Option – five years commencing 1 January 2011 and expiring 31 December 2016.

Rent:	\$2,870 pa plus GST
Permitted Purpose:	soccer matches, training and the Lessees associated activities
Maintenance:	the Club is responsible to substantially repair and maintain the Premises, fair wear and tear excepted. In respect to the Clubrooms, the maintenance obligations are extended to structural repairs.

DETAILS:

On 22 May 2015, it was reported that a section of the ceiling in the Club's changeroom had collapsed. Whilst the ceiling was repaired promptly, ongoing concerns regarding the overall structure of the building prompted Administration to appoint a consultant to undertake a detailed structural analysis.

On 8 June 2015, a Structural Engineer visited the site to inspect the changeroom structure. Following inspection, the consultant provided the following initial advice:

“As discussed on site today, the change rooms are not structurally adequate in their current condition and there is a risk to the safety of anyone using the change rooms. Particularly since sections of the ceiling were observed to be hanging and near collapse. Sections of the ceiling could fall down without notice and injure people standing below.”

On the basis of safety concerns, the Club was advised on 10 June 2015 to immediately stop using the Change Rooms and the City took steps to secure the building. On 16 June 2015 the City received the structural report, which confirmed the view that the *“change room building has reached the end of its serviceable life and the building warrants demolition and replacement.”* Key issues noted in the report include:

- It was noted there has been settlement to the footings and ground slab along the eastern side of the building of up to 3 degrees.
- The floor along the eastern side of the building was on a slope nearing 5 degrees and this has resulted in drainage issues in the showers. It appears this settlement has been developing over the life of the building since the tiling to the wet area has been installed to follow the slope and the wall plate to the roof structure has been packed up.
- There were gaps observed at the junction of the ceiling cornice to the walls of the building, further indicating settlement toward the eastern side of the building.
- One section of ceiling at the northeast area of the building was sagging visibly and inspection from above revealed this cladding was not fixed to the ceiling structure. Therefore this section of ceiling could collapse without warning.
- The roof had visibly deflected and the ridge and hip lines were not straight.

The report therefore noted:

“Based on the observations made, the existing change room building is not in a structurally acceptable condition to be used by players and staff of the soccer club. The ceiling is not adequately fixed to the ceiling structure and could therefore collapse without warning, the masonry walls have a significant lean and are not structurally sound and the slope of the flooring in the wet areas is an issue for the amenity of the building in terms of drainage from the showers.”

Remedial works are likely to include:

- Replacement of a significant amount, if not all, of the roof framing.
- Replacement of a significant amount, if not all, of the ceiling lining.
- Demolition and replacement of the majority of the walls along the eastern side of the building.
- Grout injection, or other ground improvement works, beneath the entire eastern side of the building.
- Replacement or repair to re-level the flooring along the eastern side of the building.

Essentially, the scope of works for repair of the building could extend to complete replacement of all but the walls and slab of the western half of the building.

Given the scale of the works required on the changeroom building (and other infrastructure) and noting the relatively short tenure remaining on the Club's lease, Administration initiated preliminary discussions with the Club, firstly to understand its short term requirements and also to generate longer term strategic discussion on the direction and future plans for the Club and stadium facility.

As a short term solution, the Club was advised it could utilise the Britannia Reserve changerooms. Whilst this arrangement was accepted by the Club and importantly, by Football West, the Peak Body of the National Premier League (NPL), Football West has advised this arrangement would not be permitted in the 2016 season.

In developing a strategy to move forward, consideration cannot be isolated to the changeroom facility. The City currently has \$150,000 listed on the 2015/16 Budget for remedial works on the Grandstand, however broader asset renewal considerations are likely to exist, which brings into question whether \$150,000 represents good value given the overall condition of the structure.

Overarching all considerations is the short tenure remaining on the current lease. In preparing for discussions around a new lease, it is essential that the City understand a range of factors to ensure informed decisions can be made, which represent good value and service for the community. These include:

- The Club's plans for the future
- Club membership details
- Infrastructure condition
- Capital expenditure requirements and funding implications/expectations on the City
- The Club's financial capacity to meet Lease obligations and ability to generate funding for capital contributions.

Discussions and investigations will be ongoing to facilitate the lease negotiations, however in the interim, the issue remains that changeroom facilities are required by the Club if they are to comply with the requirements to compete in the 2016 NPL season. Whilst a separate report is listed on this agenda dealing with a CSRFF grant application for the construction of a new changeroom facility, regardless of the outcome of that decision, it will not result in a facility being available for the 2016 season (commencing in January 2015).

Administration has proposed to the Club, so as not to prejudice future negotiations, that a proposal would be submitted for Council to consider providing funding for temporary facilities for the duration of the current lease, on the basis that the remediation works on the Grandstand, other than that required to maintain safety, would not occur in advance of decisions informed by longer term planning and lease renewal negotiations. This would enable a proportion of the existing capital funding to be redeployed to fund the temporary facilities.

CONSULTATION/ADVERTISING:

Meetings have been held with the Club to discuss the changeroom closure, general discussion on options and the need for master planning and with the Club's Architect for broad discussion on requirements for a changeroom.

LEGAL/POLICY:

The Club's tenancy of Litis Stadium is enabled by and subject to the Lease between the City of Vincent (Lessor) and the Club (Lessee).

In considering undertaking expenditure on a purpose that is not provided for in the budget, *Section 6.8(1) of the Local Government Act 1995* is relevant, as detailed below:

6.8. Expenditure from municipal fund not included in annual budget

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure –*
 - (a) *is incurred in a financial year before the adoption of the annual budget by the local government; or*
 - (b) *is authorised in advance by resolution*;* or
 - (c) *is authorised in advance by the mayor or president in an emergency.*

** Absolute majority required.*

RISK MANAGEMENT IMPLICATIONS:

Low: The project is well within the capability of the City to undertake and therefore potential consequences are low. Significant delays could however have consequences on the Club.

STRATEGIC IMPLICATIONS:

This proposal is in line with the City's Strategic Plan 2013 – 2023:

1.1.4 Enhance and maintain the City's infrastructure, assets and community facilities to provide a safe, sustainable and functional environment.

FINANCIAL/BUDGET IMPLICATIONS:

The 2015/16 Budget includes the following capital item:

- **Litis Stadium – grandstand remediation works (concrete cancer) (Municipal) \$150,000**

It is anticipated that if remediation work is restricted to those required to secure, sure-up or make safe the portions of the grandstand that are determined to be in need of such work, the cost is likely to be in the order of \$40,000.

In respect to temporary (transportable) facilities, costs will be split between:

- Commissioning (delivery, plant hire, connection etc) \$13,000 (estimate); and
- Weekly rental of \$550 weekly (estimate).

In view of the potential duration the temporary facilities will be required, buy or rent options will also be investigated.

COMMENTS:

The relatively short duration remaining on the Club's lease and scale of the potential asset renewal and upgrade liability, establishes a requirement for the City to determine a position on:

1. A short term response to closure of the changeroom facility, effectively for the remainder of the lease, being 31 December 2016; and
2. Longer term consideration of the Club's occupation of the site and resulting tenancy arrangements.

Given the condition of the changerooms facility, particularly the 'visitor' side of the building and substantial works that would be required, it is not practical for it to be replaced, with appropriate long term planning, in time to be of use for the 2016 NPL season. As Soccer West has advised the use of the Britannia Reserve changerooms will not be acceptable for the 2016 season, then temporary facilities will be required.

The issue for the City to consider is the extent to which the cost of the temporary facilities will be borne by the City. In that respect, the following points are noted:

- The lease does not impose an explicit obligation on the City or the Lessee to undertake structural repairs to the changeroom.
- The damage to the changerooms has been occurring over many years due to subsidence. There does not appear to have been measures taken to deal with the underlying issue of subsidence or an affirmative process initiated by the City to deal with the progressive decline in condition of the building.
- The City has previously suggested to the Club that it should submit a CSRFF grant application for the replacement of the changerooms.
- The City as Lessor closed the changeroom facility, albeit for safety reasons, thereby impacting on the enjoyment of the Premises by the Club.

In order to separate the decision around the longer term lease issue, which is likely to involve substantial capital investment, and recognising the passive role taken by the City in dealing with the declining condition of the changeroom structure, it is considered appropriate for the City to step in and provide the temporary facilities.

The benefit of this approach is it enables the Club to meet the NPL requirements, the City would be providing consistent facilities throughout the term of the Lease and it does not prejudice a thorough and independent process to be implemented to determine future tenancy arrangements with the Club.