

Meeting: Council
Title: Levi Park Caravan Park
Responsible Manager: General Manager, Heather Barclay
Author: General Manager, Heather Barclay
Type of Report: **Decision Required**

Item No: 16.1.3
File No: 16.51.4.11
Date: 17 August 2015
Attachment: A

Recommendation

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) (d) of the Act being:

information the disclosure of which -:

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest;

Recommendation (Public)

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except, Chief Executive Officer, Kiki Magro, General Manager Heather Barclay and Governance, Protocol & Compliance Officer, Deb Bria be excluded from attendance at the meeting for Agenda Item No.16.1.3 Levi Park Caravan Park.

The Council is satisfied that, pursuant to section 90(3)(d) 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 prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances.

Recommendation (Confidential)

Moved:

Seconded:

That Council resolves - :

1. The Managers of Levi Park Caravan Park, *Ryad Hill Pty Ltd*, be formally advised that Council has acknowledged their request dated (received) 17 April 2015 for an extended term of 21 years, and in accordance with the Local Government Act 1999 (Section 202), will **not** allow the current lease to exceed a period of 21 years in entirety, and;

At the cessation of the current Agreement with *Ryad Hill Pty Ltd*, Council desires to 'test the market' via an open tender process for the Management of the Levi Park Caravan Park or variation thereof, acknowledging the provision of Schedule 8, clause (9) of the Local Government Act 1999,

2. The Managers of Levi Park Caravan Park, *Ryad Hill Pty Ltd*, be formally advised that Council will complete a 'condition assessment' of assets within the Levi Park Caravan Park Site, and seek to clarify lessee and lessor responsibilities during 2015/16.
3. The Managers of Levi Park Caravan Park, be advised that following adoption of its 2015/16 budget, (including allocation for Cabin Up-Grades - \$20,000, and Sewer Up-Grade \$195,000), Council will work collaboratively to deliver up-grades to minimise disruption to business.
4. Council considers allocating funds within the 2016/17 budget, for the development of a Masterplan for the Levi Park site, which considers future operating models for the site, is aligned to the Local Government Act provisions (above), and is consistent with Councils community land management plan for the site.
5. The Levi Park Caravan Park, Working Party established by resolution in May 2015, be maintained for the term of the current Council, and meet as required, to contribute to the above program.

Recommendation (Confidential)

Moved:

Seconded:

That the Council, having considered the said information or matter in confidence under Part 3 of Chapter 6 of the Local Government Act 1999, orders, pursuant to Section 91(7) of the Local Government Act 1999, that Agenda Item No.16.1.3 Levi Park Caravan Park and any other documentation relative to the report to be retained in confidence including minutes in relation to this Agenda Item No.16.1.3 and minutes relating to this Agenda Item No.16.1.3 be kept confidential until the matter has been finalised and that pursuant to Section 91(9)(c) of the Local Government Act 1999 the Council delegates to the Chief Executive the review and power to revoke this Order.

Recommendation (Confidential)

Moved:
Seconded:

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

Purpose of Report

The purpose of this report is to respond to Council's resolution/s regarding this matter in May 2015, and provide recommendations in relation to the formal proposal received from Ryad Hill Pty Ltd (Managers of the Levi Caravan Park), dated (received) 17 April 2015, requesting Council grant a lease extension including a further 21 year lease, to commence at the expiration of the existing lease term (30th November 2015), for Management of the Levi Park Caravan Park.

Relevance to Strategic Plan and / or Corporate Plans

Living in the Town of Walkerville; Sensitive environments and development;

Objective 2: Promote Development in balance with the natural environment

Background

Members may recall a report to Council in May 2015, including a proposal received from Ryad Hill Pty Ltd (Managers of the Levi Caravan Park), dated (received) 17 April 2015, requesting Council grant a lease extension including a further 21 year lease, to commence at the expiration of the existing lease term (30th November 2015), refer **Attachment A**.

Ryad Hill Pty Ltd, entered into an Agreement with the Town of Walkerville (Council) for a term of 15 years commencing on the 1st day of December 2000 and expiring on the 30th day of November 2015, to manage the Caravan Park on behalf of the Council, subject to the conditions set out in the Agreement.

The Agreement refers; that the Manager shall be entitled to an extension of the term of Agreement for a further period of five (5) years commencing on the 1st day of December 2015 ("the extended term"), provided the Manager has complied with the conditions of Agreement.

In order to invoke "the extended term", the Manager must give notice to the Council in writing of its desire to extend the term. This notification occurred on 2nd June 2014, wherein the Manager formally gave notice (in writing) of their intention to exercise their right to extend the term of the Agreement by 5 years to 30th November 2020.

In relation to the request to extend the term of the lease, including a further 21 year lease; the Council resolved the following on 18 May 2015;

- 1. To receive and note the proposal from Ryad Hill Pty Ltd, received on 17 April 2015, including a proposal to Manage the Levi Caravan Park on behalf of Council for an extended term;*

2. *To undertake a condition assessment of the 'site', known as Levi Caravan Park forthwith;*
3. *That the Administration prepare a further report to Council (by 30 August 2015) on Levi Caravan Park, which;*
 - a) *considers the Ryad Hill Pty Ltd proposal, contextual with their existing lease agreement with Council, and the objectives of Council's Contracts and Tender Policy, in terms of (but not, limited to), accountability, fair, competitive and non-discriminate procedures and process, and;*
 - b) *presents options to Council for consideration, aligned to Local Government Act provisions for the Levi Caravan Park, considerate of Council's Lease and License Policy for Community Land and Buildings, and Council's Contracts and Tender Policy;*
4. *Ryad Hill Pty Ltd be advised that Council has received and noted their letter dated 2nd June 2014 and proposal (received on 17 April 2015) in 1. above, and will formally consider the same by 30 August 2015.*
5. *To assist in facilitating 3. above, Council establish a Working Party comprising three (3) Elected Members and two (2) Council Officers*
 - a. *Officers shall be the CEO or nominee (appointed by the CEO), and one (1) other Officer nominated by the CEO*
 - b. *Elected Members will be; Mayor Ray Grigg, Councillor Fricker and Councillor Webster*
 - c. *The term of the Working Party will be for an initial period of three months, commencing on 19th May 2015*
 - d. *The Working Party will have no decision making powers*

Issues for Consideration

In order to progress development of further report to Council on this matter, the Working Party (Elected Members, CEO and Acting General Manager) met with the Caravan Park Managers, Ian and Marie Baum, on 29th June 2015.

Ian and Marie Baum facilitated an in-depth (3 hour) tour of the site, including a tour of cabins (older and new), amenities, caravan and camping sites, facilities and apartments (Vale House). The tour culminated in a discussion on potential next-steps.

The Administration advised that pursuant to Section 202 of the Local Government Act 1999 and Councils own Policy for Leasing and Licencing of Community Land and Buildings, a lease or licence may be granted for a term not exceeding 21 years, and the term of the lease or licence may be extended, but not so that the term extends beyond a total of 21 years, (*noting the existing Agreement would be equivalent of a term of 20 years, at cessation on 30 November 2020).

In this regard, Ian and Marie were advised that at the cessation of the Agreement on 30 November 2020 (or before via negotiation), Council would be required to 'test the market', via

an open tender process for provision of the service, to ensure good governance, fairness, equity and non-discriminate competition in relation to the lease for Management of the Levi Park, Caravan Park site.

Council confirmed that Ian and Marie Baum's existing Agreement, including, 'extended term' to 30th November 2020, would stand, however, should they wish determine their potential for continuity through competition (following a tender process), sooner than later, in order they can consider their proposed future investment in the site earlier, or not at all, Council would be open to discussion on the cessation of the current lease at an earlier date than 30th November 2020.

In addition, to the above, Council indicated that as part of preparing for the future competitive process, it would likely seek to develop a Masterplan for the site, but in the first instance finalise a condition assessment at the site.

The Managers were also advised that subject to Council adopting its 2015/16 budget, funds were set aside for Cabin Up-Grades (\$20,000), and Sewer Up-Grade (\$195,000).

Council has subsequently adopted the budget (20 July 2015), and planning for the Cabin and Sewer Program has commenced.

Options for Consideration

Based on the discussions of the Meeting with Ian and Marie Baum and the Working Party, it is recommended that Council considers the following;

1. The Managers of Levi Park Caravan Park, *Ryad Hill Pty Ltd*, be formally advised that Council has acknowledged their request dated (received) 17 April 2015 for an extended term of 21 years, and in accordance with the Local Government Act 1999 (Section 202), will **not** allow the current lease to exceed a period of 21 years in entirety, and;

At the cessation of the current Agreement with *Ryad Hill Pty Ltd*, Council desires to 'test the market' via an open tender process for the Management of the Levi Park Caravan Park or variation thereof, acknowledging the provision of Schedule 8, clause (9) of the Local Government Act 1999, viz;

Levi Park

- (1) *Levi Park is classified as community land and the classification is irrevocable.*
- (2) *The Corporation of the Town of Walkerville must continue to maintain Levi Park for the benefit of the community as a public park.*
- (3) *The council -*
 - (a) *must preserve for as long as possible the Moreton Bay fig tree growing in the park; and*
 - (b) *must maintain and preserve Vale House for the benefit of the community; and*
 - (c) *must maintain and preserve the caravan park and camping ground in the park; and;*
 - (d) *must not alter the nature of the use of the park, or of any part of the park, without the approval of the Minister.*

These matters must be addressed in the management plan for the park.

- (4) *In this clause -*
Levi Park or the park means the whole of the land comprised in Certificate of Title Register Book Volume 1601 Folio 134 and Volume 2995 Folio 177.

2. The Managers of Levi Park Caravan Park, *Ryad Hill Pty Ltd*, be formally advised that Council will complete a 'condition assessment' of assets within the Levi Park Caravan Park Site, and seek to clarify lessee and lessor responsibilities during 2014/15.
3. The Managers of Levi Park Caravan Park, be advised that following adoption of its 2015/16 budget, (including allocation for Cabin Up-Grades - \$20,000, and Sewer Up-Grade \$195,000), Council will work collaboratively to deliver up-grades to minimise disruption to business.
4. Council considers allocating funds within the 2016/17 budget, for the development of a Masterplan for the Levi Park site, which considers future operating models for the site, is aligned to the Local Government Act provisions (above), and is consistent with Councils community land management plan for the site.

Councils Community Land Management Plan No. 4, Levi Park, refers;

- *The land is owned by the Town of Walkerville as a freehold estate.*
- *The land is not known to be affected by a Native Title Claim, by any Trusts, Reservations or Dedications.*

The purpose for which the land is held is not limited to, Tourist accommodation (Caravan Park).

It is a requirement that Council ensures the Caravan Park facilities and infrastructure is maintained to an acceptable standard, that the Moreton Bay Fig Tree is inspected and maintained and that Vale House is preserved and maintained.

5. The Levi Park Caravan Park, Working Party established by resolution in May 2015, be maintained for the term of the current Council, and meet as required, to contribute to the above program.

Analysis of Options

Any future scenarios for the management or lease, or otherwise for the Levi Caravan Park, should be considered in the context of a full analysis of future options, as part of Master planning for the site.

Financial and / or Risk Implications

The current lease/agreement with Ryad Hill Pty Ltd, will continue until 30th November 2020.

The proposed process (above) including condition assessment and Master Planning will enable Council to explore and evaluate a range of options for the Levi Park site in the lead up to the cessation of the lease/agreement with Ryad Hill Pty Ltd.

Social

Development of options for Levi Park Caravan Park must be considerate of and comply with Schedule 8 Clause (9) of the Local Government Act for Levi Park and to Councils own Community Land Management Plans.

Environmental

Per above (Social)

Governance

Any new lease or future opportunities must be developed in compliance with Council's policies and procedures, and Schedule 8 Clause (9) of the Local Government Act.

Preferred Option & Reasoning

Council has previously resolved (May 2015) that it advise *Ryad Hill Pty Ltd*, in relation to their request for a management lease/agreement extension by 30th August 2015.

Informally, the Levi Park Caravan Park Working Party, established in May 2015, advised the Levi Park Caravan Park Managers that Council, pursuant to the Local Government Act and Council policy, that the existing lease/agreement cannot extend beyond 21 years in entirety.

The recommendations contained in 'Options for Consideration' are presented for adoption, in order that *Ryad Hill Pty Ltd*, can adequately undertake business planning and consider future investment strategies.

Attachment A – Correspondence (incl proposal), Ryad Hill Pty Ltd, received 17 April 2015

