



Item No: 19.3

Date: 18 June 2022

Attachment: A

Meeting:	Council
Title:	Strategic Property & Leasing Review – Saints Gymnastics Club
Responsible Manager:	Acting Chief Executive Officer, Scott Reardon
Author:	Acting Chief Executive Officer, Scott Reardon
Key Pillar:	Strategic Framework – Key Pillar 4 – Assets – Continue to provide for and maintain a good standard of assets and public infrastructure
Key Focus Area:	Financial Guiding Principle 4 – Robust and transparent allocation and prioritisation of resources
Type of Report:	Decision Required

Pursuant to Section 83(5) of the *Local Government Act 1999 (Act)*, 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) Act on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(b)&(d) of the Act being information that could prejudice the commercial position of a person with whom Council is proposing to conduct business, and information that could confer a commercial advantage on a third party.

Recommendation (Public)

Pursuant to s90(3)(d)

Pursuant to section 90(2) of the Act the Council orders that all members of the public, Acting Chief Executive Officer Scott Reardon, Acting Manager Corporate Services Vikki Purtle, Group Manager Assets & Infrastructure James Kelly, Communications & Marketing Manager Sarah Spencer and Council Secretariat Danielle Edwards, be excluded from attendance at the meeting for Agenda Item 19.3 Strategic Property & Leasing Review – Saints Gymnastics Club.

The Council is satisfied that, pursuant to section 90(3)(b)&(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 a person whom Council is proposing to conduct business with and information that could confer a commercial advantage on a third party.

Recommendation (Confidential)

1. That Council receives and notes the Strategic Property & Leasing Review – Saints Gymnastics Club report.
2. That Council directs Administration to continue with formal negotiations with the Saints Gymnastics Club Inc. regarding their possible tenancy at facility located 39 Smith Street Walkerville once the planned refurbishment has been completed.
3. That Council directs Administration to undertake interim necessary works to the basketball stadium and the adjacent amenities to allow for the Saints Gymnastics Club to occupy and utilise

the facility from 30 November 2022, while the refurbishment works are concurrently undertaken to the Gymnastics area of the facility;

4. That Council direct Administration to provide an update on the progress of negotiations to the Member for Adelaide, Lucy Hood.
5. That once the aforementioned recommendations 1 and 3 have been completed, a subsequent report, including timeline, be submitted to provide Council with an update.

Recommendation (Confidential)

Pursuant to s.91(7)

That having considered Agenda Item 19.3 Strategic Property & Leasing Review – Saints Gymnastics Club in confidence under section 90(2) and (3)(b)&(d) of the Act, the Council, pursuant to section 91(7) of that Act orders that the documents and minutes relevant to this Agenda Item be retained in confidence for 12 months or until the contract has been signed, 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 power to review and revoke this Order

and

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

Summary

The Saints Gymnastics Club Inc. (**Club**) was established in 1978, has since operated out of St Peters Girls School (**School**), and is presently one of the biggest gymnastics clubs in South Australia. Due to a redevelopment of the existing facilities at the School, the Club will no longer have a 'home' from December 2022 and is presently looking for an alternate location to continue to operate.

In January 2022 a representative from the Club first made contact with Administration regarding the possibility of accessing and leasing a portion of the 39 Smith Street building. Discussions continued over the course of the next few months with little progress due to plans for 39 Smith Street being in a 'holding pattern'.

Now however, as funds have been formally allocated to a large scale refurbishment of the facility, and the future scope of works for the site has been determined, it is deemed prudent for Council to endorse the recommendations of this report, as they will result in a beneficial outcome for Council, the Club, and the Community.

Background

There are no previous Council decisions associated with the Saints Gymnastics Club.

Discussion/Issues for Consideration

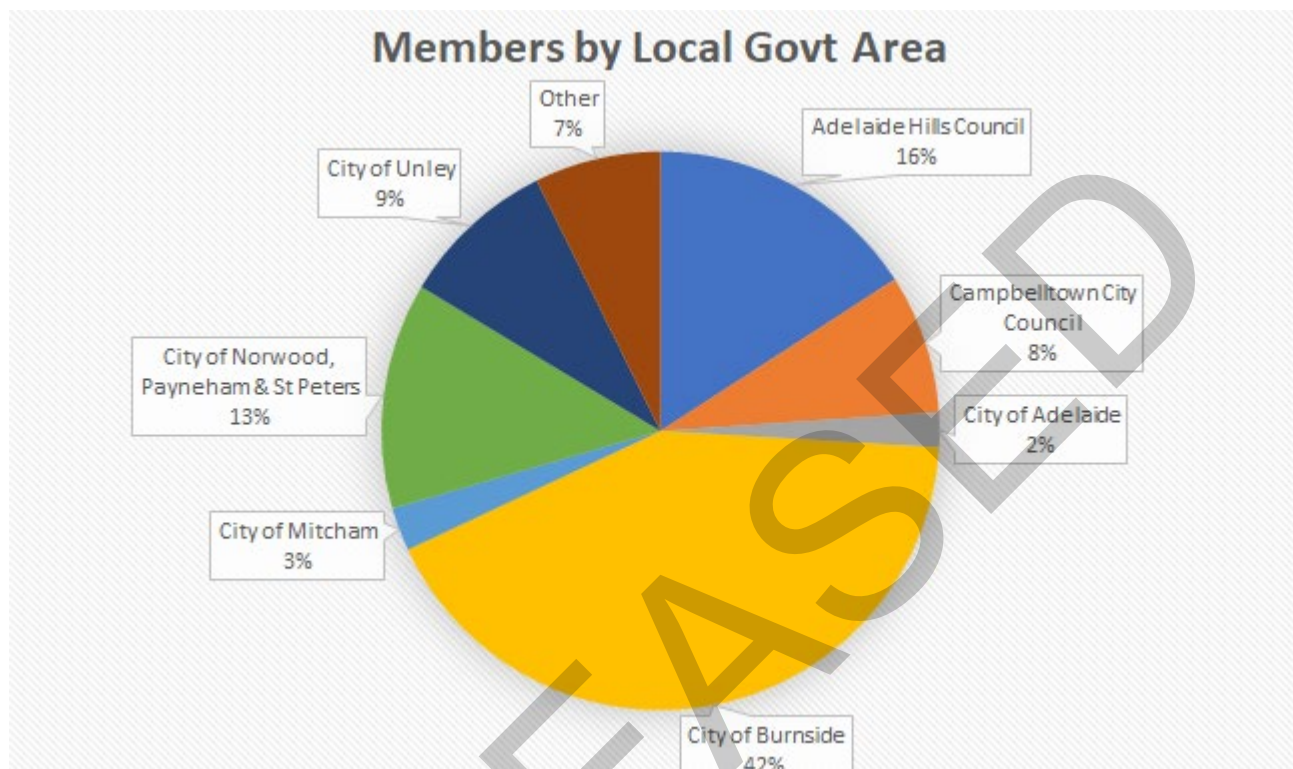
Membership based on Local Government Area

The Club currently:

- Operates 15 hours per week;
- Provides gymnastics classes to 315 active members comprised by:
 - 14% 4-5 year old children;
 - 60% 6-10 year olds children;

- 13% 11-15year olds youths;
- 11% 16-24 year olds young adults;
- Has over 200 people on a membership waitlist;
- Employs 47 casual staff; and
- Have cash reserves in excess of \$500,000.

The Clubs membership base is currently derived from the following local government areas:



Operations

Currently, the Club only has access to their current facility for 15 hours per week which is operationally restrictive. In allocating a standalone portion of the 39 Smith Street facility to the Club will allow them to expand operations and provide additional services to the community across varying age demographics, including but not restricted to: Fitter for life programs for over 55s; and Fundamental movement programs.

Lease – Anecdotal Rental

On Wednesday 18 May 2022, Administration facilitated a site visit of the 39 Smith Street facility with key members of the Club. The Club expressed their great enthusiasm at the possible opportunity of entering into a lease over a portion of the site.

Preliminary informal discussions with the Club indicate that in exchange for access to a portion of the facility, an annual Lease Fee of up to and including \$50,000 could be achieved; noting however that further discussions and negotiations are required before this can be formally confirmed.

Options for Consideration

Option 1

1. That Council receives and notes the Strategic Property & Leasing Review – Saints Gymnastics Club report.

2. That Council directs Administration to continue with formal negotiations with the Saints Gymnastics Club Inc. regarding their possible tenancy at facility located 39 Smith Street Walkerville once the planned refurbishment has been completed.
3. That Council directs Administration to undertake interim necessary works to the basketball stadium and the adjacent amenities to allow for the Saints Gymnastics Club to occupy and utilise the facility from 30 November 2022, while the refurbishment works are concurrently undertaken to the Gymnastics area of the facility;
4. That Council direct Administration to provide an update on the progress of negotiations to the Member for Adelaide, Lucy Hood.
5. That once the aforementioned recommendations 1 and 3 have been completed, a subsequent report, including timeline, be submitted to provide Council with an update.

Option 2

That Council directs Administration to undertake the following alternate action(s):

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Analysis of Options

Option 1 delivers an outcome that activate the 39 Smith Street site, as they will resulting in a beneficial outcome for Council, the Club, and the Community.

Financial Implications

There are no perceived Governance implications at this present time. However, Option 1 results in the potential generation of additional rental income of up to and including \$50,000 per year.

Community Implications

There are no perceived Community Implications at this present time.

Regional Implications

On the basis that the Club enjoys a membership base from across metropolitan Adelaide, Option 1 allows for the Club to potentially call Walkerville 'home' resulting in increased attendance of people to the Township, and likely economic stimulus to local businesses.

Governance Implications

There are no perceived Governance Implications at this present time.

Preferred Option & Reasoning

Option 1 is the preferred option as it delivers an outcome that activate the 39 Smith Street site, as they will resulting in a beneficial outcome for Council, the Club, and the Community.

Attachment

Attachment A	Saints Gymnastics Overview Report
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SAINTS

EST 1978



**SAINTS
GYMNASTICS
OVERVIEW**

OUR STORY

Established in 1978, Saints Gym Club is an Incorporated Association run in a not-for-profit capacity for the benefit of its members.

Operating out of the grounds of St Peters Girls School since establishment, **the club must find new premises by December 2022** when the school intends to redevelop its gymnasium. This presents the club with significant risk and opportunity. The risk is we are unable to find a suitable location and will cease to operate leaving many local children and young adults without gymnastics and jobs.

The opportunity is a dedicated facility where we can operate well beyond our current 15 hours per week, partner with other clubs and grow participation in a sport that helps people of all ages develop socially, emotionally, cognitively and physically.



ABOUT SAINTS GYMNASTICS



WE CURRENTLY OPERATE FOUR AFTERNOONS A WEEK AT A TOTAL OF 15 HOURS PER WEEK.



WE CURRENTLY PROVIDE GYMNASTICS CLASSES TO 315 ACTIVE MEMBERS.



WE HAVE 200 CHILDREN ON OUR WAIT LIST.



WE ARE FINANCIALLY STABLE WITH \$500,000 IN CASH RESERVES.



WE HAVE OVER 24,900 ATTENDEES TO THE CLUB PER YEAR AND EMPLOY 47 CASUAL STAFF.



WE CHAMPION WOMEN. WE DEVELOP PATHWAYS FOR FEMALE PARTICIPATION AND EMPLOYMENT, BOASTING A 89% FEMALE MEMBERSHIP AND WORKFORCE.



RELEASED

INVEST IN US

- We will Increase participation opportunities for people in the City of Walkerville.
- We will have the ability to run fitter for life for over 55s.
- We will have the ability to run fundamental movement programs.
- We will provide economic stimulus with visitors to the City of Walkerville as well as revenue to local businesses.
- We have the ability to co-share as part of a large facility or operate as a stand alone venue.
- We champion women in sport.
- We will provide more employment pathways for people in Walkerville.
- You will help us to **Keep Saints Gymnastics Alive!**



	2021	2020	2019
Total Income	\$ 490,898*	\$ 667,597*	\$ 413,579
General Expenses	\$ 98,058	\$ 61,720	\$ 129,611
Payroll Expenses	\$ 232,962*	\$ 462,934*	\$ 219,767
NET PROFIT	\$ 105,076	\$ 135,088	\$ 64,201

*figures inclusive of Government support and Jobkeeper

AGE PROFILE OF OUR MEMBERS



OUR GYM SPORTS



GYMNASTICS FOR ALL IS OUR RECREATIONAL GYMNASTICS PROGRAM FOCUSED ON FUN AND FITNESS FOR ALL AGES AND ABILITIES WITH INDIVIDUALS OR GROUPS DEMONSTRATING STRENGTH, AGILITY AND FLEXIBILITY.



AEROBIC GYMNASTICS IS OFFERED IN A RECREATIONAL OR COMPETITIVE FORMAT. IT IS FAST AND DYNAMIC WITH INDIVIDUALS OR GROUPS DEMONSTRATING STRENGTH, AGILITY AND FLEXIBILITY.



TUMBLING IS A SUBSET OF THE TRAMPOLINE GYMNASTICS GYM SPORT OFFERING PEAK AERIAL AWARENESS FOR BOYS AND GIRLS IN A COMPETITIVE ENVIRONMENT.



MEN'S ARTISTIC GYMNASTICS COMPRISES DARING SKILLS OF STRENGTH AND POWER FOR BOYS ON SIX APPARATUS IN A COMPETITIVE FORMAT.



WOMEN'S ARTISTIC GYMNASTICS INCLUDES THE DEVELOPMENT OF EXPRESSIVE AND POWERFUL SKILLS FOR GIRLS ON FOUR APPARATUS IN A COMPETITIVE FORMAT.





RELEASED