

ITEM NUMBER: 18.4

CONFIDENTIAL REPORT

GLENELG TOWN HALL – COMMERCIAL AREA – SUMMER POP UP

Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.**

Recommendation – Exclusion of the Public – Section 90(3)(b) Order

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 315/22 Glenelg Town Hall – Commercial Area – Summer Pop Up in confidence.

 - 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 315/22 Glenelg Town Hall – Commercial Area – Summer Pop Up on the following grounds:
 - b.** pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is proposing to conduct business or would prejudice the commercial position of the Council

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

 - 3.** The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: 18.4

Subject: **GLENELG TOWN HALL – COMMERCIAL AREA – SUMMER POP UP**

Date: 9 August 2022

Written By: Commercial Lead

General Manager: Community and Business, Ms M Lock

SUMMARY

This report presents the findings of discussions with potential operators of the Commercial Areas within the Glenelg Town Hall. With the feedback received Administration is proposing a temporary Pop Up offering be initialised to activate the space over the Summer Period.

RECOMMENDATION

That Council:

- 1. endorse a recommendation to lease the commercial space on a short term basis to activate the space;**
 - 2. endorse the request for Expression of Interest (EOI) proceed to market; and**
 - 3. authorise the Chief Executive Officer to enter into and execute the short term lease.**
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RETAIN IN CONFIDENCE - Section 91(7) Order

- 4. That having considered Agenda Item 18.4 Report No: 315/22 Glenelg Town Hall – Commercial Area – Summer Pop Up in confidence under section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the Report, Attachment and Minutes relevant to this item be retained in confidence for a period of 18 months and/or the Chief Executive Officer is authorised to release the documents thereafter.**
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STRATEGIC PLAN

INNOVATION – A thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

COUNCIL POLICY

Property Policy

STATUTORY PROVISIONS

Planning, Development & Infrastructure Act 2016

BACKGROUND

On 12 April 2022 Council endorsed a recommendation for the future use of the commercial areas of the Glenelg Town Hall as a destination dining product developed with a partner, endorsing the request for Expression of Interest (Eoi) to proceed to market.

During the scoping phase of the project Administration approached a number of reputable operators to gauge whether Council's vision on a destination dining product including balcony bar was viable and would work operationally. Feedback received was overwhelmingly positive with respect to viability of the vision, however there were a number of concerns raised including the refurbishment costs required, integration with the rest of the Town Hall, and expected financial contribution by Council.

In general discussion, it has been estimated that costs will be in the vicinity of \$2 Million to bring the spaces up to the required standard, with operators making enquiries regarding long term leases, beyond 20 years to amortise investment made. There was also the question in how the Restaurant & Bar would interface with the Town Hall including museum and the wider precinct. Further feedback received suggested that Council should look at the project from a holistic view and consider the whole precinct including the Jetty Development to unlock more potential and also commercial funds. As a consequence, Administration will continue to investigate options with a view to bringing further recommendations to the new Council in 2023.

REPORT

With limited time before Caretaker period is enacted, Administration is recommending that the commercial space be offered 'as is' to an operator to run a 'Pop up' service/business during the summer months of 2022/23. A suitable operator would be selected following an Expression of Interest process. This will provide a modest commercial return to Council, and importantly ensure this space is active and utilised during the summer peak period. The type of business chosen to use the area will determine the amount of space that will be let.

As this is only a short term lease (maximum 6 months) it is unlikely there will be any commitment from potential operators to invest in fit out. Further to this with food and hygiene standards required for a hospitality business it is very unlikely that this would work for this period. However this wouldn't prevent operators using a food or beverage cart that would require minimal infrastructure support to comply with food and hygiene standards. Other possible uses are a

market stall/craft/clothing or something similar, or a shopfront for renting out equipment such as beach chairs, umbrellas, cabanas, marquees, bikes, body boards and stand-up paddle boards.

Due to the short nature of the lease it is recommended that only the ground floor (previously Boomers) be used, excluding the kitchen area which is currently unequipped. Also due to the lack of facilities and current interface with the Bay Discovery Centre it is recommended that the Balcony not be considered, however during the EOI process if a potential use comes to light that can overcome the stated issues that a short term lease could be entered into.

Ground floor area to be leased is 123m² with the potential to use the outdoor area under the balcony which is a further 185m². If achievable then the balcony area to be leased is 185m².

As this is about activating the area only, a short lease rental income would be low. It is recommended that rent for the ground floor area be \$500 per week inclusive of utilities and other charges and if the external outdoor area is to be used a further \$300 per week. Again, if the balcony area can be leased it would attract a rental payment in the order of \$500 per week.

The above recommendation would allow Council more time to review a broader proposal for the whole precinct after the caretaker period and ensure that the area is activated and not leaving the site vacant and unsightly.

BUDGET

There would be a need for some modest preparation of the space (i.e. removal of furniture, rubbish and cleaning) which would be covered within existing operational budgets.

LIFE CYCLE COSTS

Not applicable. This is proposed for the summer 2022/23 season only.