

**2.4 OAKLEIGH RECREATION CENTRE INDOOR STADIUM AND WAVERLEY GYMNASTICS FACILITY REDEVELOPMENT PROJECT**

(KI:)

Responsible Director: Julie Salomon

**RECOMMENDATION***That Council*

1. *Notes the submission to Sports Recreation Victoria seeking funding for the integrated Oakleigh Recreation Centre Indoor Stadium and Waverley Gymnastics Facility Development.*
2. *Supports the upgrade of the Oakleigh Recreation Centre Indoor Stadium and Waverley Gymnastics Facility Development as part of the 2017/18 budget process as follows:*
  - a. *the total project upgrade is between \$18M and \$20M (\$11.9M - \$13.9M Council contribution)*
  - b. *the maximum expenditure for Waverley Gymnastics exclusive component is \$5.75M as endorsed at the 31 May 2016 Council meeting; and*
3. *Approves CEO sign off of the tender for design if the application is successful as Sports Recreation Victoria timelines will require this step by the end of the calendar year.*

**INTRODUCTION**

The purpose of this report is to advise Council of the funding application to State Government for the Oakleigh Recreation Centre Indoor Stadium and Gymnastics Facility Development through Sport and Recreation Victoria (SRV) via the 2016/17 Better Indoor Stadiums Fund.

**BACKGROUND**

The Oakleigh Recreation Centre (ORC) is located in Park Road, Oakleigh and includes outdoor pool facilities, health and wellbeing facilities, a four court indoor stadium and associated supporting amenities. The four court stadium is in need of renewal due to the age (40-50 year old), condition and failure to meet modern sports code and building standards.

The facility is at the end of its life with poor air handling and amenity. This project has been forecast in the forward budget at an estimated \$12,500,000 (based on 2014 costs) for the 2019/20 and 2020/21 financial

years however the poor condition and associated amenity of the stadiums is now impacting on business continuity and expansion.

The centre attracts almost 325,000 visitations per annum and presents an annual operating loss of approximately \$125,000. There is a business development opportunity to maximise participation and reduce costs to council.

Waverley Gymnastics currently operates from four locations; namely its primary site in Mt Waverley (Dorrington Drive) and secondary sites in Glen Waverley (Wesley College), Armadale (Lauriston College) and Narre Warren (Secondary School).

Waverley Gymnastics has over 1500 members and is the largest club in Victoria. The Dorrington Drive Centre is operating at capacity and has 570 children on its waiting list. 90% of the membership is female. The club employs 51 staff to support the extensive program offered and reports that it has a strong committee with sound finances. The club has an annual turnover of almost \$2.5M and uses its surplus funds to update equipment and make facility improvements. It is currently setting aside funds for the building expansion.

The Dorrington Drive site is the main gymnastics centre and is due for renewal. The facility is aged and in poor condition and does not meet the needs of a regional gymnastics centre and the largest club in Victoria. It is located in a residential area causing concerns for neighbours due to the volume of traffic and associated parking and is site constrained which restricts redevelopment options.

Concept plans and cost estimates for redevelopment of Dorrington Drive have been undertaken with the club in July 2016 successfully achieving the \$5.75M required for the redevelopment. This consists of funding commitments from: Monash City Council \$2.65M, Federal Government \$2.1M and Waverley Gymnastics \$1M.

With the funds secured and the known limitations of the existing Dorrington Drive Mt Waverley site, it was prudent to revisit options to ensure outcomes were maximized before commencing the design process.

### **DISCUSSION**

With the facility renewal needs and opportunity for service expansion at Oakleigh Recreation Centre, officers identified a new Victorian Government fund announced in July 2016 for Indoor Stadiums and officers commenced a collaborative process with Waverly Gymnastics to collocate at the Council ran Oakleigh Recreation Centre. A feasibility study commenced for this site considering the needs of gymnastics.

The \$22 million *Better Indoor Stadiums Fund* is a Victorian Government funding program that helps provide indoor multi-sports stadiums across metropolitan Melbourne and regional Victoria. The fund assists in meeting

the community demand for indoor sport and recreation participation opportunities. Priority will be given to projects that demonstrate collaboration with schools, multiple sporting organisations and are of regional significance. The funding is to be matched on a \$1:\$3 ratio.

Council engaged Otium Planning to undertake a feasibility study which identified the need for a fifth indoor court and benefits of co-locating the regional gymnastics centre on the site at a cost of between \$18 and \$20M.

The integration of indoor courts and the gymnastics facility provides a range of benefits and economies of scale due to the capacity to share common and existing features such as foyer, change rooms, weights room and food and beverage facilities. The combined facilities also supports cross programming opportunities and exposure of multiple activities increasing participation outcomes and the sustainability of the Centre. It is estimated the centre reach over 500,000 visitations per annum and create direct and indirect employment.

The proposed development will extend the sporting and recreational opportunities already available at the Oakleigh Recreation Centre and along with the aquatic facilities, dry health and fitness areas, tennis courts, golf course and nearby sporting ovals to provide a fully integrated sporting and recreation precinct to service the Monash and wider regional catchment.

The development will focus on meeting local and regional basketball, volleyball, futsal, netball, table tennis and gymnastics demands as a result of current facility gaps, population growth and the increased need to provide accessible and contemporary facilities for females, diverse communities and people experiencing disadvantage.

Officers are also working in partnership with Link Health and Community (Link Health) to identify and progress shared service/resource opportunities. As part of this we are well underway with planning to transfer the Link Health rehabilitation services from their Oakleigh site to ORC. Link Health will offer services such as dietetics, physiotherapy and exercise physiology using the consulting suites, gym and program spaces. From February 2017, Link Health's current and future rehabilitation clients will attend appointments and programs at ORC.

The ultimate aim is that people will transition from rehabilitation to a community leisure facility to continue their wellness journey through the provision of shared and integrated services and facilities. Council's Oakleigh based Maternal and Child Health service will relocate to the Oakleigh Link Health and Community site in the New Year to provide a more holistic and integrated service offer for our community from this location. In addition Link Health and Community will also commence offering programs at MARC with integration the main aim also.

With the Oakleigh Recreation Centre four court stadium renewal due and estimated to cost \$12.5M, the confirmation of a \$5.75M expansion to the Dorrington Drive Gymnastics Centre (inclusive of Council's \$2.65M commitment), State Government Indoor Stadium funding available with a pending application of \$3M to be announced shortly, officers believe that the project merits collectively will ensure greater participation and increased health and wellbeing outcomes for our community.

### ***POLICY IMPLICATIONS***

From an Asset Management Policy perspective, renewal of both sites is required in line with council's commitment to manage assets effectively and focus on reducing the asset renewal gap. The proposed project also affords the opportunity to implement the Active Reserve Strategy Stage 2 where it identified that the current facilities at Waverley Gymnastics Centre do not cater for growing membership base.

### ***SOCIAL IMPLICATIONS***

The expansion of gymnastics presents the opportunity to grow and meet the need of gymnasts which are predominately female. This is an identified priority of the SRV funding. The redevelopment of Oakleigh Recreation Centre provides far greater participation opportunities with the inclusion of a fifth indoor court and the capacity of the centre to introduce family members of the gymnasts to a range of physical activity facilities, programs and services is seen as extensive.

The centre functions as a hub which will be further expanded and present even greater social interaction and connections.

### ***HUMAN RIGHTS CONSIDERATIONS***

The Oakleigh Recreation Centre Indoor Stadium and Gymnastics Facility Development addresses the four key themes: freedom, respect, equality and dignity of the Charter of Human Rights and Responsibilities Act 2006.

### ***FINANCIAL IMPLICATIONS***

#### *Capital*

In the event the State Government funding application is successful, to accept the terms of the funding agreement and to advance the Oakleigh Recreation Centre Indoor Stadium and Gymnastics Facility Development an allocation of between \$11.9M - \$13.9M over the next two financial years (17/18 and 18/19) is required. This would bring forward Councils longer term budget commitment which saw the project commence in 19/20. The funding strategy to support the total project costs will consist of: Monash City Council \$11.9M - \$13.9M, Federal Government \$2.1M, Waverley Gymnastics \$1M and State Government \$3M.

Project financial details:

Agency	Contribution	Notes
Monash	\$11,900,000- \$13,900,000	Inclusive Council's \$2.65M commitment to Waverly Gymnastics
Federal Gov	\$ 2,100,000	Committed
SRV	\$ 3,000,000	Pending
Waverley Gymnastics	\$ 1,000,000	Subject to Council bank Guarantee
<b>Total</b>	<b>\$18M- \$20M</b>	

**\*NOTE: Costs are broad estimates at this stage hence the \$2M fluctuation in the Councils contribution. This will be refined further.**

### *Operational*

It is anticipated that minor additional operational budget is required as the centre is expected to perform above its current levels with a view to increase visitation and therefore income post redevelopment. Minor cost escalations in cleaning and utilities may occur. The Waverley Gymnastics Club will retain control of their operations with a contribution to utilities, cleaning, maintenance and a rental fee will be set out in a long term licence for tenancy between the Waverley Gymnastics Club and Monash City Council. It is also proposed that the rental structure for the new Waverley Gymnastics site is re-evaluated as part of the under the review of Council's leases and licenses.

### **CONCLUSION/RECOMMENDATION**

This initiative builds on Council's commitment to create inviting places and spaces, build a healthy and active Monash and foster confident and connected communities. This project is a great example of a cross government and community partnership that maximises resources and facility usage and creates a fully integrated sporting and recreation precinct to service the Monash and wider regional catchment. It is recommended that Council:

1. *Notes the submission to Sports Recreation Victoria seeking funding for the integrated Oakleigh Recreation Centre Indoor Stadium and Waverley Gymnastics Facility Development;*
2. *Supports the upgrade of the Oakleigh Recreation Centre Indoor Stadium and Waverley Gymnastics Facility Development as part of the 2017/18 budget process as follows:*
  - a) *the total project upgrade is between \$18M and \$20M (\$11.9M - \$13.9M Council contribution); and*
  - b) *the maximum expenditure for Waverley Gymnastics exclusive component is \$5.75M as endorsed at the 31 May 2016 Council meeting.*

***ATTACHMENTS***

**Attachment 1:** Images of existing Oakleigh Recreation Centre Indoor Stadium

**Attachment 2:** Oakleigh Recreation Centre Redevelopment and Regional Gymnastics Centre Concept Plan Option 1 (2a) Option 2 (2b)

**Attachment 3:** Cost plans