

**ORDINARY COUNCIL
23 AUGUST 2004**

ORDER OF THE DAY

ORDER 5	ACCOMMODATION STRATEGY – ST KILDA TOWN HALL
LOCATION/ADDRESS:	ST KILDA TOWN HALL
RESPONSIBLE EXECUTIVE DIRECTOR:	DAVID YEOUART, EXECUTIVE DIRECTOR URBAN SERVICES
AUTHOR:	MARK FOORD, PROJECT MANAGER INFRASTRUCTURE AND CAPITAL WORKS PLANNING MELISSA FITZGERALD, CO-ORDINATOR GIS.
FILE NO.:	20/12/01
ATTACHMENTS:	NIL.

1. KEY ISSUES

- 1.1. Council has resolved to implement its accommodation strategy – a proposal that has as its main aims; service improvements, efficiency increases and improvements to public facilities at the St Kilda and South Melbourne Town Halls.
- 1.2. This report outlines progress to date. The main topics addressed are;
 - Community consultation
 - Budget
 - Time schedules
 - Council chamber

2. CONTEXT

- 2.1. At its meeting of 26 July 2004 Council considered a progress report regarding the Accommodation Strategy which was prepared following completion of schematic design.
- 2.2. Detail design is progressing and it is timely to review the status of the project, particularly in relation to budget and time frames, now that the detail of the building is being developed.

- 2.3. The Accommodation Strategy includes works at the South Melbourne and St Kilda Town Halls. In general, staff will be relocating from South Melbourne to St Kilda. Facilities will need to be provided at St Kilda for staff to move into and the works at South Melbourne must be undertaken after the building has been vacated. It is therefore more efficient, easier and cost effective to construct the St Kilda facilities before the South Melbourne facilities.
- 2.4. The project architects have developed a proposal for the South Melbourne Town Hall. It includes provision for maternal health and childcare facilities, assist and cashier functions, as well as meeting spaces for public and council uses. Provision of approximately twenty (20) work spaces for community groups and thirty (30) work spaces for council staff have been made to ensure that the site will offer a range of services to the local community.
- 2.5. The proposal is in keeping with the proposal for the St Kilda offices to rationalise facilities, maximise efficiency and return large heritage spaces to their former stature. The works involve creation of a new foyer, improvements to ensure all members of the community can easily access the building, and provision of a gallery space. No works are proposed to the heritage façade of the Town Hall building.

3. PROPOSAL

- 3.1. Council has previously approved the following proposal for the Accommodation Strategy – St Kilda:
 - The extension to the St Kilda Town Hall will abut the original existing Town Hall building on the northeast corner and extend to the property line of Carlisle Street.
 - Construction of the building will involve demolition of the current northeast wing, constructed in the 1960s and Carlisle Street car park. Additional car parking will be provided under the new building. The mature poplar tree in the North East corner of the Carlisle Street car park will be preserved
 - A new entrance will be provided on the Carlisle Street frontage. The new entrance is aligned with the internal street built in the 1990s and creates a direct connection from Carlisle Street into the main assist and reception areas and further into the building.
 - The Carlisle Street forecourt is retained and framed on the west side by the Raoul Wallenberg garden and on the east side by the new building extension and glass art wall, which is to be removed from the main hall. The glass art wall will be suspended over the entrance stairs and ramp.
 - The main assist and reception areas will be provided directly inside the new Carlisle Street entrance within a three-storey atrium. The public reception area will have direct views of the meeting spaces for public and staff, the waiting area, information area, and a gallery space beyond.
 - On the east facade metal fins interlocked with timber panels will surround the windows. Balconies on each level are proposed. As the façade turns the corner to Carlisle Street the regimented vertical fins are broken down by a more random pattern of horizontal timber fins. These fins also provide sun shading to the north. The north facade will be framed by a concrete panel that floats over the undercroft and then turns the corner to the west to form the backdrop to the glass art wall.

- 3.2. Following public consultation and more detailed design, attention to the provision of additional parking has provided extra spaces on the Brighton Road frontage adjacent to the existing car park and at the rear of the library in Duke Street.
- 3.3. The budget for this project is \$15 million. This was prepared in 2002 by a quantity surveyor on the basis of a preliminary investigation of organisational requirements for the new building.
- 3.4. The original cost plan was based upon commercial building costs. Commercial building costs are highly influenced by developer funded projects and as such, do not truly represent costs of buildings with significant heritage value and that are being developed to service long term requirements. The following table shows a comparison of building costs for various types of buildings, together with the cost of the proposed new building at St Kilda.

	Description	Construction cost per square metre	Source
1	Civic centre	\$2295	Rawlinsons Australian Construction Handbook 2004
2	Commercial lettable low rise office	\$1270	Rawlinsons Australian Construction Handbook 2004
3	Administrative buildings	\$2185	Rawlinsons Australian Construction Handbook 2004
4	Individual brick veneer house to high standard	\$1730	Rawlinsons Australian Construction Handbook 2004
5	Rate from original cost plan	\$1584	Approved project cost plan.
6	Current projected cost of Council's proposal	\$2208	Calculated

- 3.5. As can be seen the original rate was quite low compared with other types of similar buildings, the current rate is comparable with industry standard publicised rates for construction of similar buildings.
- 3.6. There are several significant differences between the assumptions made when preparing the original estimate and the current proposal as detailed in the following table.

ACCOMMODATION STRATEGY

Major differences between Rider Hunt cost plan and Burns Bridge cost plan, developed from concepts.

Original Scope of Work	Cost	Current scope of work	Cost
Building Footprint			
Construction of 3 floors over the entire site from the 1960's building to the boundary.	\$6,403,862	Demolition of 1960's building and construction of 3 floors over an area less than the entire site.	\$12,302,000
Integration works			
3m wide band of integration works to the 1960's area.	\$258,750	Demolition of entire building and refit with core-owned furniture.	Significantly higher than the allowance.
Vertical Circulation			
Provision of an 8-10 person Kone lift similar to that existing.	\$155,000	2 x 14 person lifts that comply with the provisions of the Disability and Discrimination Act. One to service the new building and one to upgrade services to the 1800's wing .	\$300,000
1 Stair in the "centre" of the building.	\$63,088	3 stairs distributed across the building. This will facilitate efficient layout of workstations and ensure there are many connections available within the building.	\$90,000
Façade			
High quality curtain wall including fenestration.	\$296/sq m	Glass Timber and aluminium façade complementing the façade of the ARM wing.	\$600/sq m
ESD			
Allowance for t5 lighting, auto controls, low energy ducts to A/C and deductions from the cost of the A/C for larger temperature variance	\$150,000	Car park ventilation, task lighting, energy efficient lighting, re cycled furniture, low energy materials.	\$1,000,000
Council Chamber			
Not included in original budget	\$247,250	Not included in current cost plan	\$669,000
Others			
Temporary accommodation.	\$0	Temporary accommodation of staff and provisions for continuity of service during construction.	\$840,000
Consultant Fees	\$860,500		\$1,627,000
Construction Contingency	\$265,000		\$1,000,000

- 3.7. The estimate for the recommended works at the St Kilda site is \$17.5 million as detailed below. This estimate has been derived by reducing the cost of the approved concept by approximately \$950,000. Items different from the concept include:

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- Removal of the upgrade to the council chamber.
- Reduction in allowance for building services.
- Use of recycled furniture for workstations.
- Use of the Port Melbourne Town Hall for staff during construction in lieu of renting commercial office space.

Item	Cost	Description
Basement car park	\$1,055,000	Excavation and construction of the car park under the new building.
Existing building	\$1,143,000	Demolition of the existing building and associated works.
New office building	\$6,166,000	Construction of the new office building.
External works	\$720,000	Works surrounding the building such as stairs, ramps and landscaping.
Building Services	\$2,753,000	Data cabling, electrical, mechanical, water, and sewer services for the new building.
Internal street air conditioning	\$74,000	Air conditioning of the internal street area.
Stiffening beams under terrazzo floor	\$50,000	Beams to stiffen the floor under the internal street terrazzo floor. This will reduce future cracking of the floor.
Fire protection	\$365,000	Fire sprinklers and early fire warning system for the new building.
Lifts	\$300,000	New lifts to meet the requirements of the Disability and Discrimination Act and service the new building as well as the 1800's wing. .
Sub Total	\$12,626,000	
Cost escalation and contingency	\$1,367,000	Allowance for building cost increases between now and the end of building construction. Contingency for funding of additional works such as treatment of soil conditions.
Pre- owned workstations and furniture	\$974,000	Provision of pre-owned workstations and furniture to the new building and associated areas.
Temporary accommodation and provision of facilities to ensure service delivery during construction	\$710,000	Costs of provision of temporary front counter and facilities for staff and the public at other sites while construction is under way.
Car Parking	\$200,000	Construction of additional car parking spaces in the Brighton Rd car park, and off Duke Street at the library.
Design. Planning and Building fees	\$1,626,417	
Sub Total	\$4,877,417	
TOTAL	\$17,503,417	

- 3.8. The resulting project will meet council's requirements and provide a facility which will make best use of the site, incorporate adequate car parking, demonstrate council's commitment to the environment by providing a commercial building which is responsible in its approach to environmental sustainable design and provide facilities for staff and the public which are functional, efficient and responsive.

4. OPTIONS

Budget

- 4.1. There are various options to reduce the project and bring it back to budget.
- Limiting alterations to the Ashton Raggatt McDougall wing.
 - Reducing the scope of the building façade.
 - Reducing the mechanical plant and no air conditioning within areas not continuously occupied.
 - Deletion of storage areas.
 - Reduction in the extent of the third floor.
 - Deletion of smoke and early fire warning systems not mandatory. under the building regulations.
 - Reduction in provision for car parking.
 - Reduction in environmental initiatives.
- 4.2. The mechanical plant and air conditioning are considered necessary for efficient operations. The storage areas are required to ensure that files are kept on site to meet the needs of the public and provide access to information in a reasonable period of time.
- 4.3. The space provided within the building has been designed to meet the current needs plus a modest allowance for growth, either in staff or provision of new services. Failure to provide for some future growth, particularly since the marginal cost of providing this space is much less than that of providing it in the future, would be false economy.
- 4.4. While the early fire warning systems that have been installed in the existing buildings are not required under the provisions of the Building Control Act, past experience has shown that they provide a more than satisfactory return in the case of a fire or other emergency.
- 4.5. Car parking spaces have been provided in accordance with minimum requirements, any reduction may result in insufficient spaces to meet the needs of visitors and the community.
- 4.6. The building is a commercial office building and has been designed in a responsible manner. The building is not an "environmental building" but demonstrates the effectiveness of adopting well proven techniques to achieve environmental and economic benefits. Reduction of initiatives currently included within the building would increase operational costs and not meet council's stated objectives with respect to environmental issues.

- 4.7. In summary, reducing the scope of the proposed works will attain the initial expectations (albeit a commercial building model) but will have the effect of providing a lesser building and may result in sizeable additional costs at a future date.
- 4.8. Therefore the best option is to proceed with a proposal based on the existing approved concept. Design of the South Melbourne Town Hall centre will continue to be developed, construction will be programmed as the St Kilda Town Hall nears completion.

Council Chamber

- 4.9. Resolution of the position of the council chamber has not been fully finalised. The original brief for the project architect outlined the need to consider how the council chamber functions and how the chamber is to be accessed by the public.
- 4.10. Several options have been considered by the Steering Committee,
- 4.10.1. **Existing position** - Leave the chamber in the existing location, install a lift to improve access and provide additional funding for refurbishment, in the future, currently estimated at a total of \$824,000, including an additional lift.
 - 4.10.2. **Ground Floor, South West** - Create a new chamber on the ground floor by extending the area on the south west corner of the building presently occupied by governance. (Cost currently not estimated.)
 - 4.10.3. **Apse, extendable** - Utilise the area adjacent to the current Carlisle Street entrance for most meetings and when necessary, additional space within the Town Hall. The chamber would need to be fitted with a system, which would allow extension into the hall when necessary.
- 4.11. The option of leaving the chamber in it's current location has the disadvantage of having to provide an additional lift to ensure access to it as it is a major facility for the public.
- 4.12. A functional and aesthetically pleasing chamber, with direct access for all members of the community could be constructed on the ground floor as outlined in 4.10.2. Costs from the need to provide an additional lift to the second floor could be redirected to help fund the option. The nett cost would be less than the ultimate cost of option 4.10.1.
- 4.13. A chamber in the apse could be effectively constructed which would provide direct access for all and be visible to members of the community when visiting the administrative section of the building. The cost of this option would be less than either of the other options.
- 4.14. It is recommended by the Accommodation Strategy Steering Committee that option 4.10.3 be further examined and a sketch and estimate produced.

5. POLICY IMPLICATIONS

- 5.1. Council has no specific policy with respect to the accommodation strategy. The terms of reference for the steering committee require submission of progress reports to council.

6. SUSTAINABILITY IMPLICATIONS

- 6.1. The long term accommodation strategy aims to -
- Maximise organisational effectiveness
 - Maximise community engagement
 - Optimise existing infrastructure, and
 - Add to historic civic value.

These are important goals in their own right, which lead to a series of efficiencies and improvements that can be recorded in terms of the Four Pillars of Sustainability.

Social

Improved overall accessibility and service delivery to the community will be achieved through consolidation of administrative and 'service' activities.

Economic

Construction of additional office space at St Kilda will have a series of direct economic effects upon the financial viability of Council. There will be reduced long-term operational costs (maintenance, insurance, security, travel time) and reduced short-term operational costs (outsourcing and annual refurbishment).

Environmental

The brief for design of the accommodation strategy requires consideration of environmentally sustainable design initiatives. The original budget for the project included an allowance for provision of elementary environmental initiatives to be incorporated into the design.

There are generally three levels of sustainable design that can be adopted when designing buildings being:

- Sustainable Responsive Design – this level is included within the current project brief and project budget. The Steering Committee has adopted this level for the project.
- Leading Sustainable Design - a sustainable building outcome without using an established building rating/assessment tool.
- Victorian Best Practice Sustainable Design - 4 Star or higher Green Star accreditation for the overall design response.

The building could be made to achieve the "Leading Sustainable Design" level, subject to provision of additional budget.

The best practice level would require extensive alterations to the existing building as well as incorporation of facilities within the new wing and, possibly, on the exterior of the building. Incorporation of these facilities into the design of the building would require a significant change to the brief and additional budget.

Cultural

Co-location of important administrative and service provision departments will assist markedly in the promotion of a unified culture with measurable flow on effects to council's ability to deliver on its goal of wider cultural development through improved service delivery. Enhancing the functional use of these buildings ensures the preservation and the ongoing investment in their heritage significance.

7. RESOURCE IMPLICATIONS

- 7.1. The total budget for the Accommodation Strategy is \$15 million.
- 7.2. The current estimate for the works at St Kilda is \$17.5 million. It is suggested that the project, as developed, be funded by a variety of sources as follows:
 - **Operational Budget.** Detailed design has identified a number of dependencies, which can be linked to other planned programs which are part of operational or other budgets. These facets can be funded from increases in operational budgets provided over the course of the project, e.g. the communications upgrade and removal of the Town Hall glass wall.
 - **Additional Capital Budget.** Works that have been developed into the project but were not originally part of the scope can be funded from additional capital allocations in future years.
 - **Compliance Programs.** Works required to meet legislation, such as the Building Control Act and the Disability and Discrimination Act that must be undertaken for the project to proceed can be funded from programs addressing compliance.

In essence, the project costs can be divided into two sections, building works and other works. Building works comprised of building costs, building services, environmental initiatives and other direct costs, are valued at ~ \$16.3million. Other works, comprising services and compliance works to existing buildings, together with transition works to be incorporated into other buildings are valued at ~ \$1.2 million.

8. INTERNAL CONSULTATION

- 8.1. A wide range of internal consultation has been undertaken to reach this point. Since the appointment of the project architects in February 2004 various groups and individuals have been consulted regarding the project.
- 8.2. Functional Groups, comprised of staff from across the organisation have provided information relating to the organisation's requirements for meeting rooms, publicly accessible areas (eg. front counter, information areas, access exhibition space), information technology, records management and storage.
- 8.3. An Executive Implementation Group (General Management Team & Jim Holdsworth) has advised the Project Architects on organisational requirements and staff numbers.
- 8.4. The Accommodation Steering Committee has met with the project architects at key points.

9. EXTERNAL CONSULTATION

- 9.1. External consultation commenced during July. Two community consultation sessions were conducted:
 - Tuesday 13 July – 1.00 - 8.00pm in the Emerald Room, at the South Melbourne Town Hall. The plans and model were on display for the public to view throughout the afternoon. At 7.00pm a formal presentation and discussion/question time was undertaken.
 - There were three visitors throughout the day and three people attended the formal session, two had visited during the day sessions. Several formal submissions were received generally supportive of the design presented.
 - Wednesday 21 July – 1.00 - 8.00pm in the Multi Function Area, at the Main Hall, St Kilda Town Hall. The plans and model were on display for the public to view throughout the afternoon. At 7.00pm a formal presentation and discussion/question time was undertaken.
 - During the day twelve people visited the display. A range of viewpoints was expressed regarding the project. Many people expressed approval of the design of the building, particularly from the Brighton Road aspect. Several comments were received suggesting that the design was "too modern."
 - At the evening session ten people heard from the project architect, Peter Williams about the design and the intention of the architectural team to achieve a building that complemented the site. Generally there was support for the building particularly when the aspect from Brighton Road was discussed. Opinion was divided over the architectural merits of the façade to the east, facing the childcare facility.
 - Some concern was raised about parking surrounding the site and about the effects on local businesses of council incorporating a facility for serving of coffee on the ground floor.

10. IMPLEMENTATION

- 10.1. The project will be implemented in accordance with the report presented to Council on 28 April 2003.
- 10.2. The project schedule developed and approved by the steering committee has a number of key dates as shown below:

Stage	Scheduled date	Date achieved or proposed
Completion of design concepts	June 2004	June 2004
Submission to public for comments	July 2004	July 2004
Submission of Town Planning Application	July 2004	August 2004
Completion of design	August 2004	September 2004
Completion of tender document preparation	October 2004	October 2004
Presentation of a building contract to council for decision	December 2004	December 2004

- 10.3. The submission of the town planning application is behind schedule. This is due to changes being made following community consultation. Additional parking has been incorporated into the design adjacent to the Brighton Road car park and off Duke Street at the library.
- 10.4. Detail design is still progressing and while the planning application will be approximately 1 month late, the impact on the total schedule is approximately 2 weeks.

11. CONCLUSION

- 11.1. The project is progressing in accordance with the original intentions of Council. A steering committee has been established and is meeting regularly. Project managers and architects have been appointed following a public tender process.
- 11.2. A number of options have been considered by the Steering Committee and a concept has been developed and shown to the public. A Town Planning application has been developed and will be lodged in August.
- 11.3. Council's aspirations with respect to the building, particularly the façade and finishes within the public sections of the building were not fully realised within the original cost plan. Allowances for site contingencies and building cost escalation have also impacted upon the cost plan.
- 11.4. The building can however be funded by drawing on funds currently allocated within the capital program and additional allowances within the future capital program, (building works \$16.3 million) and from funds allocated to program improvements, and operational budgets, (other works, \$1.2 million).

- 11.5. Finalisation of the position of the Council chamber remains unresolved. The option of siting the chamber in the apse near the current Carlisle Street entrance to the building seems to offer advantages in terms of accessibility, cost and functionality. It is recommended that this option be further investigated and developed.
- 11.6. The South Melbourne Town Hall project can be developed as a separate cost centre and the design and construction process can progress independently of the St Kilda Town Hall. However, the project would remain as part of the Accommodation Strategy, the Steering Committee, management and implementation mechanisms would not change.

12. RECOMMENDATION

- 12.1. That Council receive the report outlining progress of the accommodation strategy project and endorse the amended concept plan costed at approximately \$17.5 million.
- 12.2. That funding of the project be provided by a variety of sources such as programs, operational budgets and additional future allocations within the capital program.
- 12.3. That the Accommodation Strategy – South Melbourne continue to be developed and planned to be constructed after completion of the works at St Kilda, and that Council re-affirm its ongoing commitment to the development of this facet of the Accommodation Strategy and that the costing of this aspect be treated separately.