

Rymill Park Kiosk EOI Results

To present the results of the Expression of Interest held for the Rymill Park Kiosk.

ITEM 11.2 25/07/2019
Adelaide Park Lands Authority

Program Contact:
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 Commercial 8203 7313

Approving Officer:
 Ian Hill, Director Growth

2018/00267

Confidential - s90(3) (d) commercial information of a confidential nature

EXECUTIVE SUMMARY:

The purpose of this report is to present the results of the Expression of Interest (EOI) conducted for the Rymill Park Kiosk. All applications received have been assessed against a predetermined weighted Selection Criteria that was developed for this unique leasing opportunity in the Park Lands.

The selection criteria fundamentally considered the Adelaide Park Lands Management Strategy and Council's Strategic Plan which seeks to increase active use of the Adelaide Park Lands.

The two (2) applications received both addressed the selection criteria. However, the application received from Peter Rabbit provided in-depth detail of their business proposal by considering their commercial operation against Council's strategic and policy position for the Park Lands.

This was achieved by referencing their ideas back to the Adelaide Park Lands Management Strategy, which speaks to the Re-imagine Rymill Master Plan project and also the current Community Land Management Plan (CLMP) for this park.

The other application submitted by Wild Can-Yin addressed the selection criteria, however, they were unable to explore their proposal in-depth nor demonstrate an ability to connect back to Council strategy or policy documents.

Consideration in confidence is sought because this report contains commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information and confer a commercial advantage on a third party.

RECOMMENDATION:

THAT THE ADELAIDE PARK LANDS AUTHORITY ADVISES COUNCIL IN CONFIDENCE:

That the Adelaide Park Lands Authority:

1. Notes the Expression of Interest (EOI) process that was undertaken by the Administration in accordance with the requirements of the Adelaide Park Lands Leasing and Licensing Policy and Operating Guidelines and the principles of the Evaluation and Probity Plan for the leasing of the Rymill Park Kiosk.
2. Supports Council entering into a Commercial Park Lands Lease Agreement with 'Peter Rabbit' for the Rymill Park Kiosk located in Rymill Park / Murlawirrapurka (Park 14).
3. Notes that any works requiring a development approval in accordance with the Development Act (SA) 1993 will be the subject of a separate report back to the Adelaide Park Lands Authority.
4. Having considered Item 11.2 [Rymill Park Kiosk EOI Results] listed on the Agenda for the meeting of the Board of the Adelaide Park Lands Authority held on 25 July 2019 in confidence pursuant to Section 4.8.21 of the *Adelaide Park Lands Authority Charter* & s 90(3) (d) of the *Local Government Act 1999 (SA)*, orders that the resolution, the report, the discussion and any other associated information submitted to this meeting of the Board and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until December 2024 or until the matter is released by the City of Adelaide Chief Executive Officer.

IMPLICATIONS AND FINANCIALS:

Adelaide Park Lands Management Strategy	<p>The <u>Adelaide Park Lands Management Strategy 2015-2025</u> seeks to improve the quality of Rymill Park following the construction of the O-Bahn tunnel by proposing the Re-imagine Rymill project.</p> <p>One of the Key Moves for this precinct is to consider Rymill Park <i>“as a large hub that includes a consolidated play space 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 lake, including increased seating opportunities – page 60).”</i></p>
Policy	<p>This proposal is in line with the <u>City of Adelaide 2016-2020 Strategic Plan</u>, as it promotes increasing the number of people visiting the Park Lands and city for leisure or entertainment by providing support to organisations that attract visitors to the City.</p> <p>The <u>Community Land Management Plan (CLMP)</u> for this park should support the leasing of this property.</p> <p>The EOI process was conducted in accordance with the City of Adelaide’s <u>Park Lands Leasing and Licensing Policy and Operating Guidelines</u>.</p> <p><i>Adelaide Park Lands Act 2005 (SA) (“APL Act”) – Division 3 – Functions; Section 9D – Functions; the functions of the Authority are; to provide comments or advice in relation to the operation of any lease, licence or other form of grant of occupation of land within the Adelaide Park Lands.</i></p>
Consultation	<p>The EOI was conducted over a four (4) week period - 18 March 2019 – 18 April 2019.</p> <p>Any lease that is greater than five years requires community consultation (S.202 of the <i>Local Government Act 1999 (SA)</i>).</p>
Resource	Undertaken within existing resources.
Risk / Legal / Legislative	<p>Rymill Park Kiosk is current untenanted.</p> <p>Potential political/community repercussion if the premise remains untenanted and no plans are in place for the 2019/20 summer period.</p> <p>Park Land Policy considerations against all applications received.</p>
Opportunities	Council has an opportunity to engage with a third party to help deliver on aspects of the Re-imagine Rymill project through the leasing of the Rymill Park Kiosk and to create an activity hub in the eastern Park Lands.
19/20 Council Budget Allocation	Not as a result of this report.
Proposed Council 20/21 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Twelve months to close out EOI section of project.
19/20 Budget Reconsideration (if applicable)	Not as a result of this report.
Ongoing Costs (eg maintenance cost)	<p>Council to maintain the Capital and Structural items of this building.</p> <p>Incoming lessee to maintain their fit out.</p>
Other Funding Sources	Not as a result of this report.

GROUND AND BASIS FOR CONSIDERATION IN CONFIDENCE

Grounds:

Section 90(3) (d) of the *Local Government Act 1999* (SA)

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest;

Basis:

This Item contains commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information and confer a commercial advantage on a third party.

Public Interest:

The Board is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information prior to the finalisation of 'commercial in confidence' negotiations between the proponent and their suppliers and may materially and adversely affect the financial viability of the proponent in relation to contract negotiations which on balance would be contrary to the public interest.

DISCUSSION

Background

1. The Rymill Park Kiosk is located within Rymill Park/Murlawirrapurka (Park 14) adjacent the Rymill Lake and was previously leased by virtue of a five year lease agreement which expired in August 2016. From that time the previous lessee (Arnie's) was in holding over on a monthly basis.
2. In accordance with Council's Adelaide Park Lands Leasing and Licensing Policy and Guidelines, Council undertook an Expression of Interest (EOI) process in March and April 2018 to seek a new lessee for the Rymill Park Kiosk (despite the current leasing arrangements in place).
3. The Adelaide Park Lands Authority considered the EOI submissions (in-confidence) in August 2018, and despite Arnie's successful EOI application (as resolved by Council), they later withdrew their application.
4. In October 2018, the Administration commenced negotiations with Food Operative Collective (FOC) who are 'pop-up' and 'event specialists' to activate the Rymill Park Kiosk on a six month short-term basis over the 2018/19 summer and festive season. This short-term activation expired at midnight on 30 April 2019.

Expression of Interest - 2019

5. An EOI for the Rymill Park Kiosk was held from 18 March 2019 to 18 April 2019 and applicants were asked to submit an EOI proposal that addressed the selection criteria developed for this site [Link 1](#).
6. Two proposals were received to lease the premise and are detailed below:
 - 6.1. Peter Rabbit – James McIntyre [Link 2](#).
 - 6.2. Wild Can-Yin – Alice Shield [Link 3](#).

7. Following the process as detailed in the EOI evaluation and probity plan, the administration undertook a review of these proposals against the selection criteria and the final cumulated weighted scores are detailed below [Table 1 – EOI application ranking]:

Table 1: EOI application ranking

RANKINGS IN ORDER		Overall Score
Number 1	Peter Rabbit	7.85
Number 2	Wild C	4.65

8. The below tables provide an overview of the collective comments made in relation to each of the EOI proposals. Table 2 – Peter Rabbit and Table 3 Wild Can-Yin.

Table 2: Peter Rabbit – EOI comments

PETER RABBIT	
ASSESSMENT CRITERIA	COMMENT
Activation	<ul style="list-style-type: none"> Includes a wide range of activation / events throughout the year. Events / activation projects range in scale. Have established contacts with stakeholders providing opportunities for collaboration and develop creative and innovative ideas. Proposal seeks to activate the site outside of peak event seasons. Demonstrates a good understanding of the site and surrounding area and how this may connect back to kiosk operations. Application has identified why people go to Rymill Park and demonstrates how the kiosk can engage with each aspect to promote activation. Proposal would likely promote economic development in area through expanding upon existing / previous offerings at kiosk. Ideas connect back to Adelaide Park Lands Management Strategy and consideration given to Community Land Management Plan
Environmental Management	<ul style="list-style-type: none"> Appears to understand the potential for impact of music / patron noise on nearby noise sensitive uses. Given the central location of the kiosk the likelihood of noise issues is relatively low. Possible if larger events are proposed but these could be managed through the Events Team using Noise Mitigation Policy. Although not considered necessary, has offered to undertake an acoustic assessment. Promotes sustainable low impact activities – i.e. bocce, kite flying and market garden. Demonstrates an understanding of issues with the lake and shows desire to work with Council to mitigate.
Commercial	<ul style="list-style-type: none"> Has provided a marketing plan and SWOT analysis. Is keen to invest in a coffee van to operate on site while development/construction works take place. Application considers commercial sustainability – looks to achieve different offerings though the day/week – i.e., day café, night functions & events supported by take away and hire shop (includes use of the row boats). Has demonstrated experience in related business. Current financial position has been confirmed by a Certified Accountant (financial statements available upon request). Will need to consider any requests for Liquor License against current approved land-uses and amenities.
Risk	<ul style="list-style-type: none"> Initial site strategy refers to CLMP & APLMS. While not referencing the cultural study appears to align with the Cultural Study. Speaks to the history of Rymill Park and the kiosk. The proposal seeks to connect with this long history and understands the importance of this park for the community. While they have indicated a 5 + 4 lease arrangement, they are proposing a \$200k investment. Hence, likely to request longer lease to recoup their investment. Tenure would be subject to requirements of Leasing and Licensing Policy and Guidelines, Local Government Act 1999 (community consultation) and Adelaide Park Lands Act 2005 (require consideration by parliament). Seeking a rent free period, slight risk if not successful and pull out (feedback from pop-up was that it was difficult to make a profit given the site constraints and impacts of events). The applicants should have a good idea of costs of proposed infrastructure improvements and ensuring the proposed capital investment of \$200k is sufficient and will not require additional funds from Council. While the applicant is proposing a \$200k capital investment this relates only to upgrades to the kiosk and immediate surrounds.

	<ul style="list-style-type: none"> There may be some risk to Council with respect to the lessee wanting to progress with more significant upgrades that are unfunded at the moment; however, offer to co-fund some works may provide an opportunity for wider park improvements to lighting, paths etc. This would be considered a good outcome from a CPTED perspective.
Infrastructure	<ul style="list-style-type: none"> More substantial infrastructure upgrades including: <ul style="list-style-type: none"> Upgrades to kiosk – restoration of façade + paint Construction of a covered deck over the lake for dining and boat launch New toilets or consolidation of public toilets into building Screening of waste storage area Wayfinding signage and lighting. Proposed \$200k capital investment. Are proposing the use of local architects and builders engaged. Thus, should have undertaken a cost analysis of the works to ensure proposed budget is sufficient.

Table 3: Wild Can-Yin – EOI comments

WILD CAN-YIN	
ASSESSMENT CRITERIA	COMMENT
Activation	<ul style="list-style-type: none"> Seeks to connect to Aboriginal history and opportunities for reconciliation. Shows desire to connect with local tourism to support kiosk offering. Activation generally small scale. Lacks larger scale activation of surrounding area. Use of row boats appear to be an afterthought.
Environmental Management	<ul style="list-style-type: none"> More detail would be good but talks to zero waste and recycling. Noise and / or other nuisance would seems unlikely.
Commercial	<ul style="list-style-type: none"> No indication of current financial position or forecast. No financial statements only broad statements about financial model. Application states business owner has 12 years' experience but no specific reference to previous businesses. Operating / Management plan lacks detail.
Risk	<ul style="list-style-type: none"> Appears to have a reasonable understanding of policy setting but only broadly aligns. Activities appear low risk, however application does not detail the risks of the site or show how risks will be mitigated. Difficult to determine potential financial risk as little info provided about the model they are using. Proposed lease appears to seek significant discount. Applications fails to outline why such a discount is warranted. Risk that the business will not do much to enhance / improve upon the previous / existing offerings available. Use of the lake for boating or other activities does not appear to form a strong component of their offering.
Infrastructure	<ul style="list-style-type: none"> Improvements minimal and limited to painting of kiosk, covering of outdoor dining area and use of garden beds for production of native foods. Enhancement to surrounding areas does not detail who will pay (lessee or Council?).

Next Steps

9. The results of this EOI will be submitted to Committee and Council.
10. Once Council has considered the preferred EOI proposal and subject to Council endorsement, it is proposed that lease negotiations commence.
11. Any lease that is greater than five (5) years will require community consultation in accordance with the *Local Government Act 1999* (SA) and the results of such consultation will be the subject of a separate report back to the APLA and Council.
12. Any works requiring a development approval in accordance with the *Development Act* (SA) 1993 will be the subject of a separate report back to the APLA and Council.

ATTACHMENTS

Nil

- END OF REPORT -

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Carried