

6.9 LATE REPORT: LEEDERVILLE LANEWAY UPGRADE

Attachments: 1. Leederville Laneway Concept

RECOMMENDATION:

That Council:

1. **RECIEVES** the report on the Leederville Laneway Upgrade Project and;
 - 1.1 **APPROVES IN PRINCIPLE** the Leederville Laneway Upgrade concept plans;
 - 1.2 **NOTES** the Administration's method of calculation for the City's possible contribution of \$155,808 towards the cost of the works based upon the infrastructure for which the City would be responsible in future;
 - 1.3 **AUTHORISES** the Chief Executive Officer to negotiate with the developer(s) the City's contribution, and any other details that may arise, including that of minor miscellaneous infrastructure; and
 - 1.4 **NOTES** that the final negotiated contribution amount will be included in the mid-year budget review process for consideration by Council; and
2. **APPROVES BY AN ABSOLUTE MAJORITY** the allocation of additional funds of \$132,308 within the 2020/21 Annual Budget for this project.

PURPOSE OF REPORT:

To provide Council with the basis to determine a possible contribution towards the cost of the Leederville Laneway Upgrade Project, as proposed by the proponents, Hesperia Property Developments.

BACKGROUND

On 3 September 2020, the Metropolitan West Joint Development Assessment Panel (JDAP) approved the FJM - ABN development at 742 Newcastle Street, Leederville.

Further, the Leederville Hotel, which includes the 'Garden', and which is also part of the FJM property portfolio, is to be refurbished with the construction of a new bar, shop, and kiosks opening onto the lane-way that separates the two developments.

Hesperia (formerly Fini and Linc Property Developments) acting on behalf of the developer is looking to integrate the two developments by creating an activated and vibrant laneway and are seeking both the City's input and a financial contribution to the proposed works.

DETAILS:

The Leederville Hotel laneway concept and current cost estimate is at **Attachment 1**.

The total initial estimated cost for the project has been revised down from \$431,362 to \$369,937 (-\$61,425), inclusive of civil and paving works, landscaping, artwork, lights & branding. Hesperia has been seeking a 50% contribution from the City for the total cost (\$184,968.50).

FJM had previously indicated they were willing to contribute \$179,000 toward the project, which increases by \$5,968.50, to \$184,968.50, based upon the 50/50 funding model.

Administration supports the overall concept but has been seeking clarification from Hesperia about some cost elements such as branding and security which would not normally be shared infrastructure costs for a local government contribution for such a project.

The core infrastructure to which the City would contribute include drainage, paving and street lighting.

Administration has requested Hesperia to review the cost estimates and delete those costs that are not relevant to any City contribution. This has not occurred at the time of preparing this report.

Drainage

Prior to the ABN development the area adjacent the lane-way on the northern side was hotel car park - an open expanse of bitumen. In winter, if there was an above average storm event the run-off from the lane-way would flow into the car park unconstrained with little consequence. By approving the development this is no longer a viable option and to mitigate the associated risk the drainage system within the lane-way had to be substantially upgraded.

The works had to be undertaken early in the project while the site was accessible and was largely completed by the developer in September.

The revised costs as provided to the City in November indicated that the in ground costs for the drainage was in the order of \$60,828, excluding any design costs, typically 10-15%.

Having reviewed the design and taking into consideration the costs for the City to have undertaken the works, the potential scheduling conflicts (working around the builders within a constrained) and associated risks, a **\$66,911** contribution (inclusive of 10% for design and supervision) would be appropriate.

Paving

The estimate for the paving, using the same inter-locking pavers as the Leederville Village Square, is in the order of \$78,025, inclusive of the easements either side of the lane-way abutting the respective developments.

Note: this excludes the paving in the private Right of Way along the rear of the properties fronting Oxford Street as this is an agreement between the builder and property owners.

On the basis the City is responsible for approx. 60% of the total area (as the width of the lane-way varies the length of the subject area) a contribution of **\$51,497** (inclusive of 10% for design and supervision) would be appropriate.

Lighting

This is the most difficult of the three 'core infrastructure' items to quantify as the level of expectation, and the technology proposed, exceeds standard street lighting.

Typically the City would install 4 x single outreach LED lights on 4.5m poles. If the Western Power standard was adopted it would be powder coated tapered steel poles requiring a power supply (unmetered supply – UMS) from Oxford Street and service cable (open trench the length of the lane-way). An estimated cost would be in the order of \$35,000+. However, Western Power would then be responsible for any future maintenance.

Alternatively the City could apply for a UMS (in the order of \$10,000) and install its own cabling and standard lighting (assuming it would be decorative), again in the order of \$35,000.

In both the above scenarios the location of the poles is likely to be problematic. The poles can't be hard-up against the façade of a building, further constraining a narrow space. If located on the northern side of the lane-way, and given the overhang of the ABN building, the poles would have to be no taller than 3.8m reducing their effectiveness, and potentially requiring an additional pole to meet the standards (AS1158) for road way lighting.

Hesperia is proposing catenary lighting as a better outcome. LED luminaries strung across the lane-way on fine steel cables serve both a decorative and functional purpose. Cost wise it is very similar to the options above (\$34,000).

The developers have indicated that if the Council were to approve the catenary lighting the power supply would be from either of the buildings (ABN or Leederville Hotel) with a sub-meter for the electrical costs being on-charged to the City. While this is not unreasonable it's the long term maintenance and replacement

of the lights that may be a future burden upon the City. Therefore a negotiated management agreement would be required if the catenary lights are installed.

The catenary lighting would be a much better public realm outcome visually and aesthetically for both the City and the respective developments. As with drainage and paving a 10% design and supervision fee is not unreasonable, increasing the City's contribution to the order of **\$37,400**.

Included in the design component would a requirement that it meets the Australian Standard 1158 for public lighting.

Comment

Based upon the above rationale and calculation the City's recommended total contribution would be \$155,808, which is \$29,160.50 less than Hesperia was seeking.

Given that \$23,500 has already been budgeted to resurface the dedicated portion of the lane-way in 2020/21 the additional impost, if approved, on the City's budget will be \$132,308 (and if agreed with the developer(s)).

CONSULTATION/ADVERTISING:

The adjacent property owners and residents that abut the lane-way would be provided with an opportunity to view the concept plans and to provide comment. It should be noted that it is now beyond the means of the City, or the Developer, to make significant changes to access to lane-way but there is an onus upon the City to ensure that access is maintained. Further, if or when, the owner of 295 Oxford Street develops their site they are obliged to provide and maintain an access easement through the property linking the lane-way to Vincent Street. However it should be noted that there will be an extended period where the access easement is closed to traffic as the developer builds over/straddles the easement. During this period the only public vehicle access will be via Oxford Street. This then will preclude any large vehicles because of the awnings of the heritage listed building either side of the lane-way entrance.

LEGAL/POLICY:

The 'Leederville Lane-way', from Oxford Street to the eastern extent of the ABN development, is a dedicated road and comes under the care and control of the City. As such the City is responsible for the stormwater, the road surface and street lighting, with the minimum standard of each specified in the relevant Australian Standard.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to make an appropriate contribution to shared infrastructure costs for this project.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Thriving Places

Our town centres and gathering spaces are safe, easy to use and attractive places where pedestrians have priority.

SUSTAINABILITY IMPLICATIONS:

This is in keeping with the following key sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*.

Sustainable Transport

PUBLIC HEALTH IMPLICATIONS:

This is in keeping with the following priority health outcomes of the City's *Public Health Plan 2020-2025*:

Increased mental health and wellbeing

FINANCIAL/BUDGET IMPLICATIONS:

Based upon the above rationale and calculation the City's total contribution is \$155,808, of which \$23,500 has already been budgeted in 2020/21. The additional impost, if approved, on the City's budget will be \$132,308.

The City forecasted an opening surplus of \$1,615,763 for the 2020/21 budget however after the completion of the 2019/20 financial audit the surplus has now been confirmed as \$ 2,122,499. This has resulted in an additional budgeted surplus of \$506,736. The proposed additional \$132,308 would be funded from this surplus.

COMMENTS:

The drainage works have recently been completed in the laneway to enable the ABN building to proceed as per the construction schedule and in preparation for the development of the laneway precinct.

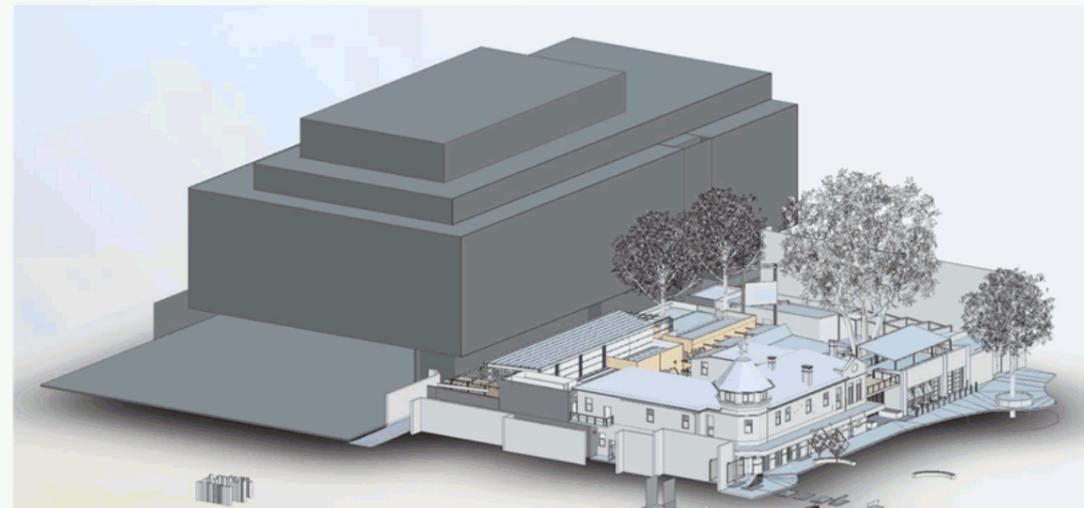
The proposed laneway concept submitted by Hesperia is of a very high quality in terms of design and project management capability for delivery on scope, timeframes and budget.

The laneway proposal would provide Leederville with a unique and high quality laneway experience and complement the Village Square project undertaken by the City in partnership with Leederville Connect. The activated laneway proposal could form a major part of the Vincent Rebound Plan to bring visitors and shoppers into the Town Centre.



LEEDERVILLE LANEWAY

A City of Vincent and FJM Property Collaboration





LEEDERVILLE LANEWAY

ABN Development Summary

Project Overview

ABN Development

We are currently 58 weeks into the build of the ABN Group’s multi-level office which includes a ground floor showroom and 6 storey carpark.

Located on Vincent Street in Leederville the building will include extensive end-of-trip facilities, retail offering on to the southern laneway, a state-of-the-art ground floor showroom, integrated fit-out throughout and a customised building façade through the commission of artist Tom Muller.

The building will be both 5 star NABERS and Greenstar rated.

ABN Project



What does the ABN Development do for Leederville?

- Provides amenity for the laneway precinct, including public bathrooms
- Provides 123 public carparking bays, motorbike bays and electric charging bays
- Adds vibrancy to the area
- Increases day trade
- Creates an iconic part of the Leederville Community
- Includes a state of the art showroom
- Showcases public art

ABN Development – “Colour of Time” We have completed the installation of the integrated artwork onto the northern façade of the building (Vincent Street side). This includes a run of perforated anodised panels against the carpark and across level 5 of the façade. The perforation allows for the lighting installation which consists of vertical led light strips that mimics different gradients of colour across the day and through the night creating both pattern and movement.

“Colour of Time”





LEEDERVILLE LANEWAY

Hotel Re-Development Summary

Project Overview

Hotel Development

In conjunction with the new ABN Development and the 750 team members that they bring, the owners of the Leederville Hotel have elected to invest into the hotel redevelopment. The direction on this development was to ensure a new true laneway precinct is created, that the Hotel operations improve (in both offering and efficiency) and that it has better connectivity through the site with the community.

Its vision 'to create a true community hub through hospitality, retail and entertainment spaces that other communities wish they had'



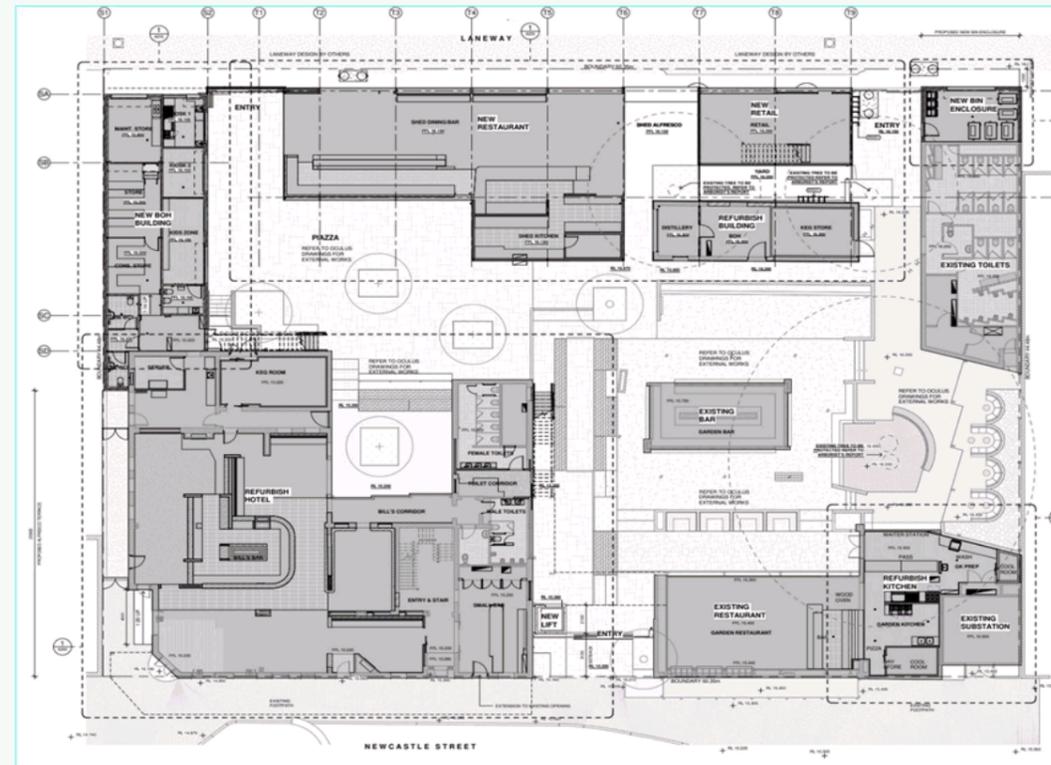
Newcastle St Entrance



What does the Hotel Development do for Leederville?

- Creates a true laneway precinct
- Improves the hotel amenities and customer experience
- Delivers a safe place for parents to bring children
- Brings multiple new food and beverage offerings
- Employs more locals
- Has a well considered parents room (otherwise missing in Leederville)
- Brings activities – Pool table, Sports screens, arcade games
- Showcases public art
- Improves an otherwise tired asset and makes more relevant for today

“Hotel Ground Floor”

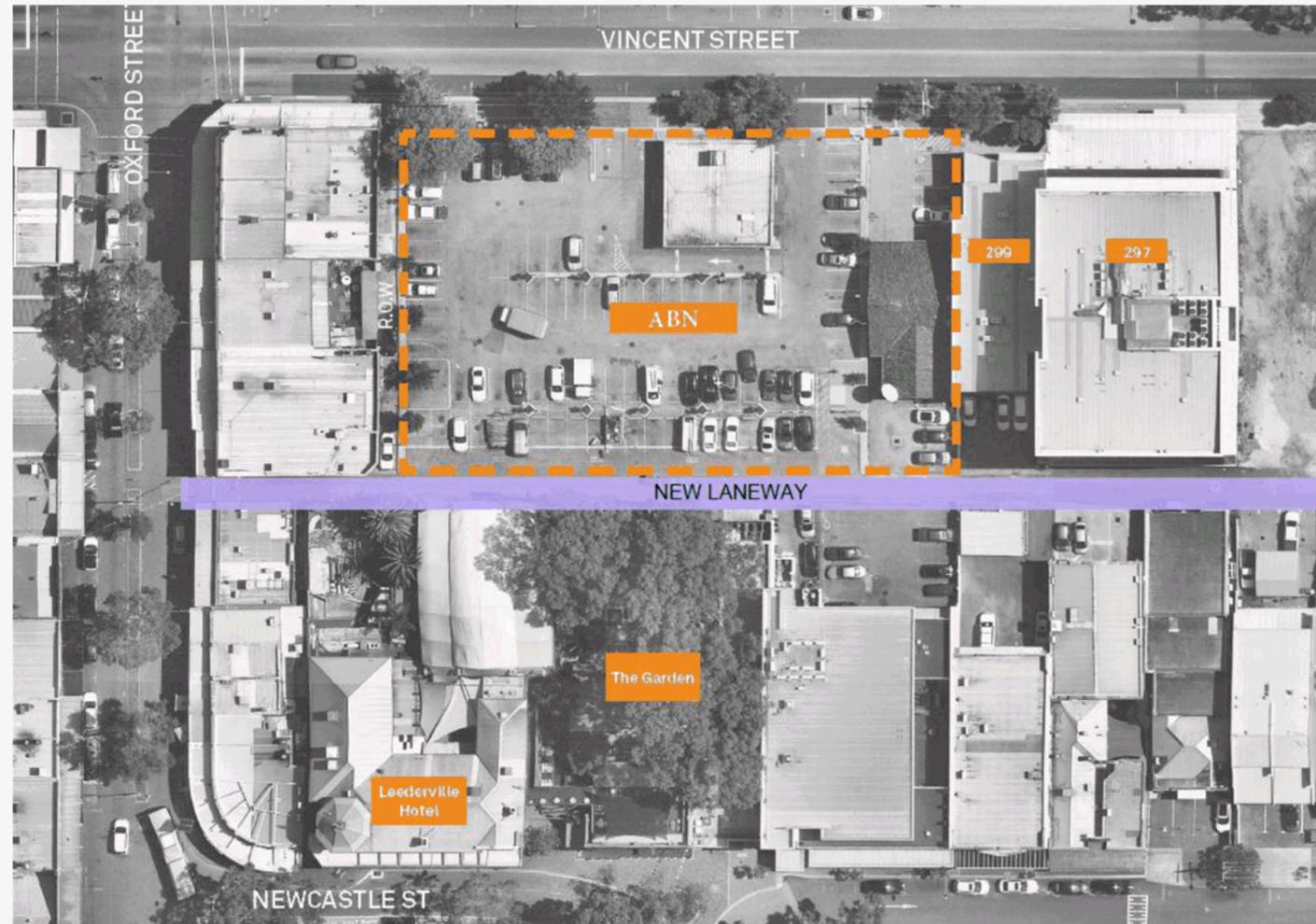




LEEDERVILLE LANEWAY

Location and Vision

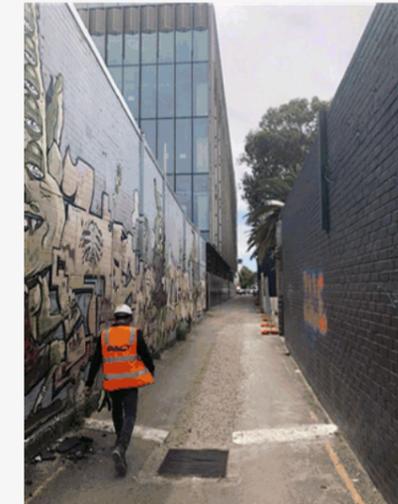
Laneway Location



Laneway Concept Vision

The vision for the laneway is to create Leederville's first true laneway precinct, a place that the community is proud to have at the centre of its city. Its role is to bring together Leederville's oldest and one of Perth's most successful pubs with the newly created office development for the ABN 750 + team members.

We will be looking for tenancy variety and density that ensures the laneway is active all times of the day and into the night. We aspire to have tenants that value being part of a laneway precinct for both their brand values and our community expectations. To this end we are seeking a majority food and beverage for a dwell time and vibrancy.

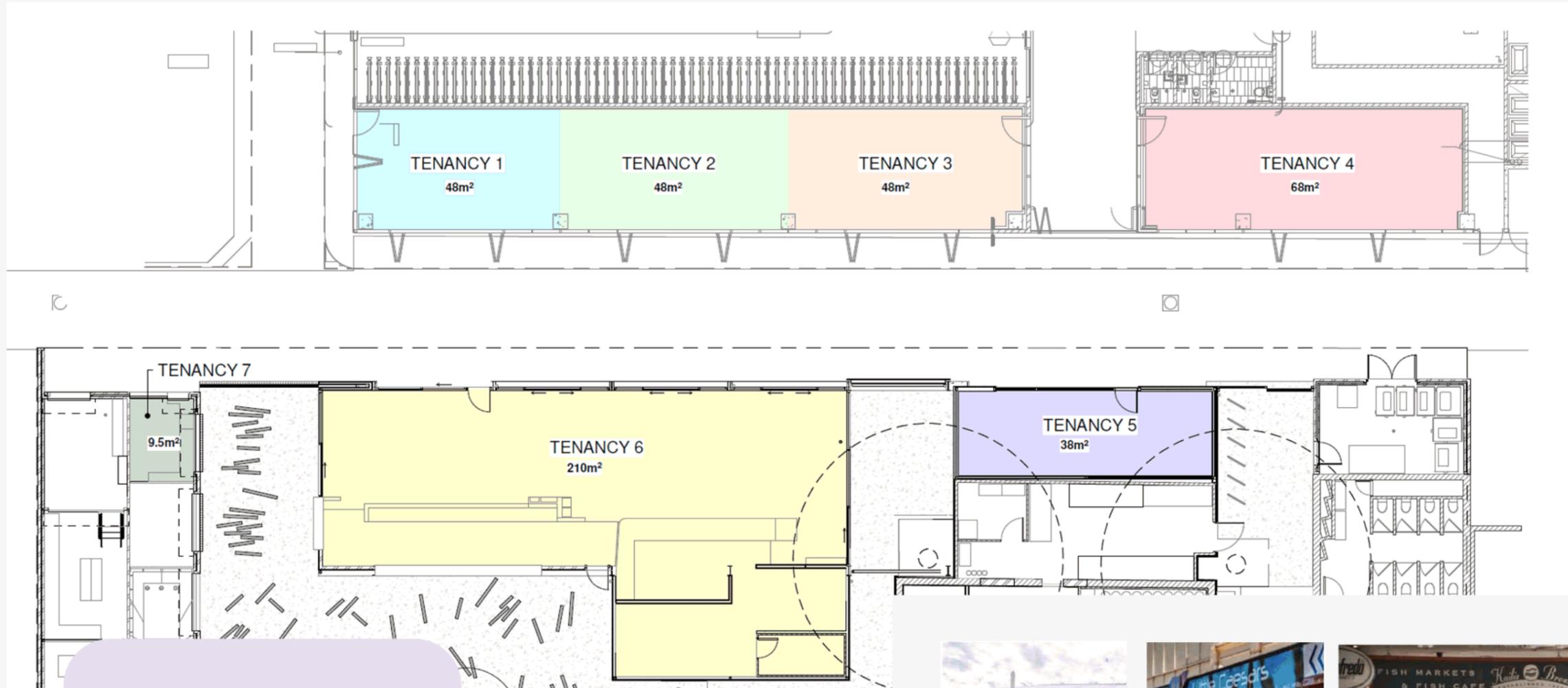




LEEDERVILLE LANEWAY

Leasing opportunities

Proposed Tenancy Size and Location



Leasing Opportunities bring..

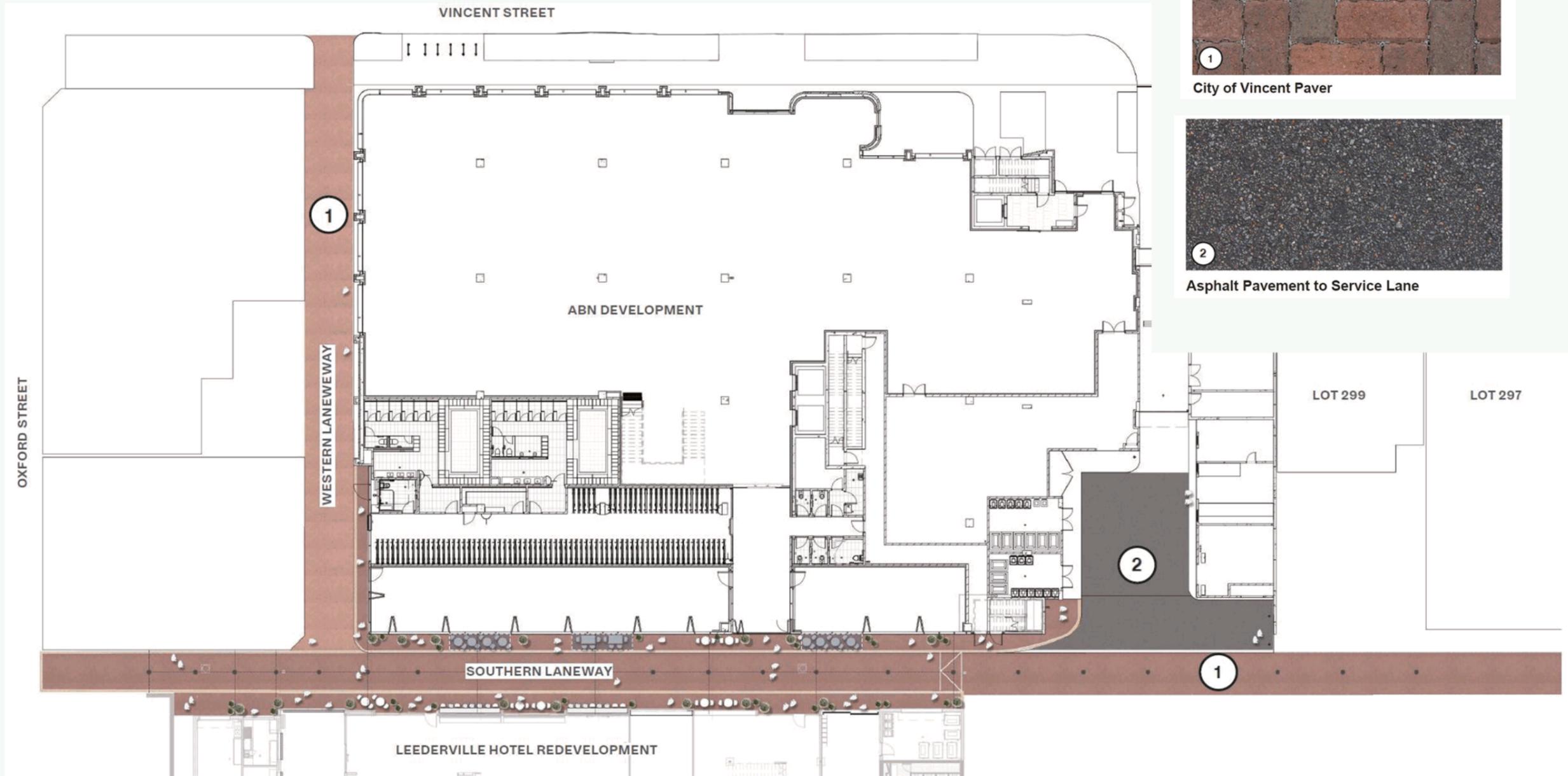
- LOCAL CHARACTER
- CREATING JOBS
- MEETING POINTS
- DIVERSITY
- AMENITIES





LEEDERVILLE LANEWAY

Inground Services & Paving Works



1
City of Vincent Paver



2
Asphalt Pavement to Service Lane



LEEDERVILLE LANEWAY

Concept Vision – Public Art

Brief

The artwork installation will be located in the southern laneway which connects the Hotel and ABN buildings. It must have a strong day-night presence with the laneway amenities providing offerings through out the week along with large emphasis on weekend night life.

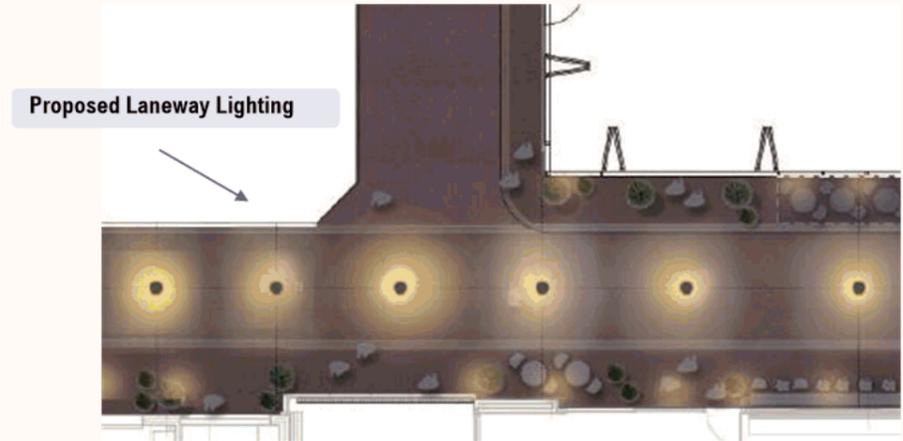
We are wanting to create Perth first 'true laneway' so encourage presenting new ideas that take public art / lighting in WA to a new level of originality and invention.

The laneway is owned by the City of Vincent and needs to comply with their height restrictions and minimum lux levels, to ensure we achieve this we have provisioned for catenary lighting to run across the laneway. We require the artwork to compliment and work in with this system.

**Request for lower height restrictions pending formal approval from Council.*

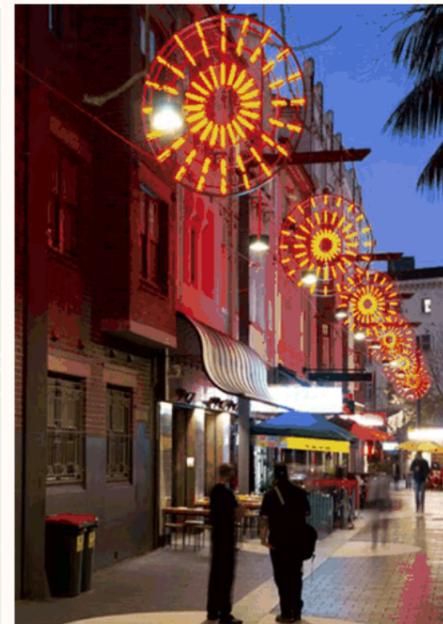
There are several key points that underpin the artwork requirements for the laneway, these include;

- SAFETY & SECURITY
- ICONIC
- COMMUNITY ENGAGEMENT
- DRAWS YOU DOWN THE LANEWAY
- 'INSTAGRABLE'
- CREATES A SENSE OF PLACE



Hotel Development ←

→ ABN Development





LEEDERVILLE LANEWAY

Budget and Program

Budget

Hesperia / FJM property have taken the same approach it does for all projects in building the assumptions behind the building of the budget. These numbers are assumptions and will likely come down as real quotes are captured. We would like to contribute equally into the City of Vincent's laneway to better create a destination for the community of Leederville

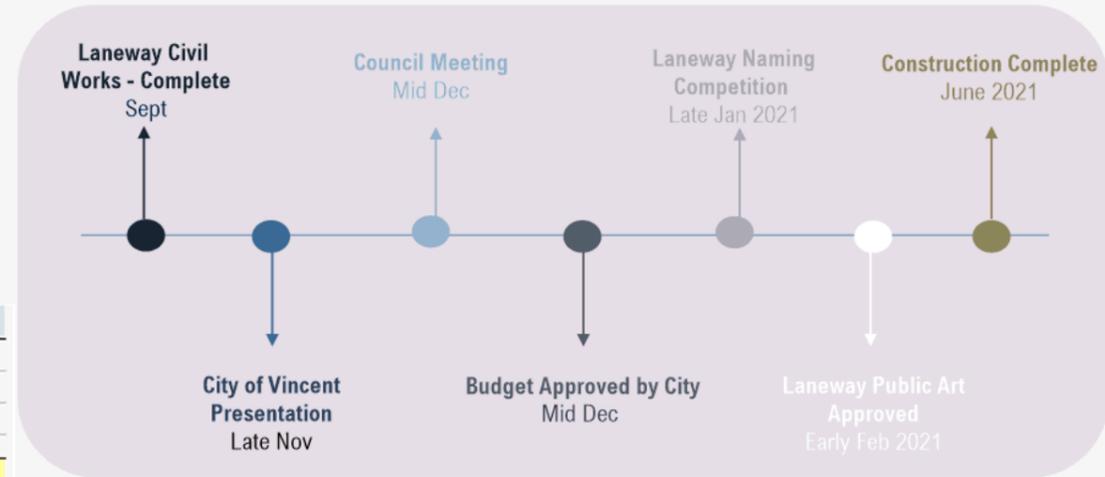
Original Budget as proposed in September 2020

	Original		New	Cost savings
Inground Hydraulic & Civil Works	188,968.41	Inground Hydraulic & Civil Works	127,543.41	- 61,425.00
Paving Works	107,651.25	Paving Works	107,651.25	-
Landscaping, Artwork, Lights & Branding	134,742.35	Landscaping, Artwork, Lights & Branding	134,742.35	-
Total Costs	431,362.01	Total Costs	369,937.01	- 61,425.00

Budget seeking approval for with an equal contribution

Cost	Description	Forecast (\$)
Inground Hydraulic & Civil Works	Inground works, documentation, TMP	127,543.41
Paving Works	Paving works, civil works, TMP	107,651.25
Landscaping, Artwork, Lights & Branding	Bollards, lighting, pot plants, artwork	134,742.35
Total Cost (100%)		369,937.01
Less FJM contribution (50%)		184,968.50
Total Council contribution (50%)		184,968.50

High Level Program



Laneway



Hotel Development





LEEDERVILLE LANEWAY

THANK YOU



CITY OF VINCENT



F J M P R O P E R T Y

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LEEDERVILLE LANEWAY

Appendix. Laneway naming comp

NAME THE LEEDY LANEWAY

THE NEW LEEDERVILLE LANEWAY NEEDS A NAME!

The Leederville Hotel's exciting new development will also include Leederville's first true laneway precinct – we're asking the local community to get involved and claim it's new name.

THE PRIZE

Not only will you have named one of Perth's newest Laneway Precincts, but you'll also receive a \$500 voucher to dine at any of the new hospitality outlets when the development opens in mid 2021.

HOW TO ENTER

Simply visit LEEDERVILLEHOTEL.COM to submit your entry by XX and be sure to check the criteria before entering. #nametheleedylaneway

Laneway Paving and Civil works						
Summary						
Cost	Description	Forecast (\$)				
Inground Hydraulic & Civil Works	Inground works, documentation, TMP	127,543.41				
Paving Works	Paving works, civil works, TMP	107,651.25				
Landscaping, Artwork, Lights & Branding	Bollards, lighting, pot plants, artwork	134,742.35				
Total Cost (100%)		369,937.01				
Less FJM contribution (50%)		184,968.50				
Total Council contribution (50%)		184,968.50				
Breakdown						
Cost	Item	Qty	sqm	Rate	Forecast (\$)	
Inground Hydraulic & Civil Works	Consultant Fees				55,000.00	
	Oculus - Concept design	1.00	-	7,000.00	7,000.00	
	Insight Project Services - Project Management	6.00	-	3,180.00	19,080.00	
	Hassell - Architect	5.00	-	275.00	1,375.00	
	Aspect - Landscape Architect	5.00	-	240.00	1,200.00	
	Development Manager	1.00	-	16,000.00	16,000.00	
	Forth - Structural (Director)	4.00	-	280.00	1,120.00	
	Forth - Structural (Engineer)	45.00	-	205.00	9,225.00	
	Preliminaries					2,670.00
	Fencing	1.00	-	250.00	250.00	250.00
	Labour	1.00	-	1,120.00	1,120.00	1,120.00
	Survey	1.00	-	1,300.00	1,300.00	1,300.00
	Hydraulic & Civil Works					58,157.99
	Hydraulic Works	1.00	-	53,857.99	53,857.99	53,857.99
	Bitumen Cutting	150.00	-	10.00	1,500.00	1,500.00
	Re-instate sub-base and base	2.00	-	1,400.00	2,800.00	2,800.00
	Provisional Costs					5,641.92
	Water Corp Authority Charges	1.00	-	5,641.92	5,641.92	5,641.92
	Traffic Management	-	-	900.00	-	-
	Parking reimbursement (299, 297)	-	-	1,200.00	-	-
	Builders Margin		121,469.91	-	5%	6,073.50
	Sub Total					127,543.41
	Paving Works	Paving Works				53,895.00
		Right of Way (Oxford to 297)	-	635.00	77.00	48,895.00
		Kerbing Works	1.00	-	5,000.00	5,000.00
		Civil Works				24,130.00
		Right of Way (Oxford to 297)	-	635.00	38.00	24,130.00
Provisional Costs					24,500.00	
Traffic Management (initial setup)		10.00	-	950.00	9,500.00	
Traffic Management (ongoing)		30.00	-	500.00	15,000.00	
Builders Margin			102,525.00	-	5%	5,126.25
Sub Total						107,651.25
Landscaping, Artwork, Lights & Branding		Base Build Variations				16,707.00
		Bollards	2.00	-	250.00	500.00
		Pot Plants (medium)	5.00	-	1,620.00	8,100.00
		Pot Plants (small)	3.00	-	969.00	2,907.00
		Supply and install plants & soil	8.00	-	650.00	5,200.00
	Lighting				34,000.00	
	Catenary Luminaire	20.00	-	1,200.00	24,000.00	
	Installation	2.00	-	5,000.00	10,000.00	
	Security				15,000.00	
	Security	1.00	-	15,000.00	15,000.00	
	Builders Margin		50,707.00	-	5%	2,535.35
	Branding				31,500.00	
	Branding Concept	1.00	-	3,000.00	3,000.00	
	Laneway Naming	1.00	-	8,500.00	8,500.00	
	Community Engagement	1.00	-	20,000.00	20,000.00	
	Artwork				50,000.00	
	Artwork	1.00	-	50,000.00	50,000.00	
Sub Total					134,742.35	
Total Costs			Total Area	Rate	Total Cost	
			635.00	582.58	369,937.01	