

Lease for Experience Adelaide Visitor Centre

Strategic Alignment - Strong Economies

Public

Tuesday, 2 August 2022
The Committee - Pre-Council Discussion Forum

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EXECUTIVE SUMMARY

As part of the Adelaide City Deal, the Commonwealth Government undertook to invest a capped funding contribution of \$10 million to support smart infrastructure across the City of Adelaide which included an allocation of \$4m for a new state of the art 'Experience Adelaide' Visitor Centre

The Experience Adelaide Visitor Centre (Centre) will provide immersive experiences to excite visitors and encourage increased visitation, length of stay and spend by consumers. The location of the Centre is therefore critical to engaging and providing an effective service to targeted audiences.

This report outlines why the State Library of South Australia is the preferred location for the Experience Adelaide Visitor Centre and seeks Council's endorsement to formally enter into lease negotiations with the Libraries Board of South Australia.

The following recommendation will be presented to Council on 9 August 2022 for consideration

That Council

1. Authorises the Chief Executive Officer or their delegate to negotiate the terms and conditions for a lease for the Experience Adelaide Visitor Centre with the Libraries Board of South Australia for the location within the State Library on North Terrace.
 2. Delegates to the Chief Executive Officer the authority to execute the Memorandum of Lease and associated documentation.
 3. Authorises the Lord Mayor and Chief Executive Officer to affix the Common Seal of the Council to the Memorandum of Lease and associated documentation.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Strong Economies 2.3 Establish a Smart Visitor Experience Centre
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Undertaken within existing resources
Risk / Legal / Legislative	Risk will be managed as part of lease agreement.
Opportunities	Increase visitor spend in the city, increased length of stay (bed nights), increase employment, revenue generation, increase in economic activity
22/23 Budget Allocation	\$175,000 for current Visitor Information Centre service
Proposed 23/24 Budget Allocation	Within existing budgets
Life of Project, Service, Initiative or (Expectancy of) Asset	10 years subject to lease negotiations
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Australian Government has committed \$4M for supporting delivery of the new Experience Adelaide Visitor Centre as part of the Adelaide City Deal.

DISCUSSION

Background

1. Council at its meeting on 18 March 2019 endorsed the City of Adelaide's component of the Adelaide City Deal namely to invest \$8 million for the Ten Gigabit Adelaide Network, \$2.79 million over five years to install LED smart lighting and \$1.8 million for Adelaide Free Wi-Fi. As part of the Adelaide City Deal, the Commonwealth undertook to invest a capped funding contribution of \$10 million to support smart infrastructure across the City of Adelaide (CoA).
2. Business cases for three projects have been accepted by the Australian Government to utilise the funding committed to the CoA which included the delivery of an 'Experience Adelaide' Visitor Centre (the Centre).

Experience Adelaide Visitor Centre

3. With the commencement of the Charter Hall development between King William Street and James Place and the associated building works, CoA relocated the Adelaide Visitor Information Centre to ensure we could comfortably welcome and provide services for visitors to the city and ensure a safe working environment for staff and volunteers. The current Information Centre is now temporarily co-located within the CoA's Customer Centre at 25 Pirie Street.
4. A new Centre in Adelaide would provide local, domestic and international visitors with a collection of accessible tourism experiences from across the city and regional areas and would be the main visitor touch point in Adelaide.
5. As a result of ever-changing advancements in technology such as virtual and augmented reality, an opportunity exists to present information and immersive experiences through new channels to excite visitors and encourage increased visitation, length of stay and spend by consumers.
6. It is envisaged that the Centre will host a hub and spoke digital model whereby mobile devices can be used to support how visitors explore and receive interpretive information about the destination. Mobile device technology can deliver site specific information on key city experiences such as the Adelaide Central Market, retail precincts, cafes, restaurants, events and festivals, trails and the Adelaide Park Lands. The implementation of a new Adelaide Free Wi-fi network will support city visitors to access these experiences.
7. There is opportunity for the Centre to raise income to support its ongoing operational expenses through services such as advertising and booking commissions.
8. Key features of the Centre could include:
 - 8.1. **Information:**
 - 8.1.1. Mix of digital technologies and traditional media.
 - 8.1.2. Well informed and motivated staff and volunteers.
 - 8.1.3. Selected information in languages of major international markets.
 - 8.1.4. Trusted source of 'What's on' for locals and visitors.
 - 8.2. **Booking Services:**
 - 8.2.1. Tours, accommodation, experiences, attractions etc.
 - 8.2.2. Tickets to festivals, events, performances, sporting events etc.
 - 8.3. **Retail and Food & Beverage:**
 - 8.3.1. Selling produce, goods and wine by local and regional designers, makers, producers and other emerging businesses.
 - 8.3.2. A scheduled calendar of events, festivals, talks, launches, tastings and exhibitions to support promotion of local and regional providers.
9. Up to \$4 million will be invested solely for capital infrastructure by the Australian Government for the delivery of the Centre.

Value of the Visitor Economy

10. As of December 2021, Adelaide's Visitor Economy was \$1.9b, 41% of the State's Market Share.
11. The Visitor Economy has been impacted by COVID and it is currently not as large as it was pre-COVID but is showing signs of recovery.
12. 2021 was a stronger year than 2020 for the value of the Visitor Economy.

13. Regions have gained market share and are now a larger contributor to the Visitor Economy than the Adelaide metropolitan area, due to a range of Covid related health requirements.
14. Currently there are 19,000 Visitor Economy businesses in South Australia.

Drivers of the Visitor Economy

15. Holidays – 3 million overnight trips in 2021:
 - 15.1. Interstate Visitors were a key driver for visitation throughout 2021 (1.4M vs 10K from overseas).
 - 15.2. Key contributors include SA’s festivals, events, restaurants and beaches
16. Business – 1.1 million overnight trips in 2021:
 - 16.1. Business trips are still down on pre-COVID levels but 2022 has seen an uptake with several conferences being held at Adelaide Oval such as the Australasian Hotel Industry Conference and Exhibition
17. Visiting Friends and Relatives – 1.7 million overnight trips in 2021:
 - 17.1. The Visiting Friends & Relatives (VFR) segment increased after long periods of not physically seeing each other due to border closures
 - 17.2. Weddings, births and special occasions are key drivers of the VFR segment.
18. International Students – 26,696 students living in the City of Adelaide in Q1 of 2022:
 - 18.1. Higher education commencements are at 95% of pre-COVID-19 levels but due to border closures in countries such as China, 25% of student visa holders remain overseas.
 - 18.2. Approximately 50% of student visa holders still overseas should return to SA during the year.

Location Requirements for Experience Adelaide Visitor Centre

19. Location is critical to engaging and providing an effective service to the largest target audiences
20. Studies previously undertaken identified the location should:
 - 20.1. Be a high visitation location and be fully optimised to become a place of discovery, a trusted source of information, and an attraction in its own right.
 - 20.2. Capitalise on adjacent or associated attractions, to be a destination for visitors.
 - 20.3. Create a connected journey to and from nearby attractions with significant existing day/nighttime footfall.
 - 20.4. Form part of an integrated precinct, with access to food and beverage, retail, programmable/hireable spaces, onsite activations, entertainment and events.
 - 20.5. Be a natural location for local community activity, visitors staying centrally, transport links.
21. Possible locations for the Centre were canvassed, particularly with Renewal SA, on opportunities within the Riverbank Precinct. Available options did not meet space requirements or the criteria outlined in paragraph 20 above.

Proposed Location

22. The State Library of South Australia currently has vacancy in the Spence Wing on the Ground Floor and has been identified an ideal location for the Centre as it addresses the location criteria including:
 - 22.1. The Library’s location on North Terrace allows for the Centre to leverage off surrounding tourism assets and high footfall traffic.
 - 22.2. The following visitation statistics were recorded for the State Library, Museum and Art Gallery in 2019/2020 and 2020/21 (noting that Covid conditions and restrictions did significantly affect the visitation for this area):

	State Library	Museum	Art Gallery
2019/2020	309,815 visitors	402,466 visitors	511,918 visitors
2020/2021	135,784 visitors	592,790 visitors	429,424 visitors

- 22.3. The ability to create an entry from Kintore Avenue to maximise activation of the site i.e. commencement point for bus tours.

- 22.4. Access to additional shared spaces that can be used for launches and events.
- 22.5. Access to onsite complimentary food and beverage offerings with a café located on the ground floor of the State Library.
- 22.6. Public transport access with the Train Station located on North Terrace and the Tram line that extends the entirety of North Terrace, including a stop directly out the front of the State Library.
- 22.7. Within the Spence Wing of the State Library there is floor space to accommodate up to 600m² for the Centre.
- 22.8. Proximity to new hotel accommodation, Adelaide Oval, the Adelaide Convention Centre and the CBD.

Lease Negotiations

- 23. Key matters for the lease negotiation will include:
 - 23.1. A long term 10-15 year community focus lease arrangement (non-commercial) which will include reasonable outgoings and an initial peppercorn rent.
 - 23.2. Access to additional shared spaces that can be used for launches and events at a reasonable discounted fee which is designed to offset costs while acknowledging the benefit to be derived from the co-locating arrangement.
 - 23.3. Occupation of the space to occur in late 2023.

Next Steps

- 24. Pending Council's decision to enter into lease negotiations, administration will formally engage with the Libraries Board of South Australia to negotiate the terms of the lease for the Centre as outlined in this report.

ATTACHMENTS

Nil

- END OF REPORT -