

## **9 OFFICER SPORTS CLUB LEASE**

FILE REFERENCE INT2033824

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### **RECOMMENDATION**

That;

1. Council commences the statutory procedures under Sections 190 and 223 of the Local Government Act 1989 (the Act) by giving public notice in the local paper and on Councils web site advising of the proposal to lease a part of the reserve at 20 Starling Road Officer to the Officer Sports Club Incorporated.
2. In the event of submissions being received, a committee comprising the Ranges Ward Councillors be appointed and the Chief Executive Officer be authorised to set the day, time and means for the hearing of such submissions.
3. Following the hearing of submissions, or if no submissions are received, Council further consider the proposal to lease part of the reserve at 20 Starling Road Officer to the Office Sport Club Incorporated

### **Attachments**

- 1 Proposed Leased Area 2 Pages

### **EXECUTIVE SUMMARY**

The Officer Sports Club has been established by members of the reserve committee and sporting clubs to extend the sports pavilion to create a social space. They have grants from Federal and State government and from Council as well as funds they have raised themselves to carry out the extension works.

It is proposed that Council enters into an Agreement for Lease to allow the construction to occur on Council land and a lease after construction is complete to allow occupation for 9 years. In order to proceed Council must carry out the statutory procedures under section 190 of the Local Government Act 1989 to consider a proposal to enter into a building improvement lease.

### **BACKGROUND**

The Officer Sport Club Incorporated (OSC) was recently established in order to extend the current eastern pavilion to create a community space for use by both reserve users and the general community. The attached plan shows the proposed extension which will be defined in the lease as the Premises. The OSC have raised funds to carry out the building extension from various government sources, including Council and community groups.

It is proposed that Council will enter into an Agreement for Lease (AFL), which will establish the roles of the party in the construction, the basis of the funding and the right to occupy the site whilst

works are occurring. It is proposed that the OSC will contract manager the works and Council will be part of the project construction control group that will oversee the project.

The AFL will provide that once the works are complete that a lease will commence between the parties. The proposed lease terms are as follows:

Term 9 years  
 Rental \$1 pa  
 Contribution by the club towards work: \$200,000

Special conditions to include a requirement that the social space is available for use by the general community and such use will be encouraged.

## POLICY IMPLICATIONS

Council adopted a Leasing Policy (Policy) in September 2018 and as the OSC have agreed to contribute funds in order to achieve the extension of the Premises, it has been proposed that they are granted a lease in excess of that provided in the Policy, as allowed under section 4.3.4, which provides that:

'Council will consider a longer term Lease in circumstances where the Tenant has substantially invested in the Council Facility or there will be community benefits derived by a longer Lease term.'

## RELEVANCE TO COUNCIL PLAN

The relevant Council Plan objective is that 'We continue to plan and manage the natural and built environment for future generations'. The objective is to be achieved through balancing the needs of development, the community and the environment.

## CONSULTATION/COMMUNICATION

Consultation has been carried out with appropriate internal departments who are in support of the proposal to lease the Premises to OSC.

Subject to this report, it is proposed that Council gives public notice of the intention to lease the Premises to OSC, in accordance with Section 190 and 223 of the Local Government Act 1989

Any submissions received following such public notice will be considered by a committee appointed for the purpose. Following the hearing of submissions or if no submissions are received the matter will be reported to Council for a decision whether to proceed to lease the premises to the OSC.

## FINANCIAL AND RESOURCE IMPLICATIONS

The OSC have raised funds from the following sources:

- Commonwealth government \$1,000,000 (inclusive of GST)
- State government \$200,000 (inclusive of GST)
- Tenant (and other community groups) \$200,000 (inclusive of GST)
- Total \$1,400,000 (inclusive of GST)

Council has also agreed to contribute up to \$400,000 within its Capital Work Program to complete the works.

## **CONCLUSION**

In order to determine if Council will enter into a lease with the OSC it is necessary to give public notice in accordance with section 190 of the LGA and hear any submissions received.

Site Plan - Officer Recreation Reserve

Leased area denoted within red lines



Detailed plan of building - leased area is within red lines

