



Item No: 16.1

File No: 16.51.4.3

Date: 15 October 2018

Attachment: Nil

Meeting: Council

Title: Comparative market analysis Bowling & Community Club

Responsible Manager: Group Manager of Corporate Services, Katy Bone

Author: Property & Contracts Officer, Katy Bone

Key Focus Area 3 & 4: Transparent and accountable local tier of Government that is respected for its forward thinking approaches and cross council collaborations; and, Healthy connected and inspired community

Type of Report: Information Report

Pursuant to Section 83(5) of the *Local Government Act 1999*, the Acting 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) being commercial information of a confidential nature the disclosure of which could reasonably 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)(d)

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Council's Chief Executive Officer Kiki Magro, Group Manager Corporate Services Katy Bone, Property and Contracts Officer Kate Arthur and Council Secretariat Jayde Hanna be excluded from attendance at the meeting for Agenda Item Walkerville Bowling & Community Club Lease Renewal.

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 commercial information of a confidential nature (not being a trade secret) 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.

Recommendation (Public)

That Council receive and note the comparative market analysis for leasing fees that are similar in nature to the Walkerville Bowling & Community Club.

Recommendation (Public)Pursuant to s.91(7)

That having considered Agenda Item 'Comparative market analysis Bowling & Community Club' in confidence under section 90(2) and 90(3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report relevant to this Agenda Item be retained in confidence for a period of 12 months, excepting that Council authorises the release of the minutes and that pursuant to Section 91(9)(c) of the *Local Government Act 1999* the Council delegates to the Chief Executive Officer the power to review and revoke this Order;

and

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.

Summary

This report serves to provide Elected Members further information pertaining to the current market trends demonstrated amongst neighbouring Councils with respect to Council owned assets, functioning as community recreational facilities and clubs.

It should be noted that this report is presented in confidence as the information was presented to administration on the basis that it would be retained 'commercial in confidence'.

Background

At the Council meeting held on the 17 September 2018 Council resolved the following;

CNC120/18-19

That the item be deferred for a future Council meeting pending further information.

Council requested information on the leasing fees for similar assets owned by neighbouring Councils as a comparison to Walkerville Bowling & Community Club.

It is evident by the information obtained that it is common for Council's to establish leases for similar assets on a 'peppercorn' basis. With the exception of few, namely City of Unley, City of Tea Tree Gully & City of Marion, it is evident that market rental values are not generally obtained due to a variety of discounts and rebates provided to Lessee's, which are determined by selection criterias within the Leasing & Licensing Policies adopted.

Comparative market analysis of assets of similar nature to Walkerville Bowling & Community Club as follows:

Council	Asset	Leasing Fee (EXCL. GST)	Applicable Policy & Clause	
Town of Walkerville	Walkerville Bowling & Community Club	\$1,527.00	Lease and Licence for Community Land and Buildings Policy	
City of Salisbury	Salisbury Bowling Club	\$1 + Outgoings	Club Fee Policy	Rent calculated on 0.3% of the replacement value of the primary building leased, furthermore fee calculated on 5% of an averaged reserve maintenance cost at the commencement of the lease the annual fee for playing fields is calculated on 5% of an averaged reserve maintenance cost at the commencement of the lease;
City of Holdfast Bay	Brighton Croquet Club	\$838 + Outgoings	Commercial Leasing & Licensing Policy	Rent determined by independent valuation prior to negotiations with Lessee which is based upon a value which would be reasonably obtained
City of Marion	Marion Sports & Community Club Incorporated	\$15,000 + Outgoings	Leasing & Licensing Policy	Initial rent is determined based upon market rate. Lessee's, based upon selected criteria, are eligible for discounts of up to 93%. A minimum fee of \$1,000 (excluding GST) per annum shall be payable should the market rate and subsidy be calculated at less than \$1,000.
Unley Council	Sturt Bowling Club	\$2,631.44 + Outgoings	Property Management Policy	Lease and license fees are established as a percentage of the assessed Capital Replacement Value of the property, fixed at 1% for local community groups, 3% for state-wide bodies and 8% for semi commercial groups. A minimum fee of \$750 (excluding GST) per annum shall be payable should the market rate and subsidy be calculated at less than \$750.
City of Tea Tree Gully	Modbury Bowling Club	\$1 + Outgoings	Leases and Licences to Sporting and Community Organisations Policy	Annual rent is calculated at 6% of the current value of the leased site as per Council's asset register. Also, the fee will be determined based upon the length of tenure, and subsequent increases at renewal be indexed by the Consumer Price Index on an annual basis.
City of Burnside	The Kensington Marryative Bowling Club	\$1 + Outgoings	Leasing & Licensing of Community Facilities	Where a facility is to be used by a community organisation that will deliver a community service to our residents, including sporting and social opportunities, a peppercorn rent of \$1 per annum will be applied.

City of Norwood & St Peters	Trinity Gardens Bowling Club	\$10 + Outgoings	No Existing Policy	Common trends amongst sporting and community clubs is a peppercorn arrnagment of between \$10 - \$100 per annum
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