



Meeting:	Council	Item No: 19.1 File No: 16.85.1.5 Date: 20 January 2020 Attachment: A
Title:	Levi Caravan Park – Future Operations	
Responsible Manager:	Group Manager Corporate Services, Katy Bone	
Author:	Business Analyst (Property & Contracts), Scott Reardon	
Key Focus Area:	Strategic Community Plan Focus area 3 - Transparent and accountable local tier of Government	
Key Focus Area:	Financial Guiding Principle 2 – Invest sustainably in community assets for the future	
Type of Report:	Decision Required	

Pursuant to Section 83(5) of the *Local Government Act 1999*, the Chief Executive Officer indicates that the matter contained in this report may, if the Council so determines, be considered in confidence pursuant to Section 90(2) of the *Local Government Act 1999* on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(b) of the Act being commercial information of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information or that would confer a commercial advantage on a third party and that would, on balance, be contrary to the public interest.

Recommendation (Public)

Pursuant to s90(3)(b)

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except the Chief Executive Officer Kiki Cristol, Group Manager Asset & Infrastructure Joshua Bowen, Group Manager Planning, Environment & Regulatory Services Andreea Caddy, Group Manager Corporate Services Katy Bone, Group Manager Customer Experience Danielle Garvey, Manager Community Development & Engagement Fiona Deckert, Business Analyst (Property & Contracts) Scott Reardon and Council Secretariat Vanessa Davidson, be excluded from attendance at the meeting for Agenda Item 19.1 Levi Caravan Park – Future Operations.

The Council is satisfied that, pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council may propose to conduct business and would therefore prejudice the commercial position of the Council.

Recommendation (Confidential)

1. That pursuant to the requirements of s 20J (1) (b) of the *Retail and Commercial Leases Act 2002*, Council officially advises the current Park Manager (Ryad Hill Pty Ltd) that at the end of the lease term, Council does not propose to offer a renewal or extension of the lease;
2. That Council engage an Independent Valuation Service to undertake a valuation assessment of all Manager owned assets located within the Park;
3. That in accordance with s 202 of the *Local Government Act 1999*, Council undertakes the necessary statutory consultation process in order to obtain the community's feedback about the

proposed alienation of Certificate of Title Volume 5874 Folio 181 (Levi Caravan Park) for a lease term in excess of five (5) years and up to and including 42 years;

4. That following the successful conclusion of Recommendation 3, Administration undertakes an open Expressions of Interest Tender process seeking out relevant industry bodies whom may have an interest in entering into a long-term lease over Certificate of Title Volume 5874 Folio 181 (Levi Caravan Park) for the purposes of investing in, redeveloping and / or managing the Park;
5. That in accordance with s 70A of the *Residential Parks Act 2007* Council simultaneously:
 - a. serves a preliminary 'Notice of Intention to Redevelop' on all long-term guests currently residing in the Levi Caravan Park;
 - b. serves an advanced 'Notice of Termination' on all long-term guests that have resided in the Park for less than five (5) years, advising them that they are required to vacate the Park no later than 30 November 2020;
6. That following the completion of Recommendation 1 to 5 a subsequent report be returned to Council for consideration and determination.

Recommendation (Public)

Pursuant to s.91(7)

That having considered Agenda Item 19.1 Levi Caravan Park – Future Operations in confidence under section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and attachments relevant to this Agenda Item be retained in confidence for a period of 12 months or the matter has been finalised, excepting that Council authorises the release of the minutes to substantive party / parties to enable enactment of the resolution and that pursuant to Section 91(9)(c) of the *Local Government Act 1999* the Council delegates to the Chief Executive Officer the review and power to revoke this Order

and

That Council resolves to end its confidential deliberations pursuant to Section 90(2) of the *Local Government Act 1999* and re-admit the public.

Summary

The Levi Caravan Park (**Park**) is located in Vale Park and is comprised of an area of land totalling approximately 27,900m². The Park: has varying accommodation types including Riverside Villas, Riverside Cabins, Oval View Cabins, Standard Park Cabins, Camping Site and Vale House; caters to approximately 27,500 bookings each year; and generates an average of \$1.4M in total revenue annually (of which approximately \$470,000 per year is returned to Council in the form of rental).

The current Management Agreement held between Ryad Hill Pty Ltd and the Corporation of the Town of Walkerville is due to expire on 30 November 2020 and as the Agreement does not include a further Option to Renew the Manager is required to provide 'vacant possession' of the site upon the expiration of the Agreement. The Manager owns a number of cabins within the Park which generates 29.70% of the total annual Park revenue. These assets are speculated to be valued at \$545,000.

Eighteen (18) long-term guests currently reside in the Park. Their occupancy generates on average \$152,673 per year (equating to 10.61% of the total annual revenue generated by the Park). Council has the authority to evict half of the Long-Term Guest as of 30 November 2020, while the other half can only be evicted under certain circumstances.

As the impending expiration of the Management Agreement presents an opportunity for Council to explore its options for both the future operational management and possible redevelopment of the Park, it is therefore suggested that Council endorse the recommendations outlined in this report so that Administration can undertake all relevant preliminary work to assist with Council's future deliberations.

Background

At their ordinary meeting 5 February 2001, Council resolved to enter into a Management Agreement with Goodwin Management Pty Ltd:

CNC050201/13.4

“That the Mayor and Chief Executive Officer be authorised to sign and seal the Agreement between the Corporation of the Town of Walkerville and Goodwin Management Pty Ltd for the management of the Levi Park Caravan Park for a period of ten years with a right of renewal for a further five years’.

Following this, at their ordinary meeting 21 November 2005, Council resolved to vary specific terms and conditions with the Agreement:

CNC211105/7.1

- 1. That the report on the Levi Park Caravan Park Deed of Variation be received and noted and that the Mayor and Chief Executive Officer be authorised to execute the Deed of Variation between Goodwin Management and the Corporation of the Town of Walkerville with clause 7(c) being amended to include “or gas pipeline” after electrical wiring, and*
- 2. That the document be forwarded to Mellor Olsson Lawyer for stamping.*

Then, at their ordinary meeting on 7 August 2006 Council resolved to Assign the Agreement to a subsequent party:

CNC070806/11.1.15

- 1. That subject to carrying out a satisfactory check on the financial capacity (both by Council staff and Council auditors), references and through the police on the integrity of Ian & Marie Baum (Ryad Hill Pty Ltd) the lease on the Levi Park Caravan Park be assigned to them on the same terms and conditions as provided to the current lessee of the Park; and*
- 2. That the Mayor and Chief Executive Officer be authorised to execute documents to give effect to this resolution.*

The initial Agreement expired on 30 November 2015 and at their ordinary meeting on 18 May 2015 Council endorsed the Renewal of the Agreement (**CNC070806/11.1.15**). It should be noted that the content of this resolution was retained in confidence at the time (**CNC353/14-15**) due to the commercial nature of the report. The confidential order has since been lifted.

Overview

The following outlines an overview of Levi Caravan Park's current operations, the Management Agreement history, occupancy statistics and the total revenue generated by the Park. This information is provided to allow Council the opportunity to consider the current position of the Park, as well as the potential future operational options for the Park.

It should be noted that for the purpose of this report all calculated ‘average’ amounts stated are based on the data recorded in the Manager's Quarterly Reports between the 2015/16 and 2018/19 financial years.

Levi Caravan Park

Levi Caravan Park (**Park**) is located in Vale Park and is comprised of an area of land totalling approximately 27,900m². The Park: has varying accommodation types including Riverside Villa (2), Riverside Cabins (8), Oval View Cabins (7), Park Cabins (21), Ensuite Powered Site (4), Powered Site (64), Camping Site (8) and Vale House.

The Park can accommodate a maximum capacity of approximately 700 guests at any one time and on average takes in 27,415 bookings each year.

The Park generates on average \$1,438,291 in total revenue annually. Of this total approximately \$470,000 per year is returned to Council by way of rental, \$150,393 is comprised by Manager declared expenses (insurance, electricity, water rates and usage, waste removal), with the remaining \$817,424 comprising Manager undeclared expenses (staffing costs, income and profit etc).

The Park currently carries protection under Schedule 8 of the *Local Government Act 1999* in that:

- The Park's community land classification is irrevocable;¹ and
- The Council:
 - is required to maintain the Park for the benefit of the community as a public park;²
 - must preserve for as long as possible the Moreton Bay fig tree growing in the park;³ and
 - must maintain and preserve Vale House for the benefit of the community;⁴ and
 - must maintain and preserve the caravan park and camping ground in the park.⁵

Management Agreement History

In 2001 the Corporation of the Town of Walkerville (**Council**) entered into a Management Agreement (**Head Agreement**) with Goodwin Management Pty Ltd for the Levi Caravan Park (**Park**). The Head Agreement was for a term of ten (10) years (commencing 1 December 2000) and included one (1) Option to Renew for a subsequent five (5) years; expiring 30 November 2015.

On 21 November 2005 Council resolved to vary the Head Agreement term increasing it to 15 years (commencing 1 December 2000) with one (1) Option to Renew for a subsequent five (5) years; expiring 30 November 2020.

The Head Agreement was then Assigned (**Agreement**) on 7 August 2006 over to Ryad Hill Pty Ltd. Pursuant to the terms of the Deed of Assignment (dated 16 March 2007), Ryad Hill Pty Ltd (**Manager**) commenced their occupancy and management of the site from 1 February 2007.

Park Accommodation Statistics

Over the course of the four (4) year period between 2015/16 and 2018/19, the Park experienced an annual average of 27,415 bookings. A breakdown of each years reported rates and accommodation types is outlined as follows:

Occupancy	2015/16	2016/17	2017/18	2018/19
Vale House	1136	840	1091	854
Cabins	6432	5525	6278	5496
Powered Sites	18866	18399	18084	15311
Ensuite Sites	1201	1270	996	2501

¹ *Local Government Act 1999*, Sch 8 cl 9 (1).

² *Local Government Act 1999*, Sch 8 cl 9 (2).

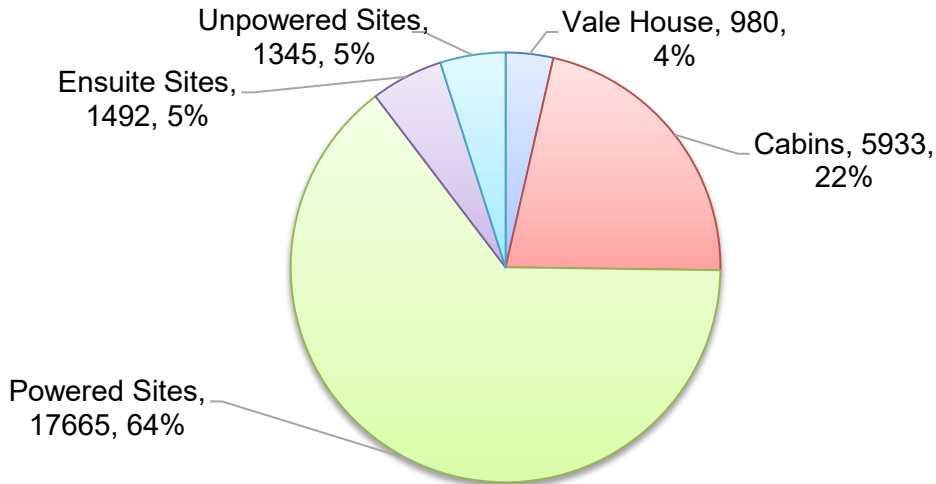
³ *Local Government Act 1999*, Sch 8 cl 9 (3) (a).

⁴ *Local Government Act 1999*, Sch 8 cl 9 (3) (b).

⁵ *Local Government Act 1999*, Sch 8 cl 9 (3) (c).

Unpowered Sites	1193	1131	1069	1986
	28828	27165	27518	26148

This data reflects that on average: Vale House attracted 3.58% of all bookings, Cabins 21.64%, Powered Sites 64.44%, Ensuite Sites 5.44%, and Unpowered Sites 4.91%.

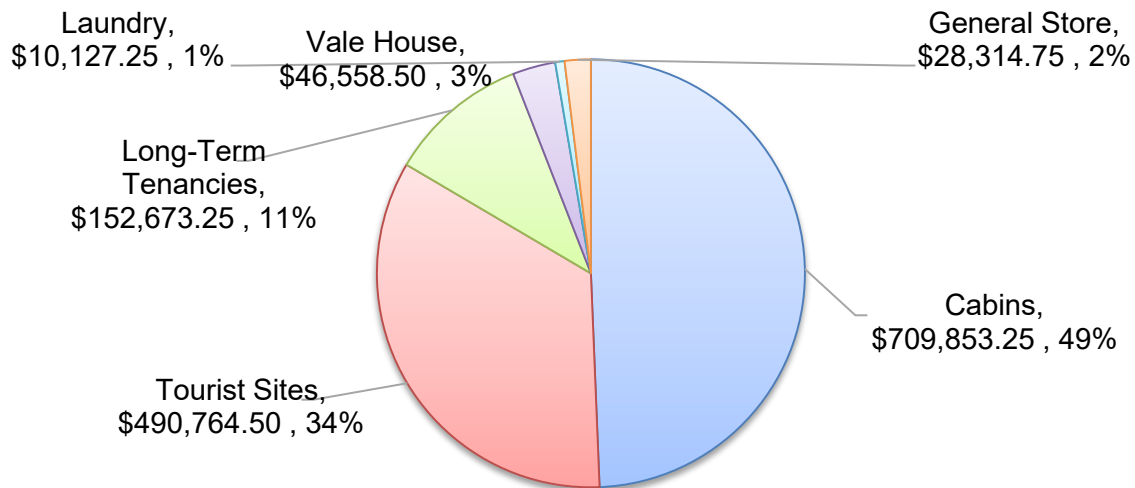


Total Revenue Generated

Over the course of the four (4) year period between 2015/16 and 2018/19, the reported total income generated by the Park accommodation and amenities was:

Revenue	2015/16	2016/17	2017/18	2018/19
Cabins	\$ 713,119.00	\$ 677,310.00	\$ 698,484.00	\$ 750,500.00
Tourist Sites	\$ 533,331.00	\$ 488,890.00	\$ 461,031.00	\$ 479,806.00
Long-Term Tenancies	\$ 142,818.00	\$ 165,967.00	\$ 161,571.00	\$ 140,337.00
Vale House	\$ 53,738.00	\$ 40,331.00	\$ 59,709.00	\$ 32,456.00
Laundry	\$ 12,731.00	\$ 9,960.00	\$ 8,886.00	\$ 8,932.00
General Store	\$ 29,394.00	\$ 28,643.00	\$ 29,656.00	\$ 25,566.00
	<u>\$ 1,485,131.00</u>	<u>\$ 1,411,101.00</u>	<u>\$ 1,419,337.00</u>	<u>\$ 1,437,597.00</u>

This data reflects that on average: 49.35% of all revenue generated was by Cabin accommodation, 34.12% by all Tourist Sites (Powered, Unpowered and Ensuite Sites), 10.61% by Long-Term Guests, 3.24% by Vale House, and 2.67% by Park amenities (Laundry & General Store).



Issues for Consideration

On the basis that the current Agreement is scheduled to expire 30 November 2020, and the previous Council expressed an interest in having the Park redeveloped after the termination of the Agreement, there are a number of issues to be considered ahead of the November deadline, including:

- whether to self-manage the Park or offer long-term lease over the site to an incoming Manager/Developer;
- whether to purchase the Manager owned assets; and
- the eviction of the current Long-Term Guest residing in the Park.

Proposed Redevelopment & Long-term Leasing Options

Levi Park has not been redeveloped in a number of decades and with the exception of general maintenance to the grounds and Vale House, annual capital expenditure on upgrading and replacing aging service infrastructure, little has been spent to refurbish or develop the accommodation.

The previous Council held the view that at the expiration of the current Management Agreement, Council should both offer a long-term lease over the site and undertake an open expressions of tender process in order to seek out interested industry bodies to lease, invest in, redevelop and / or manage the site. It should be noted that redevelopment of the site will benefit the Township through a greater return by way of rent, and through having aging community facilities upgraded.

Pursuant to s202(4)(a) of the *Local Government Act 1999*, Council's have the authority to enter into long-term leases up to and including 42 years subject to conducting a statutory process of community consultation and engagement.⁶

As long-term leases are deemed to be more attractive to businesses seeking to invest in sites, it is recommended that Administration conduct the necessary consultation process prior to conducting the tender process so as to ensure the community is not opposed to the long-term lease over the site.

Current Manager Assets, and Comparative Analysis of Council vs Manager Owned Cabins

Since the commencement of their occupancy the Manager has invested capital expenditure predominantly through the installation of two (2) Riverside Villas, four (4) Riverside Cabins, seven (7) Oval View Cabins, two (2) Park Cabins and the four (4) Ensuite structures. The Manager has estimated the current value of these assets to be approximately \$545,000.

⁶ *Local Government Act 1999*, s202(2).

	Estimated Value Per Cabin	Number of Cabins	Total Costs
Riverside Villas	\$ 60,000.00	2	\$ 120,000.00
Riverside Villas	\$ 40,000.00	4	\$ 160,000.00
Oval View Cabins	\$ 25,000.00	7	\$ 175,000.00
Standards Cabins	\$ 15,000.00	2	\$ 30,000.00
Ensuite Bathrooms	\$ 15,000.00	4	\$ 60,000.00
			<u>\$ 545,000.00</u>

Based on the Manager Reports provided during the 2015/16 – 2018/19 financial years these assets (excluding the Ensuite Site Structures) have generated an average total of \$427,208 per year.

Clause 8 of the Agreement provides a discretionary option for Council to purchase the Manager owned plant equipment and infrastructure at the end of the Agreement Term provided that a reasonable purchase price be agreed by both parties.

Noting that the amounts stipulated above are indicative estimates only (as provided by the Manager), should Council determine to self-manage the site beyond November 2020 and / or purchase these assets, a full independent evaluation should be undertaken. Should Council opt not to purchase the Manager owned assets and seek to have the site redeveloped in its entirety by a third party, the Manager is required to both remove all owned infrastructure from the Park, and remediate any damage caused by their removal.

Long-Term Park Guests

A total of eighteen (18) long-term guests currently reside in the Park with a proportion listing the Park as their primary place residence. Their occupancy generates on average \$152,673 per year; which equates to 10.61% of the total annual revenue generated by the Park.

These Long-Term Guest (**LTG**) occupy their sites on fixed-term site agreements, which all expire 30 November 2020 to coincide with the expiration of current Management Agreement. However, nine (9) of the long-term guests have resided at the Park for more than 5 years and as such possess occupancy protections under s52 of the *Residential Parks Act 2007*.

Administration has sought Legal Advice (**Advice**) regarding the LTG and the process for terminating long-term tenancies. The Advice, appearing as Attachment A of this report, indicates that:

1. For those guests that have resided in the Park for a term of **less than** 5 years, Council may terminate their tenancy by giving notice not less than 28 days prior to the site agreement expiry (viz 2/11/2019); but
2. For those guests that have resided in the Park for a term **more than** 5 years, Park Owners (Council) may only terminate these agreements under certain circumstances, those circumstances being:
 - termination by breach of Site Agreement;⁷
 - termination through successive breaches of Site Agreement;⁸
 - termination where serious misconduct occurs by the tenant/resident;⁹ and/or
 - termination where change of use or redevelopment is planned.¹⁰

Proposed Redevelopment & Eviction of Long-Term Guests

⁷ *Residential Parks Act 2007*, s 68.

⁸ *Residential Parks Act 2007*, s 69.

⁹ *Residential Parks Act 2007*, s 70.

¹⁰ *Residential Parks Act 2007*, s 70A.

Pursuant to s 70A of the *Residential Park Act 2007*, Council may terminate long-term tenancy agreements in excess of five (5) years when a genuine redevelopment is planned for a site. In order to do this, Council must first:

- serve at least 365 days' notice on the guests;¹¹ and
- put forward an offer to either purchase the guest's dwelling,¹² OR cover any reasonable costs that are associated with relocating the guest's dwelling.¹³

In order to ensure Council adheres to the statutory requirements outlined in s70A of the *Residential Parks Act 2007*, it is recommended that Administration serve a preliminary 'Notice of Intention to Redevelop' the Levi Caravan Park on all existing long-term guests once Administration proceeds to the Open Expressions of Interest Tender.

Noting that while an official 'Notice of Redevelopment' will need to be served upon the guests once any future redevelopment has received Development Approval, the preliminary 'Notice of Intention to Redevelop' allows the Council the opportunity to give advanced forewarning in excess of the mandatory 365 day notice.¹⁴

Options for Consideration

1. That pursuant to the requirements of s 201 (1) (b) of the *Retail and Commercial Leases Act 2002* Council officially advises the current Park Manager (Ryad Hill Pty Ltd) that at the end of the lease term, Council does not propose to offer a renewal or extension of the lease;
2. That Council engage an Independent Valuation Service to undertake a valuation assessment of all Manager owned assets located within the Park;
3. That in accordance with s 202 of the *Local Government Act 1999* Council undertakes the necessary statutory consultation process in order to obtain the community's feedback about the proposed alienation of Certificate of Title Volume 5874 Folio 181 (Levi Caravan Park) for a lease term in excess of five (5) years and up to and including 42 years;
4. That following the successful conclusion of Recommendation 3 Administration undertakes an open Expressions of Interest Tender process seeking out relevant industry bodies whom may have an interest in entering into a long-term lease over Certificate of Title Volume 5874 Folio 181 (Levi Caravan Park) for the purposes of investing in, redeveloping and managing the Park;
5. That in accordance with s 70A of the *Residential Parks Act 2007* Council simultaneously:
 - a. serves a preliminary 'Notice of Intention to Redevelop' on all long-term guests currently residing in the Levi Caravan Park;
 - b. serves an advanced 'Notice of Termination' on all long-term guests that have resided in the Park for less than five (5) years, advising them that they are required to vacate the Park no later than 30 November 2020;
6. That following the completion of Recommendation 1 to 5 a subsequent report be returned to Council for consideration and determination.

Option 2

That Council directs Administration to undertake the following alternate actions:

¹¹ *Residential Parks Act 2007*, s 70A (6).

¹² *Residential Parks Act 2007*, s 70A (3) (b).

¹³ *Residential Parks Act 2007*, s 70A (3) (c).

¹⁴ *Residential Parks Act 2007*, s 70A (6).

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Analysis of Options

Option 1

Provides a recommendation that is aligned with key focus area 2 of *2016 – 2020 Living in the Town of Walkerville: a strategic community plan* in that it commences the strategic process that seeks to redevelop Council's assets for the benefit of both community and visitors alike, and further seeks to deliver the best possible financial return from a community asset.

Option 2

Dependent on the nature of Option 2, it may prove inconsistent with the strategic vision for the site.

Financial Implications

Over the course of the past four (4) years, Levi Caravan Park has generated a total of **\$5,753,166** in total revenue, yet Council has only received a total of **\$1,881,895** by way of rental income (32.71%).

While both Scenario 1 & 2 (below) will likely require Council to assume interim management of the site thus resulting in addition staffing costs and overheads, it should be noted that all amounts previously paid to Ryad Hill Pty Ltd will be received by Council (estimated to be up to an additional \$400,000 per year).

Further, should a new Lessee / Developer be appointed after a successful EOI, any budgetary impacts will depend on whether the redevelopment is undertaken in stages or all at one time.

It should also be noted that the aging assets and service infrastructure within the Park will require ongoing and increasing repair as they approach end of usable life.

Assumptions and projections

Scenario 1: Third Party Redevelopment

Acting on the assumptions that:

- Council does not purchase the Manager's Cabins and infrastructure;
- The current 15 Manager Cabin sites are converted to Tourist Sites;
- 50% of Long-Term Park Guests will be evicted by November 2020; and
- Vale House will be closed for a period six (6) months for renovations;

It is expected that the total annual revenue generated at the Park will reduce by approximately \$449,561 (31.26%) in the 2020/21 financial year, and continue until such time the Park is redeveloped.

Scenario 2: Self-Managed

Acting on the assumptions that:

- Council does purchase the Manager's Cabins and infrastructure;
- 50% of Long-Term Park Guests will be evicted by November 2020; and
- Vale House will be closed for a period six (6) months for renovations;

It is expected that the total annual revenue generated at the Park will reduce by approximately \$250,900 (17.44%) in the 2020/21 financial year.

Community Implications

With the exception of the possible alienation of community land for a period up to and including 42 years, there are no perceived community implications association with this report. Any identified implications will be outlined in a subsequent report.

Regional Implications

There are no perceived regional implications association with this report.

Governance Implications

The recommendations outlined in this report ensures Council's statutory obligations are met for both the short and long term.

Preferred Option & Reasoning

Option 1 is the preferred option on the basis that it adheres to Council's statutory obligations and seeks to conduct the necessary processes that will assist with Council's future deliberations for the Park.

Attachments

Attachment A	Legal Advice re: Long-Term Guests
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Our Ref: JC1:LS2:M192308

8 October 2019

Corporation of the Town of Walkerville
 PO Box 55
 WALKERVILLE SA 5081

Attention: Scott Reardon**By email only: sreardon@walkerville.sa.gov.au**

Dear Scott

LEVI PARK CARAVAN PARK

Council has queried if it can terminate its current residential park site agreements for the purposes of redeveloping the Levi Park Caravan Park.

The below comments are provided on the basis that the Council's agreements are site agreements (and not tenancy agreements), and that the Council does not own another "Residential Park". If this is not correct, please let me know as it may change the advice provided.

The Residential Parks Act 2007 only applies to those whose 'principal place of residence' is in the Park.

Pursuant to s5(2) of the Act, the electoral role is taken to be proof (in the absence of proof to the contrary). Contradictory evidence may be argued by a lack of electricity consumption and lack of visual presence from surrounding sites and the Park Manager. Contradictory evidence would need further discussion, beyond this email.

Due to recent legislative changes, residents who have occupied the Park for more than 5 years now have additional protections. This email therefore distinguishes between those residents using the Park as their 'principal place of residence' for less than 5 years and those for 5 years or more.

Based on the electoral role search carried out by us in June 2019, and the information provided, it seems that the following residents have been in occupation for less than 5 years:

- Mr and Mrs Stephen Swan
- Terry and Irene Ward
- Paul Stringer

Adelaide

Level 5, 80 King William Street
 Adelaide SA 5000

GPO Box 74 Adelaide SA 5001

P 08 8414 3400
 F 08 8414 3444

Port Lincoln

11 Mortlock Terrace
 Port Lincoln SA 5606

PO Box 411 Port Lincoln SA 5606

P 08 8682 3133
 F 08 8682 6030

Clare

165 Main North Road
 Clare SA 5453

PO Box 671 Clare SA 5453

P 08 8842 1833
 F 08 8842 1811

Regional Offices**(By appointment only)**

Barossa Valley, Bordertown,
 Kadina, Keith, McLaren Vale

P 1300 414 414
 F 08 8414 3444

- John and Kay Unwin
- Brenton and Marcia Powell

As the above listed persons occupy under a current fixed term agreement (expiring 30 November 2020) their tenancies can be terminated by at least 28 days' notice prior to expiry of the fixed term (pursuant to s72 of the Act). If notice is given after expiry of the fixed term agreement, then at least 90 days' notice will be required.

The attached Form prepared by Consumer and Business Services can be used to terminate the agreements.

Based on the electoral role search carried out by us in June 2019, and the information provided, it seems that the following residents have been in occupation for more than 5 years:

- Stuart Hamilton
- Greg Schultz (not clear if the Park is his 'principal place of residence')
- Richard Hewitt-Banks
- Terry Davies
- David and Anita Wade (not clear if the Park is his 'principal place of residence')
- Brad Baker (not clear if the Park is his 'principal place of residence')
- Rod and Ronnie Hunter (not clear if the Park is his 'principal place of residence')

If there are any other residents residing at the Park and not named above, please let us know.

Where the site is the 'principal place of residence', the above mentioned occupancies can be terminated for redevelopment reasons, provided that:

1. the redevelopment cannot be completed in a safe and efficient way unless the resident vacates; and
2. the Council and the Resident reach agreement (at the expense of the Council) for Council to either:
 - (a) purchase the dwelling owned by the Resident on termination of the site agreement; or
 - (b) relocate the resident for a dwelling owned by that resident,

noting that pursuant to s70A(4), a resident cannot unreasonably refuse an offer made by the Council, and pursuant to s70A(5) either the Council (as park owner) or the resident may apply to the Tribunal if they cannot agree; and

3. at least 365 days' notice is given (which time period may be extended by the Tribunal). In an attempt to avoid time extensions, a "Notice of Intention to Terminate for Redevelopment" should be given for greater transparency and increased notice. This may of course, have some political challenges.

8 October 2019

The right to terminate for redevelopment should only be exercised where there is a genuine proposal to redevelop the Park within a reasonable period of time after the occupancy agreements have been terminated.

We have not commented on the specific provisions the Council must comply with pursuant to Schedule 8, section 9 of the Local Government Act, and understand these requirements are under discussion with the Minister at the moment.

If any other advice is requested at this time, please contact me.

Yours faithfully
MELLOR OLSSON



JANINE CARROLL
Partner

Email: jcarroll@molawyers.com.au
Phone: (08) 8414 3411 (Adelaide)