



# Lathlain Precinct Redevelopment Project Zone 1 **Business Case**

August 2020



TOWN OF  
VICTORIA PARK



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# Purpose

**The purpose of this project business case update is to provide the State Government with information on the Town mandated project for redevelopment of the Lathlain Precinct Redevelopment Zone 1 Community and Sports Club facility and to advocate for required financial assistance from the State Government for the full delivery of the project.**

The Town are seeking a state contribution of \$5,000,000 to the project cost, equating to one third of the project budget.

The Town are anticipating the need for the state contribution in the sequential financial years 2021/2022 and 2022/2023. Should the state be able to make funds available from this 2020/2021 financial year, the works program would be bought forward.

# Introduction

**The Town has been working with Lathlain stakeholders for more than six years for the redevelopment of the Lathlain Precinct. The precinct was long identified by the Town as an area in need of enhancement and revitalisation and much has been achieved.**

Precinct planning defined eight project zones that have all undergone redevelopment, apart from this Zone 1. The Zone 1 project intention is the delivery of a development in partnership with the State Government, the Federal Government, the neighbouring lessee the West Coast Eagles (WCE), and the anchor occupier, Perth Football Club (PFC).

The mandated Zone 1 Community and Sports Club facility project was initially referred to as the "Perth Football Club Zone", reflecting

the present PFC occupancy (structures and immediate surrounds), providing the home of the club. The Town of Victoria Park owns the land and buildings, which it leases to the PFC under a formal lease.

The grandstand building was constructed over 60 years ago, in the late 1950s, and the structures are now well out-of-step with contemporary facilities of its kind. The building struggles to fulfil the variety of roles it serves, including universal access generally, flexible





2015 proof of concept only

community uses, football club operations, club administration, training, member uses and spectator facilities.

This development opportunity for Zone 1 will complement the overall precinct redevelopment, which will achieve more multi-purpose and community focused outcomes than is possible from the existing outmoded structures.

The Town originally worked in conjunction with the West Australian Football Commission, the then Department of Sport and Recreation, and PFC, to initiate and support a redevelopment of these community facilities incorporating the football club needs as part of the project. This culminated in a business case based upon a proof of concept design.

The initial objective of the group is to establish the funding arrangements for the redevelopment of this zone. As owner of the land, the Town will lead the development of the new facility.

A new facility will provide broader community programs in a fit for purpose development and will assist the PFC in terms of providing a viable and sustainable base for its ongoing operations and for them to build upon their own community programs. As the occupancy anchor for the development, the PFC is looking forward to an upgrade to the clubrooms together with the community facilities for greater functionality and flexibility

of uses year-round and is looking forward to sharing the many benefits of the redevelopment project with the broader community.

It is recognised that while the appended 2015 business case is still relevant and pertinent, we are also cognisant that broader community requirements must be addressed and that available partnership funding contributions need to be confirmed. The football-focused proof of concept development proposal and business case prepared in 2015 was done prior to the community informed preparation of the WAPC approved Lathlain Park Management Plan.

That 2015 proposal was not successful in securing external funding as it was football club specific and was "paused" in 2016. This 'Zone 1 project' has remained dormant while the Town and PFC have advocated for required external funding. The other Lathlain Precinct Redevelopment Project zones have all obtained funding and subsequently proceeded to completion.

The Town have allocated and contributed operational funding for project initiation, legal requirements, consultancy and design development for Zone 1 since 2016.

With all of the above in mind, the Town mandated a new staged project grounded on the previous work and subsequent Lathlain Precinct accomplishments.





2015 proof of concept only

## In brief

**External capital funding assistance is critical to undertake this development, and the Town are seeking a state contribution of \$5,000,000.**

A PFC-advocated Federal Government funding commitment (\$4,000,000) has been granted through the Town, towards the development of a new grandstand seating structure incorporating football operations facilities. The mandated Zone 1 project is subsequently being undertaken in stages, designed and constructed to a set budget and program staging aligned with the availability of the funding. That development budget is \$15,000,000.

Project Stage 1 is focused on the deliverables for the committed Commonwealth Department of Infrastructure Community Development Grant of \$4,000,000 together with a Town's lessee lease commitment for capital contribution of \$1,000,000 by the Town's adjacent tenant the WCE. The Town are contributing to this Stage 1, the land for the development site, and a stage amount of \$500,000.

The state funding contribution of \$5,000,000 is sought to be able to undertake Stage 2, with intended further funding from the Town of \$4,500,000.

In March 2020, Council endorsed the Zone 1 project mandate, given the projects importance, investment value, size of the development and its profile within the community.

The mandated project is grounded on the "paused" 2015 project, informed by a 2015 business case and with a budget set against cost estimate advice based upon that earlier business case (and reviewed by the cost consultant in March 2019).

The aged and dilapidated structural condition of the existing grandstand and function facility is a critical concern and is a major driver for this development.



## Evolution of the concept

The Lathlain Precinct Redevelopment Project (LPRP) has been the "parent" project since 2014, with seven of its the eight project zones all completed except for this Zone 1.

The Town has mandated this project for Zone 1 due to these existing facilities being considered to have outlived their useful and structural lives and functional requirements, and changed community and club needs and constraints, since that 2015 development proposal.

The new project will be guided by the community informed and WAPC-approved Lathlain Park Management Plan (LPMP). The approved LPMP for Zone 1 guides multi-purpose shared spaces in this Zone 1 project development.

# Background

## **The full LPRP Zone 1 development will be created as a community facility anchored by the occupancy of PFC.**

This is a Town development, on Town land, including substantial Town investment and the outcome needs to satisfy the Town's Strategic Community Plan. It is intended that PFC be a primary lessee within this new Zone 1 development.

PFC have been an occupant and lessee on this site since its original development in 1958. Their occupancy in the existing Lathlain Park grandstand and associated facilities were the catalyst in 2012 for the LPRP. This Zone 1 was the first of the eight LPRP zones. It is the only zone not to get development traction.

The PFC lease is "rent free". A new lease is similarly intended to be peppercorn. In lieu of a financial rental PFC will need to satisfy social dividends for the Town. The PFC also receives an operating subsidy as outlined below.

It is intended for there to be community facility users and potentially other lessees (with the investigation for some commercial opportunities) within the development.

Funding contributions exist to support the PFC occupancy from a WCE ground lease contribution and from a Federal Government funding commitment.





# LPRP Zone 1 PFC Grandstand

**The grandstand was constructed in 1958, with its first WANFL season in 1959. This main structure is 60+ years old. The adjoining function facility was constructed after 1966.**

Over a long period of time, due to constrained club funding and the size of the facility, building maintenance by the club (and the Town) was ad-hoc.

There are recognised structural issues in the grandstand. The Town have been monitoring the structural condition and safety of the existing grandstand. This includes whether they remain fit for purpose, the remaining structural life of the facility and recommended options for its ongoing operations.

In the independent structural engineer's report from January 2019 they recommended the structure to be "adequate to suit the current usage based on short term consideration of one to two years". The structures are recognised as being close to the end of their useful life and will require

increased and more significant capital and maintenance expenditure in future years.

An annual update evaluation and structural engineers report has provided similar advice.

PFC are holding over on a month to month basis on the residual of a 2005 lease (and receives \$50,000 per financial year financial subsidy support from the Town tied to this lease, towards facility and grounds maintenance).

Telstra have a cell tower lease on the grandstand roof dating from 2004 with final term expiring 30 June 2024.

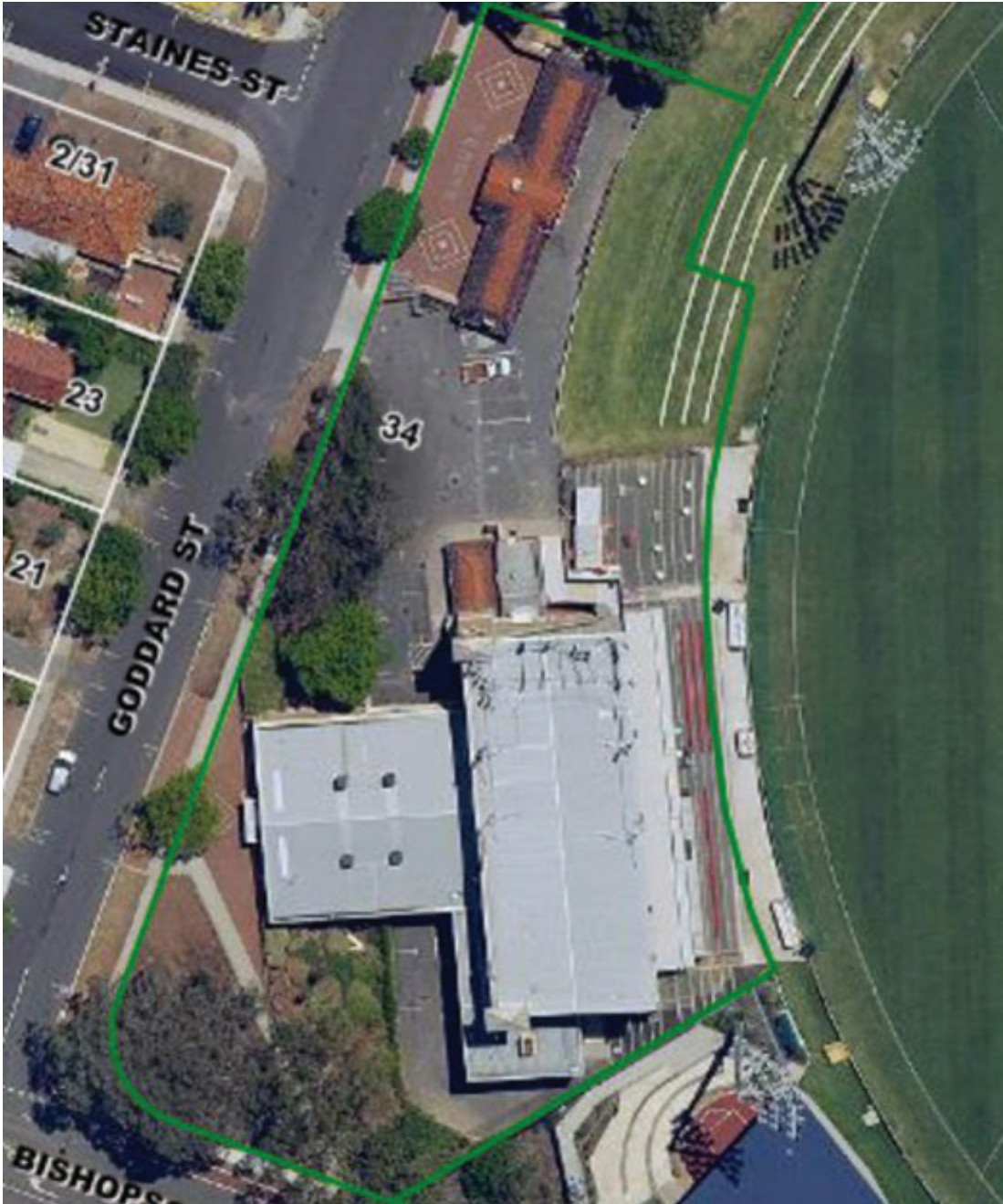
Vodafone have a cell tower lease on the grandstand roof dating from 2005 with final term expiring 30 June 2025.







# Land and site context





# Project timing

**It is the preference of PFC and of the Town, to complete the project as one package and not to do it in stages, should funding be made available. However without all funding the project will need to align with the committed and likely funding stream over three financial years (2020-2021, 2021-2022, 2022-2023).**

**Stage 1** – Federal Government stipulated deliverables – a grandstand structure and football operational requirements to the extent of their funding (but including WCE lease commitment contribution).

~Six months in design and ~12 months in site preparation and construction.

**Stage 2** – Would follow relocation of current occupants from the existing grandstand and its demolition. Will include extension of the new grandstand, construct multi-use and community facilities together with other sporting club exclusive use spaces (such as administration offices, members facilities, food and beverage).

Design during Stage 1, ~Four months demolition and site preparation, ~12 months construction.

Please see attached Gantt chart of anticipated project program.



# Budget and funding

**Given the substantial costs in rebuilding facilities of this type, funding needs to be secured through a variety of sources including government and non-government.**

The Town has included in its long term financial plan a likely funding contribution to this project. We are prepared to further explore the possible redevelopment costs and potential funding partner contributions. The business case will need to be revisited once the Town have a better idea of how much funding can be raised and who those funding partners are confirmed to be.

Full development financial contributions - target development project budget remains \$15m including grandstand demolition. This will be reviewed with the new concept plan preparation.

The funding "split" has notionally been a third from each of the Federal Government, the State Government and the Town.

The WCE Lathlain Park lease commits them to a capital contribution of \$1m towards PFC facility requirements in the Zone 1 development. This is part of WCE contributions "in lieu" of a financial ground rental to the Town. This had been considered as a portion of the Towns nominal proportional contribution.

The Town are also contributing the notional value of the land to the development.

## The contributions status is –

### State Government

\$5m required – not committed  
– ongoing/ project advocacy required.

### Federal Government

\$4m – committed

### WCE specified lease payment

\$1m – committed.

### Town of Victoria Park financial contribution

#### Operation

\$0.5million (consultancy and design) – committed

#### Capital

\$4.5m – not committed (but recognised/need to be modified in Long Term Financial Plan).

Funding source	Description	Amount
<b>Western Australian Government – Stage 2 capital works contribution</b>	<b>Funding stage 2 FY2021/22 construction multi-use shared community and sports club facility (not committed)</b>	<b>\$5,000,000</b>
Town of Victoria Park	Allocated funding whole of project design proportion FY2019/2020 (carry over committed)	\$375,000
Town of Victoria Park	Funding FY2020/21 bid whole of project design (as @ 30 June 2020)	\$125,000
Town of Victoria Park allocation of lease contribution Indian Pacific Limited	Funding stage 1 construction – football use fitout, (committed)	\$1,000,000
Town of Victoria Park stage 2 capital works contribution	Funding stage 2 FY2021/22	\$4,500,000
Commonwealth Government Dept of Infrastructure CDG 907	Funding stage 1 design and construction grandstand and sport related (committed)	\$4,000,000
<b>Total project funding budget</b>	<b>Project to be designed and constructed within this budget</b>	<b>\$15,000,000</b>

Funding contributions have been considered as notionally aligned to –

State = Multiuse functional community and sports club use space.

Town = Community functional use space.

Commonwealth = PFC football operations functional space and weather-protected spectator seating.

The \$4m Federal Government funding commitment was advocated for by the PFC. Local Federal Member of Parliament, Steve

Irons supported the bid and played a central role in obtaining the commitment.

Federal Department Community Development Grant funding requires defined deliverables and a prescribed timetable. This is to be addressed by staging the project. The first stage will contain the Federal funding deliverables. Stage 2 is seeking committed funding.





Budget value	Item	Stage 1 (CDG)	Stage 1 (ToVP)	Stage 2 (ToVP)	Stage 2 (State)	Anticipated Cost (\$)
Professional fees	Concept design stage 1	\$150,000				\$150,000
	Concept design whole of project		\$500,000			\$500,000
	Detail design to Stage 1 delivery	\$350,000				\$350,000
	Detail design Stage 2/remainder of project			\$500,000	\$500,000	\$1,000,000
External	Stage 1 external works and services including demolition	\$400,000				\$400,000
	Stage 2 external works and services including demolition			\$800,000	\$800,000	\$1,600,000
Construction	Stage 1 construction football operations facility and grandstand seating	\$3,100,000				\$3,100,000
	Stage 1 construction internal football operations facility (ToVP/WCE lease contribution)		\$1,000,000			\$1,000,000
	Stage 2 construction community facility, club operations, shared member facility and parking			\$3,200,000	\$3,700,000	\$6,900,000
		<b>\$4,000,000</b>	<b>\$1,500,000</b>	<b>\$4,500,000</b>	<b>\$5,000,000</b>	<b>\$15,000,000</b>
		<b>\$5,500,000</b>		<b>\$9,500,000</b>		

That grant is administered by the Federal Department of Infrastructure Community Development Grants Program. The grant stipulates part of the deliverable will be a grandstand with weather protected tiered seating.

The grant deliverables comprise football operations functional spaces.

The grant is required by the federal agency to be defined, prescribed and expended in the short to medium term, not as a general funding package contribution.



# Proof of concept and functional space requirements

**A new mandated proposal establishes a new project, grounded and prepared on previous work and accomplishments (the funding commitments). The full proposal requires re-scoping for a multiuse community facility.**

The 1958 grandstand comprises multiple space uses for events, club members food and beverage, administration offices, ablutions, football operations including change rooms and gymnasium, and so on.

Sitting on top of these spaces is non-universal-access-compliant spectator seating and it is the intent of the project to ensure accessibility is a key focus.

The need to accommodate women's football and sporting teams and associated infrastructure will be a key consideration.

In preparing the new scope the Town need to determine what "community uses" are required in the development.

A project initiation document (PID) with a structured plan and business case will be prepared after the project is mandated. The PID will assist in advocacy for the required state funding.

All the relevant functional space uses will be included in the new development where possible.

Functional space uses - In 2019 PFC were

asked to define their needs which with the assistance of independent consultants, they have done and shared. The outcome is indicatively summarised as:

## Community

- Local services hub/start up space
- Community hall/commercial space
- Not for profit lessees/occupiers, commercial tenants

## Town uses

- Town service unit function space occupancy options
- Common areas
- Entry foyer
- Building toilets general
- Building universal access toilets
- External toilets general
- External universal access toilets
- Corridors, fire exits and walkways
- Building services areas/waste management
- Community/shared use





- Function space members lounge
- Function space President's room
- Meeting space board room
- Meeting space meeting rooms
- Gathering space theatrette
- Gathering space vision room
- Gathering space community hall/function room
- Off-street parking
- Event seating

#### **Football operations**

- Away men's change/warmup
- Away men's area/office
- Away men's showers/toilet
- Home men's change/warmup
- Home men's coach's area/office
- Home men's football store
- Home men's shower/toilets
- Medical testing room
- Umpire's change and warmup
- Umpire's female toilet/male toilet
- Coaches boxes
- Away women's change/warmup

- Away women's coach's room/office
- Away women's toilets/shower
- Home women's change/warmup
- Home women's coach's room/office
- Home women's toilets/shower
- Home women's football store
- Football club use (sustainability)
- Gymnasium (concession)

#### **Football administration**

- Reception/merchandise/club museum
- PFC admin area
- Office shared use media/stats
- Foyer club café/internal kiosk concession
- Football membership
- Licensed area - club bar area/store
- Licensed area - club bar servery
- Licensed area - club bar cold store
- Licensed area - club bar food and beverage dry store area
- Licensed area - club bar food and beverage preparation (kitchen)
- Football sustainability
- External kiosk/food/beverage licence/concession



# Analysis

**While this Zone 1 redevelopment was the first catalyst to initiate the LPRP it did not achieve traction. This has been due to its defined need not securing funding support.**

The deteriorating condition of the structures has become a major driver in the necessity for urgent action by the Town who is responsible for the structure.

A Zone 1 broader community use has been better defined through previous community engagement. The WAPC-approved LPMP provides that guidance to those needs.



Zone 1 – Perth Football Club Preliminary principles	
Community uses	<ul style="list-style-type: none"> <li>• Opportunities for the provision of multi –purpose/shared spaces that can accommodate community events, activities and/or programs are encouraged.</li> <li>• Ensure public access is designed to accommodate a range of users and incorporated universal access design principles.</li> <li>• Ensure the connection between development and streetscape in terms of pedestrian access, views and vistas to the existing stadium is enhanced.</li> <li>• Integration of servicing infrastructure within landscape and/or public art for the area is encouraged.</li> </ul>
Built form	<ul style="list-style-type: none"> <li>• Facilitate the interpretation of heritage values of Lathlain Park.</li> <li>• New development shall be designed to orientate around the oval and articulated to ensure building bulk is minimised when viewed from the street.</li> <li>• Provide for shared use of facilities where possible.</li> <li>• Enhance public and spectator amenities to Oval 1.</li> </ul>
Public realm and landscaping	<ul style="list-style-type: none"> <li>• Landscaping shall ensure retention of existing mature trees where possible.</li> <li>• Landscaping treatments to be of high quality (incorporating hard and soft landscaping elements) and incorporate water wise principles/ native plant species.</li> <li>• Landscape elements (eg. public art) themed on cultural heritage is encouraged.</li> <li>• Reciprocal (Perth PC/public) use of formal car parking.</li> </ul>

A proportion of the external funding has been committed by the Federal Government.

A staged approach satisfies those available external funding requirements, and proactively addresses the condition and potential life of the existing structures.

This aims to set new standards in the delivery of active community recreation space and includes substantial long-term benefits to the people of the Town of Victoria Park and the broader community.





# Request

**That the State Government consider a funding contribution of \$5,000,000, equal to a one-third of the projected project cost, toward the design and construction of the Lathlain Precinct Redevelopment (Zone 1) project.**

# Attachments

- WAPC-approved Lathlain Park Management Plan July 2017 (LPMP).
- 2015 business case
- Letter of endorsement – President Perth Demons Football Club
- Letter of support – CEO, Town of Victoria Park
- Anticipated Project Schedule













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