CM13.8. Lauren Jackson Sports Centre Stage 2 Feasibility Study

DATE	11 October 2023	**FIL REFERENCE**	FIL21/02510
CONFIDENTIAL	No		
FURTHER ENQUIRIES TO	Ambrose Glass Business & Lifestyle	**PHONE**	6023 8273
AUTHOR	Aaron Humphries		

Purpose of Report

To provide Council with the draft of the Lauren Jackson Sports Centre Stage 2 Feasibility Study and provide a recommendation for progressing the options presented in the study.

Background

The Lauren Jackson Sports Centre (LJSC) is a multi-use five court indoor sports facility owned and operated by Albury City Council. It is located on North Street Albury, three kilometres from the Albury CBD and four kilometres from the Lavington CBD.

The LJSC is well recognised for hosting many regional, state and national championships and events each year. This includes annual events for basketball, netball and badminton with the major event being the annual Australian Country Junior Basketball Cup held in January each year, the single biggest annual event held in Albury Wodonga bringing up to 2,000 people to Albury for the week-long event.

Extensive community engagement has guided the development of current plans for the upgrade of the centre with a two-stage Master Plan development for the facility endorsed by Council in 2018.

The $15.2 million Stage 1 development, which is due to commence in the coming months, provides much needed upgrades to the multisport venue, providing opportunity for increased active participation, enhanced inclusivity for women in sport and improved spectator and player comfort.

Stage 2 of the project was always intended to start with a detailed Feasibility Study.

At its meeting of 28 March 2022, Council considered a comprehensive Aquatics Strategy Update. Council resolved to:

a. Increases utilisation of the existing aquatic facilities by:
   i. Extending the 2021/22 swim season to 8 May 2022 at Albury Swim Centre; and
   ii. Investigating and providing a further report to Council on the feasibility of year-round operation of the Albury Swim Centre (commencing 2023), including negotiating in-principle contract arrangements with Aligned Leisure;

b. Upgrades and/or develops Albury's aquatic facilities by continuing with the planned implementation of the Aquatics Strategy including:

i. Progress design of the like for like replacement, to current and best practice standards, of the Lavington Swim Centre in 2023/24; and

ii. Continue to allocate funding in 2024/25 to masterplan the upgrade of the Albury Swim Centre, until the outcome of further related investigations are completed; and

c. Broaden the scope of the LJSC Stage 2 Feasibility Study to include both stadium sports and a regional indoor aquatic facility: and

d. Undertakes a comprehensive review of the Aquatics Strategy on completion of the Thurgoona Wirlinga Structure Plan and Thurgoona Open Space Strategy.

On 11 July 2022 Council endorsed the Scope and Stakeholder Engagement Plan for the Stage 2 feasibility of the Lauren Jackson Sports Centre redevelopment. A Request for Quotation process was subsequently undertaken to appoint a consultant to undertake the Feasibility Study and @Leisure Planners was appointed to the project in September 2022.

The project brief for the Feasibility Study required the following tasks to be completed.

- Provide a business case for the expansion of the facility detailing rates of current and future usage and demand.
- Facility component brief inclusive of:
    - Additional sports courts, and associated infrastructure.
    - Regional aquatic facility components including 50m program and hydrotherapy pools, leisure water components, gym, group fitness and allied health options.
    - Other infrastructure, components and inclusions deemed feasible and or revenue-generating spaces.
    - New entrance, foyer and café area.
- Concept plans/site maps (minimum three) with consideration given to staging the construction, specifically separating the additional sports courts and associated infrastructure with aquatic development and associated infrastructure.
- Quantity surveyor cost estimate for each option.
- Operational Financial modelling development for each of the options (minimum three) including the basic fees and charges pricing structure and revenue streams for combined sports court and aquatic development options.
- Operational financial modelling for stand-alone sports court development option(s) including the basic fees and charges pricing structure and revenue streams.
- Identification and analysis of potential partnership opportunities.
- Recommendation(s) for management options.
- Risk Analysis and mitigation measures.
- Funding strategy and options.
- List of planning and/or potential development application constraints and issues.

Issues

Development Options considered in the Feasibility Study

The Feasibility Study presents four main options for the Stage 2 development of the LJSC. The options and cost of each option is outlined below:

1. Three court stadium extension only (excludes PCYC, gym and fitness). This option is estimated to cost $11,445,000 to construct, produce a net operating result of $202,000 per annum and attract 285,440 visitors per annum.
2. Regional aquatic centre and gym (no courts, no PCYC). This option is estimated to cost $120,509,855 to construct, produce a negative net result of $187,900 per annum and attract 515,167 visitors per annum.
3. Aquatics, gym and three court stadium (no PCYC). This option is estimated to cost $133,483,283 to construct, produce a net result of $95,000 per annum and attract 638,691 visitors per annum.
4. Aquatics, gym and three court stadium, including PCYC. This option is estimated to cost $151,171,888 to construct, produce a net operating result of $103,185 per annum and attract 717,204 visitors per annum.

The Preferred Option (Option 4)

The Feasibility Study outlines that the preferred option is to extend the number of indoor courts to three, provide an integrated regional aquatic centre, gym and PCYC development (Option 4).

The report outlines that whilst this option may be the most expensive, in the longer term it will mean that this facility can address some other additional needs, that warrant separate provision such as:

- The need to redevelop Albury Swim Centre which is unlikely to be feasible on its present site in the long term due to land use planning, and Lavington Swim Centre which is not suitable to be replaced like for like as the facilities are not likely to meet future demand.
- In addition, the cost of replacing the two aquatic facilities separately would likely be more than one central regional aquatic redevelopment at Lauren Jackson, and more costly to manage than two separate aquatic facilities.
- The two other aquatic facilities if developed (Lavington and Albury) are also not well positioned to service the entire Albury catchment and the future projected growth areas.

Other benefits of an integrated facility are:

- The integrated building would be a smaller footprint than PCYC and Lauren Jackson Sports Centre as two separate facilities.
- Removing PCYC would free up space for parking. As the PCYC is not freehold land it could not be sold off for another type of development.
- The new contemporary facility would be accessed by all the community, (age and ability) and would replace a PCYC facility that does not have compliant sports facilities, potentially duplicating the offering at Lauren Jackson Sports Centre.
- The market for gymnastics is large and integrating the PCYC gymnastics, martial arts and boxing into a public centre provides some additional benefits for the whole community to access.

- A large integrated facility would provide some additional benefits for conferences and events because of its scale.

Feasibility Study Recommendations

In considering the four Options the Feasibility Study makes six recommendations as follows:

1. Progress Option 4 to extend the number of indoor courts by three, provide an integrated regional aquatic centre including a 50m pool, warmwater pool and learn to swim pool, waterslide, gym, allied health and PCYC development to be built at the Lauren Jackson Sports Stadium. This option allows an additional two courts be built in the long term if required.

   While Option 4 is the most expensive, it is the best option for incorporating all the required elements of a regional sport and aquatic facility. It provides the highest projected visitation numbers, and the integrated facility provides operational efficiencies that provide greater revenue streams that assist in offsetting the operational costs.

   Incorporating the PCYC facilities provides a level of programming not currently available in AlburyCity facilities and will assist in attracting a more diverse clientele to the facility.

   However, due to the significant capital costs involved in progressing this option, it is likely that this option would need to be broken into further stages to ensure the required funding could be sourced and to ensure the construction of the new indoor courts, which are already an urgent need, are not unnecessarily delayed by the aquatic component. Due to the demand for new courts currently and the relatively low cost, the new indoor courts could be progressed while the funding is secured for the aquatic components.

2. If necessary for costing purposes, consider developing the water slide, program pool and indoor splash park at a later stage.

   This recommendation should be considered when developing the funding strategy for the project. Staging, while reducing the initial capital costs, it does add to the overall project cost.

3. Work with health and sports stakeholders to develop an external funding strategy seeking contributions from all levels of government and develop partnerships with current and potential user groups, health providers and private businesses, to assist with lobbying for the development.

   A funding strategy is crucial to realising this project due to the large capital costs required. Developing a funding strategy that incorporates the health sector, along with the traditional sport stakeholders, could provide AlburyCity access to additional funding opportunities as their inclusion enables representation by powerful advocates in allied health and disability sector which strengthens advocacy efforts.

4. Alternatively, to replacing Lavington Swim Centre with like for like, progress incorporating aquatics at the LJSC and provide a free water play for people of all ages in a parkland setting in

Lavington. In the long term, Albury Swim Centre should not be replaced in its current location at the end of its useful life.

This recommendation is not consistent with AlburyCity's current Aquatics Strategy, which suggests a like for like replacement of the Lavington Swim Centre, nor is it consistent with previous resolutions of Council. There is currently $600,000 in the Four Year Delivery Plan to commence the detailed investigations, planning and approvals for the construction of the facility replacement.

A condition assessment report was completed for the Lavington Swim Centre in 2021 and the outcome of this report suggested that the facility has a remaining operational life of between 2 – 4 years. Given the complexity of the LJSC Stage 2 project and the time it will take to secure funding and complete, there is too big of a risk not to replace Lavington Swim Centre in the short term. Therefore, it is recommended that AlburyCity notes and does not progress this recommendation and commences the planning on the Lavington Swim Centre replacement.

According to the 2021 Census, the Albury Local Government Area currently ranks in the lower 50 percent among Local Government Areas (LGAs) in Australia based on the Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD) score of 968. This ranking highlights the pronounced socio-economic disparities prevalent in our region. Within our LGA, Lavington and North Albury have been identified as the suburbs facing the greatest socio-economic challenges, with IRSAD scores of 872 and 888 respectively. These scores place them in the bottom 10 percent of all Australian suburbs in terms of social advantage.

Compared to other suburbs in Albury LGA, Lavington and North Albury also have the highest proportion of residents from culturally and linguistically diverse backgrounds. These individuals often encounter distinctive hurdles in accessing recreational amenities and integrating into the broader community. The Lavington Swim Centre plays a pivotal role in bridging these gaps and fostering a sense of community cohesion.

The indispensable role played by the Lavington Swim Centre as a vital community resource is further highlighted by the fact that Lavington and North Albury have the highest number of households without access to personal vehicles. This limited access to transportation hinders the ability of residents in these areas to reach alternative recreational facilities.

Furthermore, the AlburyCity Inland Waterways Drowning Prevention Strategy 2022-2027 calls attention to the importance of water safety within our region. Of particular concern is the Murray River, which has been identified as the leading river drowning blackspot in Australia, with over 70 unintentional fatal drownings recorded since 2002. The inherent risks associated with the unpredictable conditions of the Murray River support the need for accessible and safer swimming alternatives like the Lavington Swim Centre.

Additionally, a comprehensive study conducted by the Royal Life Saving Australia in 2022 found that the closure of a single aquatic facility results in an average loss of $7 million in social, health, and economic benefits.

In summary, the Lavington Swim Centre plays a substantial role in addressing socio-economic disparities, enhancing community safety, and improving the overall quality of life for our surrounding resident community.

5. Consider a future aquatic facility in Thurgoona in the long term, as part of the Thurgoona Wirlinga Precinct Structure Plan.

   This recommendation is consistent with AlburyCity's proposed approach, which will explore future planning and infrastructure needs for the growth corridor in the review of Thurgoona Wirlinga Precinct Structure Plan and development of the Social Infrastructure Strategy.

6. Consider contracting out the management of the LJSC (once redeveloped to include aquatics), to an external entity.

   While LJSC is currently managed inhouse by AlburyCity, the contract management model is consistent with how AlburyCity's aquatics facilities are currently managed. Engaging a contract management company to manage a complex facility provides industry knowledge and expertise in providing aquatics and leisure management services particularly risk management, financial reporting, systems, plant operations and programming.

Police Citizens Youth Club (PCYC)

All the options outlined in the Feasibility Study are contingent on a partnership with, or use of Police Citizens Youth Club (PCYC) land. During the engagement process PCYC expressed their strong interest in developing an integrated building for the benefit of both parties. It is expected that in future phases of the development more formal arrangements will be entered into that will outline the obligations, contributions and benefits that the development will provide to both parties. Such arrangements will also inform a future advocacy and funding strategy. Given the scale of the development it is expected that funding will need to be secured from both State and Commonwealth governments. The Feasibility Study has been shared with PCYC who have provided positive feedback accordingly.

AlburyCity Considerations for Next Steps

It is envisaged that the progression of the project will include the following:

1. A report has been provided to Council at this meeting on 23 October 2023 with the recommendation that Council receive and note the @Leisure Planners LJSC Stage 2 Feasibility and Business case.
2. This report is to be shared with stakeholder organisations.
3. Continue discussions with PCYC regarding their involvement (potential contribution and expectations).
4. Use the preferred concept plan Option 4 for LJSC Stage 2 as the basis of a masterplan for future development of the LJSC precinct and seek community and stakeholder input.
5. Incorporate funding of $1.5 million for preliminary design and costing of Option 4 at LJSC Stage 2 in developing the draft 2024/2028 Four Year Delivery Plan to validate costs and support advocacy efforts.

6. Activate planning for Option 4 at LJSC Stage 2 Advocacy Strategy development and funding attraction.
7. Continue to progress replacement Lavington Swim Centre (LSC) to:
    a. Ensure accessibility for the Lavington community, including CALD members;
    b. Ensure adequate swim facilities while the development of Option 4 for LJSC Stage 2 is pursued; and
    c. Consider @Leisure Planners LJSC Stage 2 report's direction regarding diving infrastructure in preliminary LJSC design.
8. The future replacement of Albury Swim Centre be considered when the Aquatics Strategy is reviewed, post completion of the Thurgoona Wirlinga Structure Plan and Social Infrastructure Strategy.

Strategic Alignment

The Stage 2 Development of the LJSC will support the achievement of the following strategic outcomes and actions:

Towards Albury 2050 Plan

1.1 Albury is a liveable city supporting sustainable population growth through the provision of high-quality infrastructure, industry-leading services and high levels of amenity.
3.2 Albury is a welcoming, caring and healthy community with an emphasis on physical, mental and spiritual wellbeing.
3.6 Albury is a vibrant region that values the enrichment offered by arts and cultural activities and provides for diverse lifestyles and experiences.

Two Cities One Community

Investigating the establishment of a regional aquatic facility was an action in the 2019/20 2C1C Action Plan.

Risk

- **Business Risk** – The Stage 2 development of the LJSC requires significant capital investment and presents a financial operational risk. The project will require Funding Deed commitments to progress beyond the Preliminary Design phase.
- **Corporate Risk** – Corporate risks associated with the matters in this report include:
    - Potential negative feedback from sections of the community due to the large capital investment required to progress the project.
    - If a decision is made to not progress the project, there is a potential risk that the community may express their disappointment at the lack of action by AlburyCity to progress additional sports courts and a regional aquatic centre.
- **WHS and Public Risk** – Not identified as an output from the Feasibility Study, it is expected that WHS and Public Risk and mitigation controls will be developed once the Stage 2 development progresses beyond a Feasibility Study.

- **Environmental Risk** – The scope of the Feasibility Study did not include a full Environmental Risk assessment. This would need to be assessed in future stages of the project.
- **Delivery Program Risk** – If a decision is not made to endorse an option for the Stage 2 development of the LJSC the cost of conducting the project in the future will only increase while the community's need for a regional aquatic facility and more indoor courts will also continue to increase. Also, due to the large capital investment involved in the options presented in the Feasibility Study there is a significant risk that AlburyCity may not attract the required funding to undertake the project.

Community Engagement

The Stakeholder Engagement Plan for the Feasibility Study was endorsed by Council on 11 July 2022. The aim of the Stakeholder Engagement Plan was to undertake consultation with the key stakeholders and potential users of the LJSC to assist in the development of Stage 2 plans for the facility inclusive of both sports court and aquatic development.

Workshops, meetings, face to face interviews and telephone calls were conducted with internal stakeholders and a range of individuals representing a range of clubs, user groups and organisations were interviewed.

The consultation was designed to gain insight into how the clubs and user groups use the venues, what they like about it, what they would like improved and to understand their future needs and aspirations.

Results of the Stakeholder Engagement Plan are detailed within the Feasibility Study. All participants of the Stakeholder Engagement Plan will be communicated with as the report is presented to Council to ensure they see the outcome of the Feasibility Study.

Options

There are two options presented below for Council consideration:

1. Present the report to Council with the following recommendations:
    a. receive and note the LJSC Stage 2 Feasibility and Business Case prepared by @Leisure Planners.
    b. share the report with stakeholder organisations.
    c. continue discussions with PCYC regarding their involvement (potential contribution and expectations).
    d. use the preferred concept plan Option 4 for LJSC Stage 2 as the basis of a masterplan for future development of the LJSC precinct and seek community and stakeholder input.
    e. incorporate funding of $1.5 million for preliminary design and costing of Option 4 at LJSC Stage 2 in developing the draft 2024/2028 Four Year Delivery Plan to validate costs and support advocacy efforts.
    f. activate planning for Option 4 at LJSC Stage 2 Advocacy Strategy development and funding attraction.

g. proceed with the replacement of Lavington Swim Centre as per the adopted Four Year Delivery Plan on a like for like basis to current and best practice standards, with the exception of the diving infrastructure.
h. the future replacement of Albury Swim Centre be considered when the Aquatics Strategy is reviewed, post completion of the Thurgoona Wirlinga Structure Plan and Social Infrastructure Strategy. **Recommended.**

2. Not receive the report and seek further information. **Not Recommended.**

Conclusion

The Lauren Jackson Sports Centre Stage 2 Feasibility Study presents a comprehensive assessment of the options for the expansion and enhancement of the facility. The study, guided by extensive community engagement and input from stakeholders, has evaluated four main options, each aimed at addressing specific needs and aspirations of the community and has provided six recommendations for progressing the project.

Option 4 emerges as the recommended choice. This proposal combines indoor sports, aquatic facilities, and additional amenities, encompassing the needs of various user groups and fostering a higher level of community engagement. Though it represents the highest capital investment, Option 4 also promises the most substantial benefits in terms of participation, facility integration, and program diversity. By accommodating indoor sports, aquatic activities, gymnastics, martial arts, and PCYC programs within a modern and streamlined structure, this option maximises both the immediate and long-term potential of the Lauren Jackson Sports Centre.

To ensure adequate swimming infrastructure is available while the development of Option 4 for LJSC Stage 2 is pursued, the replacement of the Lavington Swim Centre should proceed as per the adopted Four Year Deliver Plan with the exception of the diving infrastructure.

Recommendation

That Council:

a. receive and note the LJSC Stage 2 Feasibility and Business Case prepared by @Leisure Planners.
b. share the report with stakeholder organisations.
c. continue discussions with PCYC regarding their involvement (potential contribution and expectations).
d. use the preferred concept plan Option 4 for LJSC Stage 2 as the basis of a masterplan for future development of the LJSC precinct and seek community and stakeholder input.
e. incorporate funding of $1.5 million for preliminary design and costing of Option 4 at LJSC Stage 2 in developing the draft 2024/2028 Four Year Delivery Plan to validate costs and support advocacy efforts.
f. activate planning for Option 4 at LJSC Stage 2 Advocacy Strategy development and funding attraction.

g. proceed with the replacement of Lavington Swim Centre as per the adopted Four-Year Delivery Plan on a like for like basis to current and best practice standards, with the exception of the diving infrastructure.
h. the future replacement of Albury Swim Centre be considered when the Aquatics Strategy is reviewed, post completion of the Thurgoona Wirlinga Structure Plan and Social Infrastructure Strategy.

Attachments

1. LJSC Feasibility and Business Case Revised Draft 051023 (DOC23/387453).
2. LJSC Stakeholder Engagement Plan (DOC21/238429).