

11.2 Marion Basketball Stadium draft concept design for community consultation

Report Reference GC250325F11.2

Originating Officer Chief Executive Officer – Tony Harrison

Corporate Manager N/A

General Manager City Development - Ben Keen

CONFIDENTIAL MOTION

- 1. Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Council orders that the public be excluded from attendance at that part of this meeting relating to Agenda Item GC250325F11.2 - Marion Basketball Stadium Design Concept for community consultation except the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the CEO, Manager City Property, Manager City Activation, Project Design Adviser, Unit Manager Engagement, Media and Events, Media and Engagement Advisor, Unit Manager Governance and Council Support and Governance Officer, to enable the Council to consider the Item in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to the Item:information the disclosure of which could reasonably be expected to negatively impact the outcomes for Council of a future construction tender process for the project and could infer a financial advantage to another entity when the project is opened to tender.
- 2. Notes the disclosure of this information would, on balance, be contrary to the public interest because it could infer a financial advantage to another entity when the project is opened to tender.
- 3. Determines, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep consideration of the information or matter confidential.

REPORT HISTORY

Report Reference	Report Title
GC211214R18.2	South Adelaide Basketball Club Proposal and 262 Sturt Road Precinct plan
GC220208F18.1	South Adelaide Basketball Redevelopment – Feasibility and Business case
GC220412F6.1	South Adelaide Basketball Redevelopment – Feasibility and Business case
EMF231205R1.2	262 Sturt Road Precinct
EMF231212F1.1	262 Sturt Road Precinct
GC240227F11.1	Marion Basketball Stadium options
EMF250304F11.2	Marion Basketball Stadium



REPORT OBJECTIVE

To provide Council with a draft costed concept plan for a 4-court Marion Basketball Stadium at the northern end of 262 Sturt Road, off Norfolk Road. The report seeks endorsement of the preferred stadium option and funds required. The report proposes to undertake Community Consultation on the draft concept plan during April 2025 with a report outlining the feedback received, to be tabled at a May 2025 Council meeting.

EXECUTIVE SUMMARY

This report outlines the site conditions and previous community consultation feedback themes that have been considered in the development of a costed 4 – court option. The report seeks endorsement for additional funds of and for a concept design to be released for community consultation in April 2025.

RECOMMENDATION

That Council:

1. Rescinds point 1 of the resolution from its meeting of 27 February 2024 in relation to the item *Marion Basketball Stadium Options (GC240227F11.1)* that states:

That Council:

- 1. Endorses Marion Basketball Stadium Option 3 Build 5 new courts in 2026
 - a. Noting Council has made provision of project funding of up to consisting of federal grant funding and a contribution of from Council funds.
 - b. Endorses an additional funding provision of up to the next iteration of Council's LTFP.

and

- 2. Endorses staff to work with SABC to negotiate a lease based on a rent plus outgoing model, with the rent at the maximum level sustainable for the club.
- 3. Requires to be contributed by South Adelaide Basketball Club (in addition to Federal funding)
- 4. Authorises staff to inform the Marion tennis club that the site is required for other purposes and to offer the Marion Tennis Club assistance to relocate or dissolve the Club, providing members with an opportunity to join neighbouring clubs.
- 5. Notes that staff will finalise the 262 Sturt Road Precinct Plan based on the endorsed solution.
- 6. Notes that staff will engage with Club Marion and relevant stakeholders based on the endorsed solution.
- 7. That staff prepare rate modelling for Council consideration that does not exceed 5% over the long term financial plan and maintains key financial sustainability parameters
- 8. Request administration to come back to Council with financial modelling which includes the following:
 - a. Removing the development of the "Northern Library" proposal from the CoMBAS Implementation Guide
 - b. Delaying the re-development of the Marion Fitness and Leisure Centre



 Reducing or deferring the amount allocated to streetscape and other capital works programs

If rescinded, Council can then make the following decision:

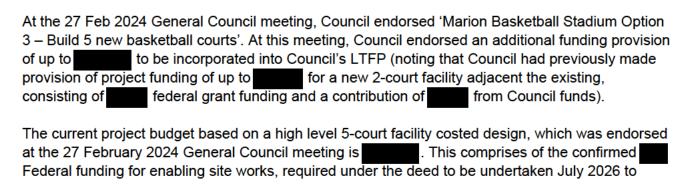
That Council:

- 1. Endorses a Marion Basketball Stadium with a minimum of 4 courts.
- 2. Endorses a total project budget of up to consisting of:
 - a. Council contribution of up to
 - b. Federal grant funding of , and
 - c. contribution from South Adelaide Basketball Club.
- Endorses that the draft 4-court Marion Basketball stadium concept plan be released for a 4-week community consultation in April 2025.
- Notes that a report on the community feedback will be tabled at the 27 May 2025 General Council meeting.

That Council:

- Pursuant to section 91(7) of the Local Government Act 1999, orders that the following document(s) / information relating to Agenda Item GC250325F11.2 - Marion Basketball Stadium Design Concept for community consultation shall be kept confidential, except when required to effect or comply with Council's resolution(s) regarding this matter, being document(s) relating to a matter dealt with by the Council on a confidential basis under sections 90(2) and 90(3)(b) of the Act,:
 - Report GC250325F11.2 Marion Basketball Stadium Design Concept for community consultation
 - Financial figures within the Minutes GC250325F11.2 Marion Basketball Stadium Design Concept for community consultation
 - on the grounds that the information relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is proposing to conduct business with as it contains projected costs for a project yet to be publicly tendered.
- Notes the disclosure of this information would, on balance, be contrary to the public interest because it could infer a financial advantage to another entity when the project is opened to tender.
- Determines this order shall operate until it is revoked, or a further order is made and will be reviewed every 12 months.
- 4. Pursuant to section 91(9)(c) of the Local Government Act 1999, delegates to the Chief Executive Officer the power to revoke this order in whole or part.

BACKGROUND





March 2027, and contribution from South Adelaide Basketball Club and the remaining funded by the City of Marion.

DISCUSSION

Since their engagement in October 2024, the consultant team have undertaken site analysis, generated multiple site arrangement options, reviewed, and addressed, where possible, the previous community consultation, identified engineering solutions, reviewed planning, and building rules requirements and engaged with internal and external stakeholders.

The total project budget of was based on high level preliminary information excluding: costs associated with site contamination, relocation or upgrade to site infrastructure, minimal landscaping, commercial kitchen/bar facilities and a 2026 single stage build on the Norfolk Road end of the site. The relocation of the tennis club is a separate budget.

Extensive geotechnical and environmental testing has been undertaken across the site to inform the building footprint and structural solution. It was identified that a historical 'pug hole' (area of uncontrolled fill) existed to the south-west corner of the proposed site and that any building located on this section on the site would require extensive groundworks to stabilise the ground, at a high cost (circa ...).

In March 2025 an updated cost estimate was received of the 5-court facility. The factors impacting the cost increase from the 2024 estimate is shown below (Table 1).

Table 1

	Feb 2024 estimate 5-court (2026 build)	March 2025 estimate 5-court (2027 Build)
Construction works and fees on based on the scope/design		
Additional main site infrastructure requirements	Not Known/Allowed for at time	
Geotechnical solution due to uncontrolled fill identified		
Escalation due to delay in project start by a year to 2027		
Soil Contingency allowance for potential remaining risk		
Total Project cost		
Additional funds above endorsed budget of	-	

Given the significant increase in cost since the February 2024 cost estimate, Administration acquired and presented a costing breakdown for a 5, 4 and 3-court stadium at the 4 March 2025 Forum (Table 2).



Table 2

	5-court	4-court	3-court
Total project cost			
Additional funds above endorsed budget of			

Following the forum discussion, staff have instructed the consultant team to develop a 4-court stadium option (see attachment 1) that achieves the following:

- Building avoids the pug hole,
- Retains significant trees,
- Maintains distance to residents,
- Still accommodates up to 750 spectators (207 at grade car parks), and
- Retains upper level overlooking the show court.

The design embraces the key design considerations highlighted within the community consultation undertaken in June 2024 (Table 3).

Table 3

Table 3	
Noise Pollution	 Acoustically treated façade facing Norfolk Rd residences and adjacent retirement village residences.
Light Pollution / Glare	 Carpark lighting located away from Norfolk Rd residences and adjacent retirement village residents minimising uncontrolled light pollution.
Regulated Trees and Landscaping	 Four existing regulated trees remain on site. 4m landscape buffer between proposed building and adjacent retirement village residents. 1m landscape screening and fencing directly adjacent retirement village residents. General increase in soft landscaping across the site, reducing heat island effect and reducing stormwater runoff
Site Access & Carparking	 Direct pathway from the building's entry to car park 6m ring route for fire service access 207 car parks (750 spectators) Safe and visible car park bays.
Building Setback	 75m Norfolk Road façade. Setback 5.5m from Norfolk Rd with proposed landscape buffer. 14m setback between proposed building and Retirement Village residence boundary/fence;
Site Infrastructure and geotechnical conditions	 45% of Oaklands recycled water pipe will have to be relocated. Required upgrades to main site infrastructure power, water, and sewer Building does not sit over the historic uncontrolled fill area
Overall cost – site infrastructure	 45% of Oaklands recycled water pipe will have to be relocated. Building located near existing infrastructure connections (sewer/power/water) on Norfolk. Required upgrades to main stie infrastructure. Power, water and sewer is still required.
Overshadowing	 Addresses 262 Sturt Road Sporting Precinct. No overshadowing to Marion Oval, some increased overshadowing to western sporting field due to addition of extra courts to this side of the site.

The consultant team have confirmed a revised cost estimate of based on a 2027 build. Fees, design & construction contingency, additional site latent condition contingency and margins



To achieve the up to budget, the consultant team identified various value management opportunities: e.g., the amount of tiling, joinery, aesthetic plywood surround and 50% reduction in DDA automatic sliding doors; alternative cladding; balustrade design; reduced cost rate for retractable seating; and reduction of four changerooms down from six.

Stakeholder Engagement

Following the Forum on 3 March 2025, a meeting has taken place with South Adelaide Basketball Club and Basketball South Australia to brief them on the proposed project. Both clubs are accepting of the reduction in scope from a 5-court to a 4-court stadium.

Financial Implications
The Council's approved budget for this project is commitment from Commonwealth grant funding, contribution from South Adelaide Basketball Club and the remaining funded by the City of Marion.
Projected costs have escalated, and this report seeks to increase the funding for the project to requiring an additional funding contribution of up to from the City of Marion.
This additional funding is currently not factored within the Council's adopted Long Term Financial Plan (LTFP) or the 2025-2026 LTFP models currently being developed for public consultation. If alternative funding sources are not identified, additional borrowings will be necessary. Based on current market interest rates, servicing this additional debt of rates over a 15-year loan term would cost
Rating Impact: The required rate increase will depend on the timing of borrowings and the available capacity within the Long-Term Financial Plan (LTFP) at that time. If no capacity exists, the additional project funding would necessitate an additional rate increase of up to the borrowing occurs.
Impact on Council's Key Financial Sustainability Ratios
The likely impact on each of the Draft LTFP models being developed Model and Model) is highlighted in the table below. The table demonstrates the impact on Council's core financial sustainability ratios and borrowing levels. Looking at this project in isolation, the impact on the current LTFP models being developed for adoption in June 2025 is manageable with a increase for 2025-26 but falls short not meeting two of the three key financial sustainability KPI's at the model.
Council's key financial sustainability indicators of Net Financial Liabilities Ratio, Debt Servicing
Ratio and Operating Surplus ratio all remain within target bandwidths over the 10 years with the



Are financial sustainability ratios being met in the LTFP?						
	Council Target					
Operating Surplus Ratio - Over						
the next 5 years	0-10%	×	✓			
Net Financial Liabilities Ratio	0-50%	×	✓			
Debt Servicing Ratio	0-10%	✓	✓			
Peak Borrowings						
Closing Loan Balance in year 10						

The table above also highlights peak borrowings throughout the LTFP and closing borrowings in year 10 of the LTFP for both models.

Other risks to be considered that may also impact the potential outcomes above include:

- Potential future project price escalation
- Other Grant Funding Opportunities or commitments that may arise
- Future changes to service levels requiring additional funding from Council
- Other operating costs that may escalate such as employee costs currently under negotiation

Grant Funding

The Federal Government funding contribution of was confirmed and executed 8 September 2023. The next milestone is the execution of the varied deed, and this is anticipated by early April 2025 with the first payment of being due to Council mid-April 2025. Noting the ensuing Federal election, any further changes to the delivery of the varied deed requirements for the project could result in the withdrawal of the grant.

NEXT STEPS

Subject to Council endorsement of the 4-court stadium option, Administration will prepare for a 4-week community consultation period and release commensurate with the previously undertaken community consultation. A report outlining the feedback received is anticipated to be tabled at a May 2025 General Council meeting.

Further to any revisions requested by Council rising from the consultation feedback report tabled in May 2025, a final concept design will be tabled for endorsement at a June 2025 General Council meeting.

A Section 48 Prudential report will be completed for review by the Finance, Risk and Audit Committee for final endorsement by Council in August 2025.

ATTACHMENTS

MB S-4 court option attachment 1 [11.2.1 - 1 page]



Attachment 11.2.1

