



Item No: 16.1.5
File No: 16.55.1.30
Date: 21 November 2016
Attachment: A

Meeting: Council

Title: Community Land Management Plans and Leases and Licences Up-Date Report, 21 November 2016

Responsible Manager: Heather Barclay, General Manager

Author: Heather Barclay, General Manager

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 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.

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 the Council's Chief Executive Officer, Kiki Magro, the General Manager, Heather Barclay, Manager Finance, Gary Lewis and the Protocol, Compliance & Governance Officer, Deb Bria be excluded from attendance at the meeting for the report on Lease and Licences.

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 that is 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.

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 because the matter may prejudice the commercial position of the person who supplied the information.

Recommendation (Confidential)

1. That the Lease and Licence Up-Date Report, 21 November 2016, be received and noted.

Recommendation (Public)

Pursuant to s.91(7)

That having considered the Agenda Item, Lease and Licence Up-Date Report, 21 November 2016 in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report entitled Lease and Licence Up-Date Report, 21 November 2016 relevant to this Agenda Item be retained in confidence until such time as the subject matter of the report has been resolved (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* Council and re-admit the public.

Summary

The Administration has commenced work towards implementing Councils decisions of 27 September 2016. This report provides an up-date on progress to date.

Background

At its Special Meeting on 27 September 2016, Council made decisions in relation to it's Community Land Management Plans (CLMP's) and Lease and Licences;

Council specifically resolved the following;

CNC130/16-17

1. *That Council receives and notes the Community Land Management Plans and Leases and Licences Review Report, 27 September 2016.*

CNC131/16-17

2. *That Council adopts "in principle" the Draft Community Land Management Plans (Attachment A), and authorises Administration to seek community feedback on same for a period of not less than one month, with consultation including directly sending the draft CLMP's to all existing lessee's of Council land and property with the following global amendments;*
 - *Remove acknowledgement notes*
 - *Amend the references in legislative framework to "Council is committed to considering opportunities and improvements to the land and its facilities where possible.*

CNC132/16-17

3. *That Council receives and notes the legislative & policy framework for community and other land / property holdings (Attachment B).*

CNC133/16-17

4. *That Council receives and notes the land and property portfolio strategic directions document (confidential draft) (Attachment C).*

CNC134/16-17

5. *That Council makes the following decisions in relation to the land and property portfolio strategic directions document (confidential draft) (Attachment C);*

- a) *Council adopts Option c), of Attachment C for Walkerville Oval (lawn bowls area), 24 Smith Street, Walkerville.*

CNC135/16-17

- b) *That Administration provide a further report on a preliminary scope for a discussion paper concerning investigating future opportunities for Smith Street and Fuller Street.*

CNC136/16-17

- c) *Council adopts Option a), of Attachment C for Walkerville Oval, 24 Smith Street, Walkerville.*

CNC137/16-17

- d) *Council adopts Option a), of Attachment C for Creswell Reserve Sports and Recreation.*

CNC138/16-17

- e) *Council adopts Option a), of Attachment C for Levi Park, 1A Harris Street, Vale Park.*

CNC139/16-17

- f) *Council adopts Option a), of Attachment C for Walkerville Oval 13 Alfred Street, Walkerville.*

CNC140/16-17

- g) *Council adopts Option a), of Attachment C for Levi Oval, 1A Harris Street, Vale Park*

and; directs the Administration to commence work on development of the options (above), concurrently with the finalisation of the Councils revised CLMP's

The purpose of this report is to provide Members an update since the above decisions.

To date the Administration has taken the following steps towards implementation of the Councils decisions;

1. Administration has written to each existing Lessee/Licensee to advise each regarding Councils decision in relation to their specific circumstances
2. Wallmans Lawyers have been directed to commence development of draft Leases and Licences (as the basis for discussion), with the following Lessee's/Licensee's;
 - a. Walkerville Bowling and Community Club (short term lease)
 - b. Walkerville Sports Club (short term lease over building and short term licence over grounds/pitches)
 - c. Walkerville Lawn Tennis Club (5+5 year lease)
 - d. Walkerville Pre-Kindy (short term lease)
 - e. St Andrews School (short term licence)

Concurrently, draft lease schedules are being developed (to prescribe roles and responsibilities of lessee and landlord) and dis-closure statements to prescribe expected outgoings.

Meetings are expected to be held with leasee's on the content of the draft documentation developed (above) starting in late November 2016.

3. A Meeting has been convened including CEO/General Manager and a Strategic Adviser to commence discussions on developing the proposed approach and timing for;
 - a. The Smith and Fuller Street sites
 - b. The Walkerville Oval Precinct
 - c. Levi Park Caravan Park (master planning / RFP approach)
 - d. Pre-kind market/tender approach
4. Administration has convened meetings with each existing Lessee/Licensee to touch base (on a face to face basis), to provide a more detailed description of Councils decisions and to outline expected next steps.

As it relates to Meetings held, an up-date was provided in the weekly round up on 4 November 2016, refers;

Friday, 4 November 2016

Community Land Management Plans and Leases and Licences

Further to Councils decisions on 27 September 2016, regarding Community Land Management Plans (CLMP's) and Leases and Licences the following is provided as an up-date;

- CLMP's are currently subject to consultation (refer other advice within this Weekly Round-up)
- Following decisions regarding individual land holdings in September 2016, the Administration has written to all existing lessee's and advised them of the individual decisions pertaining to their specific Lease or Licence (all lessee's have been advised that the decisions and information provided is confidential and is provided only to enact the decisions of Council).
- As part of the above letter, each existing lessee has been invited to provide comment on the CLMP's currently out on consultation.
- In addition, to receipt of the advice in writing, the General Manager is progressively meeting with each lessee/licensee, to provide further advice in relation to expected timing and process towards enactment of the Councils decisions.
- Concurrently, the General Manager is working with Wallman's Lawyers, on the development of draft leases/licences for discussion with Lessee's/Licensee's
- To date the General Manager has met with;
 - The Walkerville Lawn Tennis Club President – Members are advised that the Lawn Tennis Club are pleased with the Councils decision to offer a 5 + 5 Lease. It is expected that the Administration will finalise a draft lease with the Club during November and early December 2016, with the proposed

lease to be presented to Council for adoption in January 2017. The Club has indicated a desire for their lease fee to be fixed rather than percentage based. This, together with other matters will be addressed within the report to Council in early 2017, when the lease is presented for adoption or otherwise.

- Walkerville Sports Club President – Members are advised that the WSC supports the Walkerville Oval Redevelopment proposal and understands the short term lease offer on that basis, and wishes to work collaboratively with Council towards a redevelopment vision – The Administration has discussed the importance of getting the short term *Licence for the Oval* right, as it is likely that this will remain a constant and may be the basis for an on-going Licence dependent on future operating models. In relation to the Lease of the existing “Clubrooms”, both the WSC and the Administration discussed and recognised that under a potential redevelopment, the operating model for any Club Rooms or Facility may be somewhat different – Accordingly, the proposed short term Lease of the Building should be fit for purpose. There was agreement that discussion was required on “roles and responsibilities” and costs during the proposed short term lease. The President was advised that Wallman’s Lawyers was developing a draft lease and licence as a point for further discussion with another meeting expected with Club representatives in late November 2016, to discuss detail.
- INEA YMCA CEO and Board Representative (Tony Pederick) – The INEA YMCA was advised that Council’s decision meant that their current proposal for redevelopment of the Smith Street site remained on-hold, pending more strategic work by Council to consider potential opportunities for the Smith and Fuller Street site’s together (in context of Community Zone under the newly approved DPA for the Town Centre). The INEA YMCA raised concerns regarding their current lease tenure and timing of any future scenario’s – they outlined their desire to present proposals (for the two sites) to Council as part of any future procurement or EOI process, but also understood that they may not be the only contender for any possible redevelopment. Based on their existing lease, they remained concerned regarding timing to consider an exit strategy if they were not successful in a future opportunity. All in all their considerations were realistic, and the Administration committed to keeping the INEA YMCA informed – It was suggested by the Administration that Council would consider a process / discussion paper for next steps in early 2017. The INEA YMCA representatives were happy to be kept informed and appreciated the one – on – one communication.

- Meetings are scheduled with the Pre-Kindy (13 Alfred Street), Levi Park Caravan Park and St Andrews School in the coming days.

Subsequent to the above, Meetings have since been held with the Pre-Kindy (Cudmore’s), the Levi Park Managers and St Andrews School. The following, include a summary from those informal meetings;

- The Pre-kindy (Andrew and Sally Cudmore, “the Cudmore’s”) were advised that Council reinforced its decision to go to the Market/Tender for Childcare services to be delivered from 13 Alfred Street Walkerville (per their decisions in May and August 2015), but Council had also resolved to provide a short term lease to the Cudmores, while Council considers the Walkerville Oval Master Plan and goes to market for provision of Childcare.

The Cudmores were disappointed that they would not be provided an offer or opportunity of a 10 + 10 year lease without going to market. The Cudmores were advised that Council resolved to stand by its previous decisions, considering the legal framework within which it was bound, and on that basis has resolved not to allow a new lease to the same tenant without testing the market.

The Cudmores, asked whether a letter to Council (**Attachment A**), only received days before the Special Councils Meeting, on 20 September 2016, (including a business case proposal by them, whereby they would invest \$40K over ten years with Council contributing \$200K over the same period), was tabled at the Special Council Meeting (SCM). They were advised that the letter was intended to be presented as part of background information, but had been inadvertently not included in the documentation to the SCM. Notwithstanding, they were advised that Council had already made a decision to test the Market in 2015, and consideration of a Business Plan/Case would still not allow for the exploration of other options (for childcare) that may provide better value for the community, nor would it alleviate the need to consider/comply with the legal framework within which Council is bound. The Business Case is attached for Members reference.

- The Meeting with Levi Park Caravan Park Managers, was really a “touch-base”, as they clearly understand their tenure, and Councils intentions for Master planning / Tendering etc. They did however indicate that they would be grateful if they had knowledge of the program towards the concurrent items of “close-out” of existing lease and master planning and tender for new opportunities in order they could commence their own planning. The Mangers were advised that Administration has commenced a process towards development of a program for Councils consideration and once determined they would be informed (expected 2017).
- In relation to St Andrews School Licences of Walkerville Oval and Levi Oval, they have indicated a desire to work closely and directly with Council towards development of their short term licences. As it relates to utilising the Walkerville Oval they indicated a desire to have an agreement with Council rather than the WSC.

Attachments

Attachment A	Letter and Business Case from Andrew and Sally Cudmore
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16th September, 2016

3/1 Victoria Terrace,
Walkerville SA 5081

General Manager,
The Corporation of the Town of Walkerville,
66 Walkerville Terrace,
GILBERTON. SA 5081

Attention; Ms Heather Barclay

Dear Heather,

RE: 13 ALFRED STREET WALKERVILLE

In following up to your recent conversation with Andrew, we understand that at the next Council meeting this coming Tuesday 20th September that one of the items on the agenda is the ongoing issue of renewing business leases. It is fair to assume that our Walkerville Pre Kindy's lease will come up for discussion.

As you are aware we are very keen to establish a new 10 + 10 lease with the council.

We therefore would like to submit the outline of our Proposed Business Plan which includes our proposed financial investment objectives in support of our application to renew our lease.

Could you please kindly bring this to the Council's attention during this forthcoming meeting. Would you also please advise us when the Council will be able consider and make their determination regarding our request?

We are very keen to work with you to finalize our new lease as soon as possible.

Thank you very much for your help.

I await your reply,

Yours sincerely



Sally Cudmore
WALERVILLE PRE-KINDY

Walkerville Pre-Kindergarten

Proposed Business Plan

Objective / Vision

- Provide an ongoing commitment to uphold a quality child care service for the local community
- Enhance and add value to the Walkerville Pre-Kindy (WPK) business and property
- Ensure that all children's welfare and learning experience are of the industry's highest standard.

Child Care Environment

- Under the current licence regulation WPK is licenced for 30 children. This is determined by indoor/outdoor space available and the age range of the children in care. <http://www.a\cecqa.gov.au/>
- WPK is licenced under Registered Care, not Approved Care therefore a modest child care rebate is provided through Centre Link.
- WPK differs from neighbouring childcare services as it is not eligible for full government rebates. This is due to licencing restrictions bought about by the limitations with the physical size of the WPK building and outdoor play space available.
- There are more young families moving into Walkerville area and with the growth bought about by the council's Development Plan there has been and will be an ongoing and increasing need for a Pre-Kindergarten in Walkerville.
- Walkerville Pre-Kindy's occupancy has been primarily based on word of mouth and siblings attending, however with the population of Walkerville growing, e.g. the Watson Hotel/Apartments we are reaching out to a broader base of the community

Background

- The property was originally bequeathed to the Town of Walkerville to be used for a community purpose.
- Walkerville Pre-Kindy was established almost 30 years ago. Its initial intention was to provide a safe and secure play and learning environment for children of families in preparation for ongoing preschool education.
- Today WPK's intention is the same, however it now provides care for children from a wider community base and offers more flexibility in hours of care to assist working families
- Sally Cudmore has been the owner and Director of the WPK business for 17 years. During this time, it has established an excellent reputation for quality child care and education. Evidence of this is that many families have chosen to send all of their children from the age of 2 through to 5, until they move onto the next phase of their education

Strategic Objective

- Renew the lease and in doing so obtain a new 10 + 10 term
- Continue ongoing maintenance of the property
- Ensure WPK is compliant with the appropriate child care regulations for the ongoing attainment of accreditation and licencing.
- Improve the capability and value of the physical asset and provide an enhanced environment for the children
- Further grow the business's reputation and value to the community. Continuing to build and develop collaborative relationships with families and the local community.
- Liaising with the local community, e.g. St Andrews School, Walkerville Primary School, Library, neighbouring businesses and Council.
- Continue to ensure the WPK business is viable financially and profitable

Financial Objectives and Investment

- It is proposed the Council and the WPK each contribute the following funding to achieve the planned activities in these nominated time frames. (i.e. years, July to June)

Year	Council		WPK	
	Planned Investment	\$	Planned Investment	\$
1	Outside shade cloth Outside painting/general repairs Level off and replace cement outside veranda floor with alternative flooring	20,000	Paint indoor play area Landscaping <ul style="list-style-type: none"> • Sandpit replacement and paving of surrounding area • Shrubs and trees • Raised play stage New outdoor signs / street signs Set up internet access	4,000
2	Grass turf/paving around the sand pit. Level off entrance pathway	20,000	Upgrade WPK website, enhancing information & access for families Build new inside storage space New local community advertising to promote the benefits of the WPK to the community Landscaping <ul style="list-style-type: none"> • Terraced seating • Cement/stone pathways • Dry creek bed 	4,000
3	Awning on the side access of the building to create a new play space PVC blinds inclosing the outdoor verandah to create a weather proof play space	20,000	Office partitions Service and enhance air-conditioning/heating	4,000
4	New gate at the back of the property to enclose bin/storage area	20,000	Creating a sustainable garden area e.g. herbs, vegetables etc.	4,000
5	Sliding doors across frontage of property for indoor/outdoor access for the children	20,000	Hot water service replacement and/or heating and air-conditioning	4,000
6	New roof	20,000	Permanent indoor shelving Electric sunshade/awning	4,000
7	New lino flooring	20,000	Electric sunshade/awning	4,000
8	Incorporating outdoor space alongside Alfred Street to be utilised as indoor/outdoor play space	20,000	Separate parent interviewing area/office	4,000
9	Upgrade fences and safety gate	20,000	Carpeting in the play area	4,000
10	Add additional shade clothes	20,000	Additional landscaping e.g. adventure playground	4,000

The above Objectives/Upgrades to be interchanged as required.