

ITEM NO: 9

SUBJECT: KATOOMBA CIVIC CENTRE PRECINCT - PLANNING FOR FUTURE USES

FILE NO: F07400 - 15/221710

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**Delivery Program Link**

*Principal Activity:* Looking After People

*Service:* Community Development

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**Recommendations:**

1. *That the Council endorses the contents of this report and the proposed direction for future use of the Katoomba civic centre;*
  2. *That the Council writes to Blue Mountains Economic Enterprise to thank them for their report "MTNS MADE: Maker and Innovation Space";*
  3. *That the Council further investigate the feasibility of short term options, as presented in this report, including those outlined in the report provided by Blue Mountains Economic Enterprise related to co-worker spaces;*
  4. *That the Council resolves to allocate \$120,000 as a variation to the 2016/17 budget to the fund investigations, precinct planning and design and feasibility assessment of options for redevelopment of the Katoomba Civic Centre; and*
  5. *That the Council undertakes consultation with stakeholders as part of the feasibility assessment of the options.*
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**Report by Director City & Community Outcomes:****Reason for report**

This report presents options to improve and reactivate the Katoomba Civic Centre precinct in the short to medium term, and progress the longer term redevelopment of the centre. These options are informed by research undertaken by Blue Mountains Economic Enterprise, through consultation with local community and cultural service providers and through assessment of the current provision of facilities in both the Cultural Centre and Katoomba Civic Centre. Architectural concepts were developed to explore broad floor space potential and estimate costs for partial or full redevelopment of the precinct.

The options identified in this report seek to strengthen the role of Katoomba Civic Centre precinct as the civic, cultural and community hub for Katoomba, accommodating complementary commercial, governmental and community services. All options will require additional investment in the precinct and all involve a modification of the current commercial/community mix.

The potential for consolidation of community service provision as a key part of the Katoomba Civic Centre will be explored.

**Background**

This report responds to the Council resolution of 15 September 2015, where it was resolved:

1. *“That the Council undertakes a comprehensive review of Katoomba Civic Centre, including all community and commercial uses within the facility, to ensure that the future use of the facility addresses the needs of the community and stakeholders and contribution to the Katoomba town centre, prior to considering whether to proceed with any tender or Eol process for the Katoomba Community Hall;*
2. *That the Council notes that this review will be completed in the 2015-16 financial year with a report back to Council seeking endorsement of a final strategy for the Katoomba Civic Centre by June 2016;*
3. *That the Council seeks formal advice from Blue Mountains Economic Enterprise (BMEE) regarding the opportunities for the facility to contribute to the economic development of Katoomba;*
4. *That the Council notes that this comprehensive review approach, in regards to determining the future use of the Katoomba Community Hall, is consistent with discussion of this matter by the Premises Review Panel; and*
5. *That the Council notes that the Katoomba Community Hall continues to operate as a multipurpose bookable space, managed and monitored by the Council.”*

[Minute No. 695]

**Precinct Background and History**

Katoomba Civic Centre precinct covers two land parcels being 81 Katoomba St (previously Katoomba School of Arts) and 83 Katoomba St (previously Katoomba Congregational Church). The land was acquired by Council in the 1960s with a view to develop a cultural centre, library, community centre and hall. Katoomba Civic Centre opened in 1980 with construction partially funded by a \$100,000 Commonwealth Government Grant for provision of a Senior Citizens Centre.

In 1985 the alignment of the Great Western Highway was deviated to travel along the eastern side of the railway line, and access to Katoomba town centre was changed to Yeaman's Bridge. The visibility and ease of access to the town centre was impacted by this deviation. Katoomba town centre subsequently experienced a downturn in trade. In 1999 Council undertook a Charrette planning exercise to examine ways to revitalise the town centre. Two areas addressed in the Charrette were Katoomba Civic Centre, and the proposed 'Cultural Centre' precinct.

**Blue Mountains Cultural Centre and amendments to Katoomba Civic Centre**

Planning for the Blue Mountains Cultural Centre commenced in 1998 and focussed on the former School and the RTA sites in Parke St, and College Lane. In 2009, to complement the construction of the Blue Mountains Cultural Centre, staged works commenced on the remodelling of Katoomba Civic Centre. These works focussed on creating the pedestrian link between the Cultural Centre/ Coles development and Katoomba Street and the main town centre, together with improving elements of the centre's component parts.

**Stage 1** works were designed to open up and provide pedestrian connections between Cultural Centre and Katoomba Street. These works were completed in 2010/11. **Stage 2** works replaced the original Community Hall by refitting the old library (which has been relocated to the Cultural Centre complex), with the new Hall opening in 2012. Minor fit out

works to install blackout curtains and three phase power in the Hall were undertaken in 2015/16.



Figure 1: Aerial Photo 2012 showing the new Blue Mountains Cultural Centre and Library in Parkes St, and the remodelled Katoomba Civic Centre in Katoomba St.

Blue Mountains Cultural Centre complex opened in 2012. The upper floor is owned by Council and comprises the Art Gallery, Heritage Centre, Library, Café, Shop, amenities and a number of venues available for community hire. These community venues added vital meeting/ workshop rooms and a theatrette to the Council community venue offer in Katoomba.

Use of the Katoomba Civic Centre precinct has been slow since reopening with low rates of use of the community hall and other components. The retail components have experienced ongoing vacancies largely due to recurring problems with water ingress. There have also been ongoing problems with anti-social behaviour throughout the precinct and difficulties in maintaining cleanliness of the external spaces and toilets.

In 2014 Council commissioned A.P. Sheare to undertake a precinct review to identify current usage patterns, and opportunities to improve the utilization of the precinct and benefit to the community. The report delivered in February 2015 addressed a range of issues and makes recommendations on two primary levels:

- Improving the day to day operation of the asset in its current configuration; and
- Addressing the use of the precinct at a more strategic level.

#### **Current Civic Centre Precinct**

Katoomba Civic Centre and Civic Centre Arcade (the precinct) is spread over two levels, comprising:

**Level 1 (Upper)**

- 12 Shops (Retail). Shops are modular and can be joined to make larger spaces;
- Lift;
- Public toilets;
- Enclosed courtyard; and
- Service areas.

**Level 2 (Lower)**

- Community Space (Seniors Area and kitchen);
- Community Space (Dining Hall & Kitchen & Foyer);
- Community Space (Hall and kitchen);  
Public toilets and storage; and
- 1 Shop (Retail).

**Short to medium term options**

Options for consideration in the short term are outlined below. For these options to succeed it is recommended that active on site management of the centre is introduced as part of changes. This could be achieved with delivery of a range of Council functions onsite; through the adjoining Blue Mountains Cultural Centre and Library; or through a third party operating on site (such as Katoomba Neighbourhood Centre).

**MTNS MADE: Maker and Innovation Space**

On request from the Council, Blue Mountains Economic Enterprise (BMEE) considered opportunities for the facility to contribute towards the economic development of Katoomba and provided a report outlining a proposal: "*MTNS MADE: Maker and Innovation Space*".

The proposal outlines a concept of a multi-purpose cultural facility comprising:

1. A co-working space;
2. A makers space;
3. An education space; and a
4. Limited number of anchor tenants.

BMEE has consulted with local people involved in the creative industries and predict that there is a keen and ready market for use of the spaces. Similar facilities operate successfully around the world, and contribute to economic and employment growth, as well encourage excellence in practise in the arts and cultural industries.

Initial financial estimates are based upon a three year operation period with income from membership fees and casual payment for use of spaces and services. The makers space and meeting rooms would also derive income from education and hobby courses. BMEE predict a positive return to be achieved within the first three years of operation.

Three different options are proposed for management and operation of the centre:

1. Run by BMCC as a new business unit or within a current business unit similar to the Blue Mountains Cultural Centre, or the Theatre and Community Hub, or Customer Services;
2. Put to tender to be run by a commercial entity; or
3. Delegated by Council to be run by a third party, such as BMEE.

A number of assumptions have been made in the development of the proposal including:

- The precinct is unencumbered and all areas would be vacant and available for use;
- The precinct is provided free of rent (i.e. a full rent subsidy is provided); and
- Council (as the requestor for the proposal or project initiator) would directly, or through a third party, fully or partially fund and underwrite the detailed planning, set up and ongoing provision and management of the Maker and Innovation Space. Initial estimates provided



are \$600,000 for setup and fitout, but it is expected that additional funding would be required.

Although BMEE state that success of the proposal is much more likely if all spaces are established at the same time rather than delivered in stages, this is not currently possible. Also sourcing funding and underwriting the project would be problematic and challenging for Council, as an increase in service provision would not be able to be funded in Council's current long term financial planning.

As available space at the Katoomba Civic Centre is limited, it is recommended that further work is undertaken to identify opportunities for establishment of the Makers Space elsewhere in the city. It is also proposed that BMEE be asked to seek external funding for the proposal. However, it is also suggested that Council, in cooperation with BMEE, examine further the potential co-working space to be developed in the Katoomba Civic Centre in stages. This may then allow progressive roll out of the concept. Funding models for this would need to be supported by lease fees. Further work could also occur on incorporation of education space in the centre.

**Retail:**

Three shops have not been lettable since the refurbishment of the precinct as they have been prone to flooding during high storm events. This, together with long vacancies of the other retail spaces, has resulted in a net loss to Council regarding income from lettable space. Drainage works are currently programmed to resolve the flooding issues and, subject to success, the shop spaces should then be available for lease.

A number of options for the retail spaces are available to Council including:

1. Retain the spaces as retail/commercial leases. As the retail functions located on the lower level do not have a strong street presence it would be practical to seek retail functions which are destinations in their own right, rather than relying on street presence to pick up passing trade. Prospective tenants could be deliberately sought to endeavour to provide an active mix which complements the wider offer within Katoomba Town Centre.
2. Consider providing subsidised rent for a period of three years for community and cultural uses which are attractants. The subsidy provided would be broadly equivalent to foregoing nett market rent for that period. Market rates for rental of the retail premises are estimated to be \$300/m<sup>2</sup> gross and for commercial spaces to be \$250/m<sup>2</sup> gross.
3. Consider conversion to community and cultural uses including:
4. The MTNS MADE co-worker space. Given current tenancy arrangements there would need to be negotiation with current tenants to allow for set up of the Co-worker Space.
5. Location for community services, such as the Katoomba Neighbourhood Centre and the many services they auspice. The level of delivery would be dependent upon space available and could be staged with relocation of community services into the Katoomba Civic Centre as part of a wider programme looking at the rationalisation of community building assets across Katoomba.
6. Potential for Radio Blue Mountains to relocate their radio studios, and associated engineering and office functions, as a lease.
7. Shopfront for frontline Council and State government service provision.

**Senior Citizens Centre**

The Senior Citizens Centre occupies a prime location in Katoomba Civic Centre and it is the only dedicated Senior Citizens Centre in the Blue Mountains. Conditions of the grant received in 1980 were that the seniors area would be made available for senior citizens use. The Katoomba Leura Senior Citizens Club (KLSC) has operated the Senior Citizens Centre

(seniors area) since the opening of the building, and is given a blanket booking for 5 days out of 7.

Assessment suggests that the overall usage and activities delivered under the auspice of KLSC has diminished in recent times. Community organisations state that they are not able to negotiate use of the centre during the week through KLSC, despite their belief that the area is vacant at the time requested.

Over the next few months Council will be seeking reports from all tenants and regular users of Council buildings on their activities, and the community benefits derived from these activities. This will inform the review and renewal of agreements for the use of Council Community buildings required by legislation to be undertaken within 6 months of the election of each new Council.

As part of the review of the agreements, it is proposed that Council staff liaise closely with KLSC to encourage a wider range of senior's activities being provided by various seniors groups in the Senior Citizens Centre. Activities could be managed either through the auspice of KLSC, or through a review of the hours allocated to KLSC, and with Council as the booking agent.

### **Community Dining Room and Commercial Kitchen**

The remodelling of the Civic Centre undertaken in 2009, with the removal of the Community Hall has compromised the functionality and amenity of the community dining room and commercial kitchen. They are now isolated from other functional spaces, set behind a dark foyer space which is no longer required, and lacking in natural light and outlook on activity. The Dining Room and Commercial Kitchen are used throughout the week for delivery of community lunches. Patronage of these lunches has declined in recent years and casual use of the spaces is very low.

Two additional domestic kitchens were added in 2009 to service the Hall, and the senior's area.

It is proposed that options are examined for relocation of the commercial kitchen to a central location between the Hall and seniors area, with the current dining room and kitchen repurposed. Uses for investigation of the repurposed area could include Radio Blue Mountains, and/or the Co-workers Space proposed by BMEE.

### **The Community Hall**

Consultation and assessment of the broader demand and needs in Katoomba for community meeting, performance and theatre space is to be conducted over 2016-17 with the development of the city wide Community Facilities Strategy. Early background investigations show that there are in excess of 60 different facilities in the Katoomba district offering a wide variety of Halls, performance and meeting spaces available for community use. These spaces range in capacity from small intimate restaurants to large auditoriums and theatrettes seating up to 650. Hire of these spaces range in cost but many are regularly made available for use by community groups for a nominal cost.

As one of these spaces, the Katoomba Community Hall (the Hall) in Katoomba Civic Centre provides a basic space with capacity for up to 145 seats which can be used for meetings, functions and simple performances. It has a low rate of hire and is empty for the majority of time. Comments received from potential hirers have indicated that other facilities offered in Katoomba and Leura suit their needs better and are equally or more affordable for hire.

Options for modification of the Hall have been examined as have options to deliver a larger functional event space elsewhere onsite. Opportunities for improvement to the current Hall

are very constrained by its construction, size and location. Instead it is proposed to undertake investigations into modification of the overall Civic Centre precinct to provide an alternative covered indoor/ outdoor amphitheatre space (see architectural investigations below).

As part of the mix of uses in the Katoomba Civic Centre as a community hub, it is proposed to review the need for this hall.

In the short term it is recommended that the current management and use of the Community Hall use is maintained.

### **Longer Term Options: Refurbishment or Redevelopment of the Precinct**

It is considered that either major refurbishment and/or redevelopment of the existing building will be required in the long term to meet future community needs. Potential funding may be sourced through a number of avenues including transferral of Council's investments from the renewal of scattered, aging community buildings spread throughout Katoomba to consolidation in a central purpose built community centre.

Most of the Council owned community facilities in Katoomba comprise aging modified houses, which will require major funding for maintenance or replacement in the short to medium term. Best practise planning guidelines for provision of community facilities recommend co-location of community services and activities in multi-purpose community centres in town centres close to transport hubs. The Katoomba Civic Centre site provides this central location.

This approach has been applied with some success by Council in Lawson and Springwood and it is recommended that future options for Katoomba Civic Centre include investigation of these opportunities for establishment of the Katoomba Civic Centre as the Katoomba "hub" but also including a complementary mix of commercial and governmental services.

### **Architectural Investigations**

In order to better understand the potential for accommodation of different uses in the precinct Council engaged *Integrated Design Group* to prepare broad concept plans for the upgrade or redevelopment of the site. A brief was prepared based upon background investigations into community needs and potential drivers for economic and social enterprise and community benefit.

The requirements for potential accommodation included:

#### Creative Industry Hub (currently supplied by the current Cultural Centre):

- Smart work hub;
- Provision of low cost exhibition space (both indoor and outdoor for fixed works and projections and performance works;
- Operation of regular markets;
- Pop-up shops;
- Introduction of anchor café tenant; and
- Local radio station.

#### Community Services Shopfront/Offices:

- Shopfront for service advice and assistance;
- Service delivery using existing meeting and gathering space; and
- Training for service delivery.

Outdoor Space (including for events):

- Sheltered open air gathering and event space suited to multi- generational/ transitioning uses which should be child and aged friendly;
- Space with seating for performances up to approximately 250 people as part of outdoor space;
- Improve safety by design including passive surveillance;
- Create shelter and shade for resting and observing people;
- Provide free Wi-Fi during certain hours;
- Foster children's play area/ play groups in adjoining meeting rooms; and
- Foster activities for youth, and for retirees/ seniors.

Entry to Blue Mountains Cultural Centre precinct:

- Provide clearer visual and pedestrian connections to Blue Mountains Cultural Centre from Katoomba Street;
- Make sheltered pickup/ drop off area and create a clear shared zone between the Katoomba Civic Centre and Blue Mountains Cultural Centre;
- Create clear connections to Pioneer Place from entry to College Lane; and
- Create clear links with parking below Cultural Centre/Coles.

Education/ Health Service Delivery:

- Examine potential provision of accommodation suitable for uses such as delivery of a range of health/ education /community services which may be permanent tenants or may be available on a rotating roster to suit use by outreach services.

Also considered will be the retail, commercial and co-working spaces within the centre.

Integrated Design Group has provided an initial report which scopes three broad options, ranging from minor refurbishment to major redevelopment. The preferred option demonstrates ways to modify the existing building while providing additional flexible space for a wide range of activities. Further investigation is required in order to gauge whether this option could be implemented over a number of stages, as staging would best suit Council's capacity to fund precinct improvements.

Key improvements that may be achieved through modification of the building include:

- Shopfronts and activities addressing Katoomba St;
- Retention of community and retail functions within the precinct with options for modification of uses to increase activation;
- Additional levels providing increased flexible space that could be used for commercial, educational or community uses;
- Views to the south from an additional upper level;
- Bridge across College Lane linking the precinct and the Cultural Centre upper level;
- Improved wayfinding and refinement of pedestrian path from Katoomba St to College Lane;
- Replace lift and improved accessibility throughout precinct;
- Porte-cochere / layover providing safe pickup and drop off zone for passengers and goods on College Lane; and
- Transparent roof covering a central open "square" with options to be used as an informal gathering space as well as a managed performance space or amphitheatre for day and evening use.

**Way forward**

It is recommended that a more detailed examination of the long term options to redevelop the existing building is undertaken. Investigation of the structural capacity and useability of the existing building is required to assess the feasibility of refurbishment, or whether a complete



redevelopment on this site or other sites owned by Council in Katoomba would be more viable.

This investigation work will be undertaken over 2016-17 and consider work being undertaken for development of the Community Facilities Strategy, which is currently assessing community and cultural needs for accommodation.

### **Sustainability Assessment**

The review of Katoomba Civic Centre, including all community and commercial uses within the facility, has been undertaken to ensure that the future use of the facility addresses the needs of the community and stakeholders, and contributes to the economic vitality of the Katoomba town centre. It has been undertaken in a holistic manner where all aspects of sustainability have been considered. This report recommends further examination and review of a variety of combinations of different uses and approaches to management and potential refurbishment of the Civic Centre. Detailed feasibility and sustainability assessment of each use and combination of uses is required.

<b>Effects</b>	<b>Positive</b>	<b>Negative</b>
Environmental	Change of uses and modifications to the Civic Centre would demonstrate best practice.	Nil
Social	The proposed use of the Civic Centre aims to provide a central community and cultural hub and an active safe and comfortable space which serves as the heart of Katoomba. For example it is proposed that modifications to the Centre provide a year round comfortable community gathering and event space.	Nil
Economic	The uses suggested for further investigation aim to provide an economic stimulus to the town centre, and bring in additional employment and economic activity to the town.	A temporary loss in income to Council would be experienced if a subsidy on rents to incubate community and cultural uses is provided.
Governance	Strong management direction and onsite professional management of the Civic Centre would improve the activity levels, community and economic benefits derived from the centre, as well as the presentation and functionality of the Centre.	Provision of professional management for the Centre will incur allocation of resources which may or may not be able to be covered by additional income from the centre.

### **Financial implications for the Council**

This report provides an initial overview of options for the use of the Katoomba Civic Centre precinct which have been identified and require more detailed investigation. Detailed plans and cost estimates for the fitout, management and operation of the options need to be further investigated.

Additional funding of \$120,000 will be required to fund detailed project planning for this next stage of refurbishment of the precinct. This would provide for resolved precinct plan for the site and a feasibility assessment of proposed site uses and funding models. Assessment of the structural capacity of the existing building for redevelopment would need to be included. It is recommended that funding for this further work be provided through a variation to the 16-17 budget, part funded from the property investment fund and from the halls renewal reserve.

**Legal and risk management issues for the Council**

There are no legal risks presented in this report. However any proposals for change of use or redevelopment of the KCC precinct need to respect the rights and sensitivities of both current and potential future tenants and users of the site as well as broader community needs and benefits delivered through use of the site. Risks and legal matters will need to be addressed in any future stages of the project.

**Interim Management Arrangements for Retail Premises**

It is recommended that whilst detailed feasibility assessment of options is undertaken and until a future direction is resolved and resources are allocated to lead this change program, this should not prejudice current tenancies for the commercial sections of the facility, nor new longer-term opportunities, should these be considered complimentary to the stated outcome.

It is also important to put in place measures to ensure tenants are provided with certainty around investments in locating within the precinct, whilst also providing Council with flexibility for future change. This will be considered as part of any future lease negotiations.

**External consultation**

Consultation has been undertaken with Council staff, managers of different community services currently accommodated in Council owned buildings in Katoomba, and with representatives of the Katoomba-Leura Senior Citizens Centre and Blue Mountains Food Services.

BMEE has provided a report on potential economic use of the precinct and has undertaken consultation with members of the creative industries cluster.

There has been no consultation or engagement with the wider community in the preparation of this report. Should Council wish to progress the recommendations of this report this should include consultation with both potential tenants and key user groups of the community facilities as well as with the broader community.

**Conclusion**

This report presents a summary of work undertaken over recent months to address the short to medium and long term use of Katoomba Civic Centre. Short term actions are proposed including liaising with Katoomba Leura Senior Citizens Club to make the seniors area more available for seniors activities operated by other organisations, and investigations into relocating community meals from the current Dining Room with an associated upgrade of the domestic kitchen attached to the community Hall. This would enable better accommodation for community meals as well as repurposing of the current dining room, foyer and commercial kitchen areas.

In order to detail future needs within this district level facility this report recommends that Council continue to consult and research Katoomba and district community and cultural facility needs through the development of the Community Facilities Strategy.

Initial architectural investigations into remodelling the current building show great promise, and further examination of options will occur during 2016-17. This will investigate options for modifications to the existing Katoomba Civic Centre in order to open up the precinct and provide more usable space for community gatherings and performances as well as providing additional accommodation for community services, and other ancillary cultural and economic uses.

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