

Kiosk in Rymill Park / Murlawirrapurka Lease

Tuesday, 7 November 2023
City Community Services and Culture Committee

Strategic Alignment - Thriving Communities

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Public

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EXECUTIVE SUMMARY

On 28 September 2023, Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) received a draft Commercial Park Lands Lease Agreement and concept plans for the enhancement of the Rymill Park Kiosk in Park 14. Kadaltilla requested that the concept plans contain a higher level of design detail addressing the principles and objectives of the Adelaide Park Lands Building Design Guidelines (APLBDG). This report contains revised concept plans for the Kiosk that respond to the advice of Kadaltilla and the APLBDG. A report was presented to Kadaltilla on 26 October 2023, and the authority's advice is included here at paragraph 20.

This report seeks Council endorsement for Administration to undertake community consultation on the draft Commercial Park Lands Lease Agreement between City of Adelaide and Creative Place Hospitality Group for the Rymill Park Kiosk between November and December 2023.

There will be opportunity for review and further advice from Kadaltilla prior to the finalisation of both the Commercial Park Lands Lease Agreement and the building design for the Rymill Park Kiosk. This approach will ensure that design outcomes are aligned prior to additional resources being expended towards the project. Consultation results, and a further detailed concept plan that responds to feedback received through consultation will be presented to Kadaltilla in February 2024 and Council in March 2024.

RECOMMENDATION

The following recommendation will be presented to Council on 14 November 2023 for consideration

THAT THE CITY COMMUNITY SERVICES AND CULTURE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Endorses the draft 21-year Commercial Park Lands Lease Agreement between the Corporation of the City of Adelaide (Lessor) and Creative Place Hospitality Group (Lessee) for the Rymill Park Kiosk, as per Attachment A to Item 7.2 on the Agenda for the meeting of the City Community Services and Culture Committee held on 7 November 2023 subject to:
 - 1.1. community consultation on the draft Commercial Park Lands Lease Agreement will be undertaken in accordance with the *Local Government Act 1999 (SA)* and Council's Community Consultation Policy.
 - 1.2. lease fees will be informed by periodical independent market assessments and taking into account the level of capital investment by the proponent.
2. Endorses the revised concept plans for the Rymill Park Kiosk, as per Attachment B to Item 7.2 on the Agenda for the meeting of the City Community Services and Culture Committee held on 7 November 2023.
3. Notes that results of the community consultation and a detailed concept plan for the Rymill Park Kiosk will be presented to Council in March 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<p>Strategic Alignment – Thriving Communities</p> <p>Outcome 1: Thriving Communities – 1.1 Leverage the Adelaide Park Lands to promote health, wellbeing and lifestyle experiences.</p>
Policy	<p><u>Adelaide Park Lands Management Strategy 2015-2025</u></p> <p>‘Key Move’ for the East Park Lands Precinct is to:</p> <p><i>‘Re-Imagine the centre of Rymill Park as a large hub including a consolidated playspace in closer proximity to the existing kiosk and away from the O-Bahn. Improve access and amenity surrounding the kiosk and re-configure it to address the park as well as the lake, including increased seating opportunities’</i></p> <p><u>Dynamic, Active +Tranquil Places</u></p> <p>Strategy 1.3 – Promote the Park Lands as a visitor and tourist destination:</p> <p>1.3.4 Design attractions to be accessible and welcoming to tourists and visitors with an appropriate standard of supporting infrastructure.</p> <p>Strategy 1.4 – Support activation of the Park Lands by upgrading and enhancing buildings and structures responsive to their Park setting.</p> <p>1.4.1 Enhance visitor experience at activity hubs</p> <p>1.4.4 Ensure that public toilets are provided at key locations across the Park Lands, such as activity hubs and gateways.</p> <p>1.4.5 Permit commercial services to operate where they provide community benefit and support outdoor recreational use of the Park Lands.</p> <p><u>Draft Community Land Management Plan (April 2023):</u> Support the upgrade, renewal and maintenance of park features and infrastructure (including Kiosk and lake), consistent with the purpose for which the land is held and the Rymill Park / Murlawirrapurka (Park 14) Master Plan as endorsed by Council.</p> <p><u>Adelaide Park Lands Lease and Licence Policy (2016)</u> Expression of Interest undertaken and draft Commercial Park Lands Lease Agreement negotiated in accordance with this Policy.</p>
Consultation	<p>Community consultation on the lease will occur over a three-week period in accordance with Council’s Community Consultation Policy.</p> <p>Event organisers associated with Rymill Park will be engaged as part of community consultation on the draft Commercial Park Lands Lease Agreement.</p>
Resource	<p>Community consultation will be undertaken utilising existing resources.</p>
Risk / Legal / Legislative	<p><u>Local Government Act 1999 (SA)</u> Community consultation on the lease will occur over a three-week period.</p> <p><u>Adelaide Park Lands Act 2005 (SA)</u> Following consultation and further consideration of Council, the lease will be placed before Both Houses of Parliament for 14 sitting days (concurrently).</p>
Opportunities	<p>Council has an opportunity to engage with a third party to deliver aspects of the Master Plan for Rymill Park and improve accessibility in and around the Rymill Park Kiosk through a commercial lease arrangement.</p>
23/24 Budget Allocation	<p>Community consultation approximately: \$2,000 Co-contribution to resolve site compliance: \$200,000</p>
Proposed 24/25 Budget Allocation	<p>Not as a result of this report</p>
Life of Project, Service, Initiative or (Expectancy of) Asset	<p>Life of the lease: 21 years. Asset to return to Council at end of lease</p>

23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	All infrastructure contained within the boundary of the Lease Plan be maintained by Lessee for the life of the lease (including capital and structural items).
Other Funding Sources	The Lessee will be funding the enhancements to the Rymill Park Kiosk.

DISCUSSION

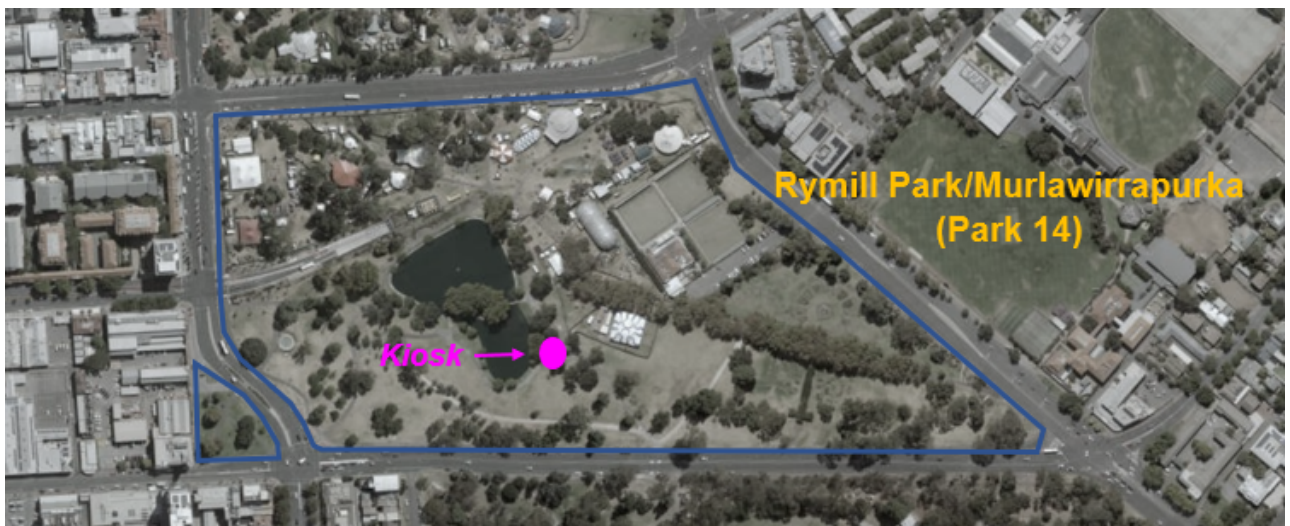
Commercial Context

1. Within the Adelaide Park Lands, the City of Adelaide has 13 commercially leased properties, three are kiosks.
2. All Park Lands commercial properties experience low foot-traffic compared to city-based hospitality venues. They rely heavily on guests' pre-bookings, which requires significantly higher investment in marketing, advertising, and online promotion than their city-based contemporaries.
3. When compared to other Park Lands commercial properties, Park Lands kiosks (defined as a small standalone open-front hut or cubicle) are unique in their offering and trade is usually influenced by the weather. They can be impacted by events that traditionally occur during the warmer months and school holidays, and also rely on a subsequent use (such as playground and rowboats) to attract visitors into the park in which they are situated.

History of Rymill Park Kiosk

4. Located within Rymill Park / Murlawirrapurka (Park 14) adjacent the Rymill Park Lake and situated within the east Adelaide Park Lands (Image 1), the Rymill Park Kiosk (Kiosk) was constructed as part of a major landscaping project to upgrade the eastern Park Lands between 1958-60.

Image 1: Location Plan Rymill Park/Murlawirrapurka (Park 14)



5. The Kiosk was constructed from local South Australian Carey Gully stone. This same stone also features in low garden walls throughout the park. In 1999, the two footbridges connecting the Rymill Lake island were renovated with a similar stone to match existing design elements of the park.
6. The renovated Park 14 opened in 1960 and since this time, the Kiosk has been subject to various commercial lease agreements for the purpose of providing hospitality and rowboat services to park visitors.
7. The Kiosk was leased by the Rossis family between 1998 and 2018.
8. In 2018, Administration commenced negotiations with various 'pop-up' and 'event specialists' to activate the Kiosk. Short term activations occurred from 2018 until now with varying success.

Expression of Interest Process

9. In accordance with Council's Adelaide Park Lands Leasing and Licensing Policy 2016, Council undertook an Expression of Interest (EOI) process between March and April 2018 to seek a new lessee for the Kiosk.
10. Council considered the EOI submissions in August 2018, however the successful applicants later withdrew their application.
11. This triggered a review of the remaining EOI submissions received and applicants were provided an opportunity to resubmit their proposals. In 2019, Council resolved to commence lease negotiations with the successful proponent, Creative Place Hospitality Group (CPH Group).
12. The proposal received from CPH Group demonstrated a strong understanding of the site and the unique policy setting that accompanies a commercial lease in the Park Lands. The business offering promoted the

continued use of a kiosk/café and maintained the rowboat hire. The business proposal included the integration of functions and events, and the creation of a 'Hire Shop' for picnic baskets, lawn games (bocce) and kites.

13. High level infrastructure upgrades were identified which included an internal reconfiguration of the Kiosk, new toilets and improved/extended 'back of house' area. Other improvements included a deck to the front of the Kiosk, a roof over that deck to provide year-round serviceability and improved lighting and paving around the Kiosk.
14. From 2020 to 2021, progress by the proponent stalled because of impacts of the COVID-19 pandemic including an unstable economic climate.
15. At its meeting of 12 July 2022, Council resolved:
"THAT COUNCIL
 1. *Notes the enhancement of Rymill Park Kiosk, as detailed in the Rymill Park Kiosk Concept Plans as per Attachment A to Item 13.1 on the Agenda for the meeting of the Council held on 12 July 2022.*
 2. *Authorises the Chief Executive Officer to negotiate a 21 year lease agreement (including any options to renew) with Creative Place Hospitality Group (Lessee), for the Rymill Park Kiosk located in Rymill Park/Murlawirrapurka (Park 14), noting that the draft lease will be considered by Council prior to undertaking community consultation."*
16. Since 2022, the CPH Group has actively developed their original proposal, which was presented to Kadaltilla in September 2023, and again in October 2023.

Kadaltilla / Adelaide Park Lands Authority

17. At its meeting of 28 September 2023, the Kadaltilla advised Council that it:
 1. *Notes the revised concept plans for the Rymill Park Kiosk, as per Attachment A to Item 6.2 on the Agenda for the meeting of the Board of Kadaltilla / Adelaide Park Lands Authority held on 28 September 2023.*
 2. *Prior to supporting the draft 21-year commercial Park Lands lease agreement, requests CPH Group to provide the Kadaltilla Board with a higher level of design detail addressing the Adelaide Park Lands Park Building Design Guidelines."*
18. To address resolution (2) (above), the CPH Group:
 - 18.1. Presented revised concept plans for the Rymill Park Kiosk to Kadaltilla, and
 - 18.2. Linked the revised concept plans and design outcomes for the Rymill Park Kiosk to the principles and objectives contained within the Adelaide Park Lands Building Design Guidelines (APLBDG), (see **Attachment B**).
19. The benefit of this approach for both Kadaltilla and CPH Group was to ensure that design outcomes were aligned, prior to additional resources being expended towards the project.
20. At its meeting of 26 October 2023, the Kadaltilla advised Council that it:
 1. *Supports the draft 21-year commercial Park Lands lease agreement between the Corporation of the City of Adelaide (Lessor) and Creative Place Hospitality Group (Lessee) for the Rymill Park Kiosk, as per Attachment A to Item 5.2 on the Agenda for the meeting of the Board of Kadaltilla / Park Lands Authority held on 26 October 2023 subject to:*
 - 1.1 *community consultation on the draft lease agreement undertaken in accordance with the Local Government Act 1999 (SA) and Council's Community Consultation Policy.*
 - 1.2 *lease fees being informed by an independent market assessment and taking into account the level of capital investment by the proponent.*
 2. *Endorses the revised concept plans for the Rymill Park Kiosk, as per Attachment B to Item 5.2 on the Agenda for the meeting of the Board of Kadaltilla / Adelaide Park Lands Authority held on 26 October 2023.*
 3. *Notes that results of the community consultation and a detailed concept plan for the Rymill Park Kiosk will be presented to Kadaltilla / Adelaide Park Lands Authority in February 2024."*

Revised Concept Plans Addressing the Adelaide Park Lands Park Building Design Guidelines

21. The revised concept plans that form the basis of this report provide detailed linkages to the APLBDG.
22. Additional information also provided by the proponent in Attachment B includes:

- 22.1. understanding of Park Lands history and site context
- 22.2. linkages and understanding of Park Lands Strategy and Policies
- 22.3. project principles and strategies
- 22.4. understanding of existing site issues and considerations
- 22.5. assessment of site opportunities and qualities
- 22.6. proposed character to be achieved through design
- 22.7. proposed materials and elements and finishes
- 22.8. proposed greening and landscape outcomes
- 22.9. proposed external lighting strategy

Draft Commercial Park Lands Lease Agreement

- 23. In 2022, Council agreed in principle to proceed with high level lease conditions between City of Adelaide and CPH Group for the Kiosk which included a proposed lease term not exceeding 21 years. The following section itemises elements that are bespoke to this draft Commercial Park Lands Lease Agreement as shown in **Attachment A**.
- 24. Lease Term: 21 years, to be captured as 7+7+7 year Commercial Park Lands Lease Agreement where the Lessee has the option and right of renewal to commence the next seven-year term. However, if the Lessee does not complete the project and open the Kiosk within 18 months from the Lease Commencement Date, the Lessee will not be entitled to the Renewal Terms, and the lease will revert to a seven-year lease only.
- 25. Proposed Redevelopment: Clause 8.3 details the consents required to proceed with the redevelopment of the Kiosk and what to do if any changes are made to final endorsed plans that are considered to be a Material Variation.
- 26. This clause also contains a mechanism by which the Lessee must use all reasonable endeavours to ensure the Proposed Redevelopment is substantially completed, within 12 months from the Commencement Date, and that the Kiosk is operational to Council's satisfaction (Clause 8.3.5).
- 27. Further, if the Lessee has not fully completed the Proposed Development and the Kiosk is not operational to Council's satisfaction (acting reasonably) within eighteen (18) months from the Commencement Date, the Lessee acknowledges and agrees, without limiting any of the term of this Lease, the Lessee will be in breach and will no longer be entitled to the Renewal Terms (Clause 8.3.6).
- 28. Permitted Use: Kiosk, café/restaurant, event/function space combined with prescribed trading hours. This has been designed to allow flexibility of trade and ensure that there are minimum hours of operation to ensure that the Kiosk remains open to the general public and is not closed during the day as a result of a private function. This includes remaining open and accessible for all Park Lands users on Fridays, Saturdays, Sundays and Public Holidays between 8:00am and 2:00pm (excluding Christmas Day and Easter Sunday to be negotiated).
- 29. Lease Plan: The current Kiosk (unimproved) building footprint is 110m². The proposal increases the building footprint to 181m² (as defined by the Adelaide Park Lands Building Design Guidelines (APLBDG)):
 - 29.1. Internal floor area: 110m² (existing),
 - 29.2. Toilets and service area: 71m² (new), and
 - 29.3. Kiosk deck: 106m² (not included in building footprint calculation as it is not an enclosed area - criteria of APLBDG).
- 30. The lease plan will however include the Kiosk Deck as this inclusion delineates the extent community land (Park Lands) alienated by lease (Section 202 - LG Act 1999).
- 31. Rent and Rent Reviews: A market rent assessment will be undertaken by an external independent valuer to determine the annual rent, which will take into consideration the capital investment made by the Lessee. Rental valuations are not captured by this report as they are commercial in-confidence.
- 32. Rowboats and Lake Access: The Lessee has indicated their desire to maintain the former Rymill Park Lake rowboats. While the Lessee will manage use of the rowboats on the lake, the lease does not provide for exclusive use of the lake by the Lessee.
- 33. Council and State Events: The lease agreement (Clause 11.6) acknowledges that the Kiosk is in an area of the Park Lands that is used regularly for public, major or special events which may limit or restrict the use of and/or access to the Kiosk. It also acknowledges Council's limitations to influence public, major or special

events in or affecting the Park Lands (and the Leased Premises) that are described as a declared event under the *South Australian Motor Sport Act 1984* or *Major Events Act 2013*.

34. To minimise impacts to the Lessee and event organisers in Rymill Park going forward, it is proposed that:
 - 34.1. The draft Commercial Park Lands Lease Agreement includes a requirement for Council Administration to provide up to 11 months' notice of any event planned for Rymill Park, where practical.
 - 34.2. The City of Adelaide's Adelaide Events Guidelines is amended to:
 - 34.2.1. minimise event fencing intrusion,
 - 34.2.2. preserve line of sight of Kiosk from Bartels Road, and
 - 34.2.3. maintain access for deliveries from Bartels Road.
35. Tree Protection: located on the western side of the proposed leased area, are three Plane Trees. They are not classified as Regulated or Significant Trees; however, their protection is an integral component of the final design and future use of the Kiosk. The lease recognises this, and that Council will remain responsible for all maintenance and that the Lessee will report any damage caused to trees or request for maintenance.
36. Toilets: as part of the proposal, publicly accessible toilets will form part of the overall building footprint. While they will be publicly accessible toilets when the Kiosk is open, they will not be classified as Council public toilets. The Lessee will remain responsible for these toilets including opening/closing, cleaning, servicing and stocking of supplies (toilet paper, soap, handtowel / hand-dryer) to a standard acceptable by Council. The toilets will be plumbed to the Glenelg Adelaide Pipeline (GAP). Council public toilets are located within the adjacent playground (east of Kiosk).
37. Green elements: an integral part of the final design is to incorporate vertical greening around the structure. The Lease recognises that the Lessee is responsible to maintain these elements for the life of the lease.
38. The proposed new facilities will attract significant attention and provide a stronger offering to enable trade, not only during the summer, but also through winter and cooler days. This should allow the operator to trade at a higher, more consistent level than any previous lessees.

Lease Consultation

39. Council's Community Consultation Policy (adopted by Council in 2019) provides the legal framework to undertake statutory consultation for leases and licences that alienate community land (Park Lands). The relevant steps include:
 - 39.1. Publish a Public Notice (Gazette),
 - 39.2. Consultation information provided on City of Adelaide corporate website (Your Say Adelaide),
 - 39.3. Documents that are legislatively required provided in the City's libraries and community centres as required,
 - 39.4. Notice published in a local newspaper circulating in the City of Adelaide (The Advertiser),
 - 39.5. Provide a minimum of 21 days for people to make submissions to Council,
 - 39.6. Administration to receipt any submission made to City of Adelaide,
 - 39.7. All submissions to be considered by Council in decision-making, and
 - 39.8. Inform the public of the consultation outcome.

Parliamentary Process

40. The proposed lease term is for a period of 21 years (including all rights of renewal), and will need to be tabled before both Houses of Parliament for 14 sitting days as per the *Adelaide Park Lands Act 2005 (SA)*.
41. Subject to gaining relevant approvals, this process is proposed to be undertaken in 2024, after Kadaltilla and Council has considered the Commercial Park Lands Lease Agreement consultation results.
42. The South Australian Parliamentary Sitting Program (Program) is usually confirmed in January of each year. It is anticipated, based on the 2023 Program, that the 14 sittings will occur between March and June 2024.
43. If the above deadlines are satisfied and the Parliamentary process is completed by June 2024, the Council and CPH Group will be able to execute the Commercial Park Lands Lease Agreement, with works proposed to commence in July 2024.

Parallel Council Projects and Major Events in Rymill Park

44. Since 2019, there have been other Council projects occurring in Rymill Park that have been running in parallel to the leasing of the Kiosk, they include:
 - 44.1. Reimagine Rymill Master Plan (funded in-part by State),
 - 44.2. Updating the revised Community Land Management Plan (CLMP) for Rymill Park, and
 - 44.3. Rymill Park Lake Renewal Works (the Lake works).
45. The timing of the Lake works has played a vital role in finalising lease and development negotiations with the CPH Group. This is for two reasons, that being:
 - 45.1. Need to understand final design of the Lake works so that CPH Group can align their design to complement these works, and
 - 45.2. An awareness that opening the Kiosk before the Lake works, would more than likely shut down a commercial operator (after significant third-party capital investment) for 8-12 months. The premature closure would have a devastating impact on the Lessee.
46. As the design of the Lake works has been finalised with Council, and a contractor engaged, it is anticipated that the progression of the lease and development negotiations will dovetail this project, with the renovated Kiosk planned to commence in July 2024 (subject to receiving all relevant statutory approvals).
47. The below table (Table 2) highlights significant milestones and events to be considered as part of the wider project.

Table 2: Project Milestones

November / December 2023	Draft lease consultation
February 2024	Consultation results and finalised concept plans to Kadaltilla
March 2024	Consultation results and finalised concept plans to Council
March - June 2024	Lease laid before both Houses of Parliament
April / May 2024	Rymill Park Lake Renewal project complete
April 2024	Adelaide Equestrian Festival
July 2024	Sign Commercial Park Lands Lease Agreement
July / August 2024	Anticipated commencement of kiosk ground works
February / March 2025	Anticipated completion of kiosk works

48. Administration is working closely with CPH Group to ensure their works align with the Lake works and scheduled events.
49. Council's City Experience team is managing relationships with external event organisers during the project.
50. CPH Group are aiming to open by the 2025 Adelaide Fringe Festival.

Next Steps

51. Subject to Council's endorsement of the Commercial Park Lands Lease Agreement and the revised concept plans for the Rymill Park Kiosk, community consultation will be undertaken between 24 November 2023 and 14 December 2023.
 52. A further report outlining the results of the consultation and finalised concept plans will be presented to Kadaltilla in February 2024 and Council in March 2024.
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ATTACHMENTS

Attachment A – Draft Commercial Park Lands Lease Agreement

Attachment B – Draft Concept Plans for Kiosk

- END OF REPORT -