

MINUTES

Property Committee Meeting

11 August 2020

Committee Members

Here within are the Minutes of the Property Committee Meeting held Tuesday 11 August 2020 in the City of South Perth Council Chamber, corner Sandgate Street and South Terrace, South Perth.

As this Committee does not hold Delegated Powers or Duties in accordance with Section 5.23 of the Local Government Act 1995 the meeting was not open to the public.



GEOFF GLASS
CHIEF EXECUTIVE OFFICER

12 August 2020

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Property Committee Meeting - Minutes

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 6.01pm and welcomed everyone in attendance.

2. ATTENDANCE

Elected Members

Mayor	Greg Milner
Como Ward	Councillor Carl Celedin (Presiding Member)
Manning Ward	Councillor André Brender-A-Brandis
Mill Point Ward	Councillor Ken Manolas

External Members

Mr Lewis Brock
Mr Nigel McCombe

Guests

Jackson McDonald	Mr Simon Moen (left 6.25pm)
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Officers

Chief Executive Officer	Mr Geoff Glass
Acting Director Corporate Services	Mr Jeff Jones
Director Development and Community Services	Ms Vicki Lummer
Director Infrastructure Services	Mr Mark Taylor
Manager Business and Construction	Ms Jac Scott
Manager Governance	Ms Bernadine Tucker
Governance Coordinator	Ms Toni Fry
Recreation Development Coordinator	Ms Jennifer Hess
Project Director – RAF	Ms Beverley Davies
Governance Officer	Ms Mieke Wevers
Governance and Facilities Officer	Ms Shonay Mitkus

2.1 APOLOGIES

Como Ward	Councillor Glenn Cridland
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2.2 APPROVED LEAVE OF ABSENCE

Nil.

3. DECLARATIONS OF INTEREST

- Mayor Greg Milner – Impartiality Interest in Item 7.1 as “I am the patron of the CoSP Historical Society”.
- Councillor Ken Manolas – Impartiality Interest in Item 7.1 as he was a “Previous member of City of South Perth Historical Society”.

- Chief Executive Officer, Mr Geoff Glass – Impartiality Interest in Item 7.1 as “As CEO I am a member of the South Perth Historical Society”.
- Councillor Carl Celedin – Impartiality Interest in Item 7.3 as “I am a Social Member of the Como Bowls Club. I rarely attend the Club except on the odd occasion (once or twice a year). I do not believe that this constitutes enough reason not to participate in this item. I declare Impartiality Interest and plan to remain in the chamber during this item”.
- Councillor Carl Celedin – Impartiality Interest in Item 7.4 as “I attended Trinity College however I have had nothing to do with the Trinity Aquinas Amateur Football Club during my time attending the school or since. I plan to remain in the chamber during this item”.
- Mayor Greg Milner – Impartiality Interest in Item 7.7 as “I have previously been employed by a law firm engaged by Devwest. Devwest is related to Bradshaw 9 Pty Ltd”.

4. CONFIRMATION OF MINUTES

4.1 PROPERTY COMMITTEE MEETING HELD: 17 February 2020

Officer Recommendation AND COMMITTEE DECISION

Moved: Mayor Greg Milner

Seconded: Councillor André Brender-A-Brandis

That the Minutes of the Property Committee Meeting held 17 February 2020 be taken as read and confirmed as a true and correct record.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

5. PRESENTATIONS

- Mr Simon Moen from Jackson McDonald presented to the Committee on Item 7.7 Contract for Sale of Land in Manning.

Councillor Ken Manolas departed from the Chamber at 6.26pm prior to Item 6.

6. BUSINESS ARISING FROM PREVIOUS MEETING

Nil.

7. REPORTS

Councillor Ken Manolas returned to the Chamber at 6.28pm during Item 7.1.

Mayor Greg Milner, Councillor Ken Manolas and Chief Executive Officer Mr Geoff Glass each disclosed an Impartiality Interest in Item 7.1.

7.1 PROPOSED LEASE FOR THE CITY OF SOUTH PERTH HISTORICAL SOCIETY AT HERITAGE HOUSE, LOT 444, NO. 2 MENDS STREET, SOUTH PERTH

Location: 2 Mends Street, South Perth
Ward: Mill Point Ward
Applicant: Not Applicable
File Ref: D-20-47064
Meeting Date: 11 August 2020
Author(s): Shonay Mitkus, Governance and Facilities Officer
Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s): Vicki Lummer, Director Development and Community Services
Strategic Direction: Community: A diverse, connected, safe and engaged community
Council Strategy: 1.2 Community Infrastructure

Summary

To seek Council's approval to enter into a new lease with the existing tenant City of South Perth Historical Society for a five year term with an option of renewal for a further five year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mr Nigel McCombe
Seconded: Mr Lewis Brock

That the Property Committee recommends to Council that it:

1. Approves a new lease between the City of South Perth and the City of South Perth Historical Society at Heritage House, Lot 444, No. 2 Mends Street, South Perth subject to the following terms:
 - a. A term of five years;
 - b. A further term of five years;
 - c. An annual rental of \$1.00 if demanded; and
 - d. An annual payment of \$1,000 per annum as a contribution towards utility costs.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the new lease documentation between the City of South Perth and the City of South Perth Historical Society at Heritage House, Lot 444, No. 2 Mends Street, South Perth.

CARRIED (6/0)

For:	Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.
Against:	Nil.

Background

The City of South Perth Historical Society (Society) is situated inside 'Heritage House' that is located on Lot 444, No. 2 Mends Street, South Perth which is Crown reserve 28021 under a Management Order to the City. Lot 444 has a total area of 835 sqm and comprises the land contained in Certificate of Crown Title Volume 3060 Folio 644. The proposed leased area is for the exclusive use of Heritage House only which is highlighted in blue in **Figure 1**. The reserve is for the purpose of municipal endowment, with the power to lease for any term not exceeding 21 years subject to the approval of the Minister for Lands and is zoned as a 'civic and cultural' precinct under the City's Local Planning Scheme No 6.

The subject site has been leased by the City to the Society since 1959 for civic and cultural purposes. The Society entered into the last lease on 1 July 2013 for a five year term with annual rental payments waived as the Society agreed to engage in activities to activate and promote Heritage House.

The former lease agreement expired on 30 June 2018 and the Society has continued occupation of the premises under a holding over clause in the lease on the existing terms.

The location of the leased site is shown in **Figure 1** below:



Figure 1: Leased Site

Heritage House is also utilised to store and display the City of South Perth's Artwork Collection which includes the May and Herbert Gibbs Collection that was acquired by the City through the May Gibbs Trust in 1997. The City of South Perth Historical Society facilitates the exhibition, security and day-to-day management of these artworks within Heritage House.

Comment

In January 2018, the City wrote to the Society advising arrangements for a new lease agreement would be prepared, however agreement could not be reached on a number of terms.

The City has continued discussions with the Society and in July 2020, agreed to the terms for the new lease. These terms have been negotiated based on the following considerations that the Society:

- has a long history of providing history and heritage programs for the local community, and is willing and able to continue this role;
- operates on a small annual operating budget;
- is planning to assist with costs for the historical tram project and the associated opening event;
- has a low income generation ability; and
- has agreed to assist with the cost recovery of utility costs.

The Society have been a good tenant and the agreed terms represent a good outcome for both parties.

Consultation

The City has been in consultation with the Society over a new lease agreement and they have agreed to the proposed terms and conditions, including an annual payment of \$1,000 as a contribution towards the utility costs of the premises.

The City will be required to obtain consent from the Minister for Lands upon confirmation of the draft lease terms and conditions from the City of South Perth Historical Society.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an 'exempt' disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. Therefore, the Society is exempt from section 3.58 of the Act.

7.1 Proposed lease for the City of South Perth Historical Society at Heritage House, Lot 444, No. 2 Mends Street, South Perth

Under Policy P609 Management of City Property, leases for Not for Profit Community Associations / Government bodies, Committees and Associations are to be negotiated consistently with the following principles:

1. Leases will be granted for a period of 5 years with a 5 year option;
2. Leases are to be for an annual rental amount which is calculated using the following formula: 0.1% of the insured value of the facility or a minimum of \$1,000 per annum; and
3. The City may by resolution of council grant a donation in subsidy of the rental amount where the proposed tenancy would provide a demonstrable benefit to the community of South Perth.

Financial Implications

The estimated total cost to the City to operate Heritage House is \$33,000 per annum (i.e. comprised of grounds maintenance - \$10,000; building maintenance \$13,000; and exhibition costs - \$10,000). In addition, the City has previously paid all relevant utility charges for the use of the Premises at an estimated total cost of \$2,730 per annum (i.e. comprised of Emergency Services Levy - \$420; Waste Collection - \$830 and utilities - \$1,500).

Under the proposed new lease agreement the City will receive a contribution towards the cost of utilities of \$1,000 per annum.

Furthermore, it is recommended that a donation in subsidy of the rental amount be granted by resolution of Council, with a Peppercorn rent of \$1.00 charged to the Society in recognition of them undertaking annual activation programs to promote local history and heritage.

The Society's current financial position is attached in **Confidential Attachment (a)**.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community
Aspiration: A diverse, connected, safe and engaged community.
Outcome: Community infrastructure
Strategy: Manage the provision, use and development of the City's properties, assets and facilities

Attachments

7.1 (a): Financial Position (*Confidential*)

7.2 PROPOSED LEASE FOR THE SOUTH PERTH SOCCER CLUB AT LOT 300, CHALLENGER PAVILION CHALLENGER AVENUE MANNING

Location: Manning
Ward: Manning Ward
Applicant: Not Applicable
File Ref: D-20-47066
Meeting Date: 11 August 2020
Author(s): Shonay Mitkus, Governance and Facilities Officer
Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s): Geoff Glass, Chief Executive Officer
Strategic Direction: Community: A diverse, connected, safe and engaged community
Council Strategy: 1.2 Community Infrastructure

Summary

To seek Council's approval to enter into a new lease with the existing tenant South Perth Soccer Club and to execute the lease documentation for a five year term with an option for renewal for a further five year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner
Seconded: Councillor André Brender-A-Brandis

That the Property Committee recommends to Council that it:

1. Approves a new lease between the City of South Perth and the South Perth Soccer Club at Lot 300, Challenger Pavilion, Challenger Avenue, Manning subject to the following terms;-
 - a. A term of five years with an option for renewal for a further five year term;
 - b. An annual rental of \$1,100 per annum (exclusive of GST) reviewed each year; and
 - c. Payment of all outgoings and utility costs.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the new lease documentation between the City of South Perth and the South Perth Soccer Club at Lot 300, Challenger Pavilion, Challenger Avenue, Manning.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Background

The South Perth Soccer Club (Club) is located on Lot 300, Challenger Pavilion, Challenger Avenue, Manning, which is a portion of Crown reserve 24329 under a Management Order to the City. Lot 300 has a total area of 79,244 sqm and comprises a portion of the land contained in Certificate of Crown Land Title Volume 3136 Folio 436. The proposed leased area is for the exclusive use of the Challenger Pavilion only which is highlighted in blue in **Figure 1**. The reserve is for the purpose of recreation and park, with the power to lease for any term not exceeding 21 years subject to the approval of the Minister for Lands.

The subject site has been leased by the City for “football club and ancillary purposes” since 1990.

The last lease executed by the City for these premises was entered into by the Club for a five year term which expired on 31 October 2002. This lease was developed with an annual rental in accordance with Council Policy at that time and included the recovery of all utilities and outgoing.

Since expiry of the lease in 2002, the Club has continued occupation of the premises under a holding over clause with the same terms and conditions.

The City has undertaken an audit of all leases and licences held by sporting clubs and community groups to identify a prioritised order to finalise outstanding agreements. The agreement for the South Perth Soccer Club is being progressed with the Club’s Committee and negotiations have progressed.

The location of the leased site is shown in **Figure 1** below:



Figure 1: Leased Site

Comment

In January 2020, the City met with the Club outlining the potential options available for occupancy at the premises. This included potential lease terms, a hire agreement or use of a storage container on site. The Club wrote to the City on 7 February 2020 indicating they wanted to proceed with a lease agreement.

Under the new agreement the Club has agreed it would be responsible for the payment of annual rent, rates, fees, utility costs and all other outgoings.

As stated in all new City lease agreements, a redevelopment clause is included in the event the Building or the Premises is or is proposed to be the subject of a redevelopment.

It is therefore recommended that the new lease be approved.

Consultation

The City has been in consultation with the Club over the draft lease who have agreed to the terms and conditions including the payment of annual rent and all other fees, costs and charges. In addition, the City has received Ministerial consent for the new lease to the Club.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an ‘exempt’ disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. Therefore, the Club is exempt from Section 3.58 of the Act.

Under Policy P609 Management of City Property, Not for Profit Sporting Organisations Leases are to be negotiated consistently with the following principles:

1. Leases will be granted for a period of 5 years with a 5 year option to provide sporting clubs with security of tenure and the ability to attract funding; and
2. Leases are to be for an annual rental amount which is calculated using the following formula: 0.1% of the insured value of the facility or a minimum of \$1,000 per annum.

Financial Implications

The City will be responsible for the cost of preparation and lodgement of the lease document. This includes \$178.20 to surrender any existing, expired or superseded lease and a further \$178.20 to lodge the current lease agreement with Landgate. Additional fees may apply where further search checks or a copy of the certificate of title is required.

The new lease has an annual rental income of \$1,100 per annum (exclusive of GST), which is to be reviewed every year. The annual rent review adjustment will be based on 0.1% of the insured value of the premises.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Community
Aspiration:	A diverse, connected, safe and engaged community.
Outcome:	Community infrastructure
Strategy:	Manage the provision, use and development of the City's properties, assets and facilities

Attachments

Nil

Councillor Carl Celedin disclosed an Impartiality Interest in Item 7.3.

7.3 PROPOSED LEASE FOR THE COMO BOWLING & RECREATIONAL CLUB AT LOT 300, NO. 99 HENSMAN STREET, SOUTH PERTH

Location: 99 Hensman Street, South Perth
Ward: Como Ward
Applicant: Not Applicable
File Ref: D-20-47074
Meeting Date: 11 August 2020
Author(s): Shonay Mitkus, Governance and Facilities Officer
Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s): Geoff Glass, Chief Executive Officer
Strategic Direction: Community: A diverse, connected, safe and engaged community
Council Strategy: 1.2 Community Infrastructure

Summary

To seek Council approval to enter into a new lease with the Como Bowling & Recreational Club for a 21 year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor André Brender-A-Brandis

Seconded: Mr Nigel McCombe

That the Property Committee recommends to Council that it:

1. Approves a new lease between the City of South Perth and the Como Bowling & Recreational Club at Lot 300, No. 99 Hensman Street, South Perth subject to the following terms:
 - a. for a term of 21 years;
 - b. an annual rental of \$1,400 per annum (exclusive of GST) reviewed every three years; and
 - c. payment of all outgoings and utility costs.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the new lease documentation between the City of South Perth and the Como Bowling & Recreational Club at Lot 300, No. 99 Hensman Street, Manning.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Background

The Como Bowling & Recreational Club (Club) is located on Lot 300, No. 99 Hensman Street, South Perth, which is a portion of Crown reserve 3618 under a Management Order to the City. Lot 300 has a total area of 7477 sqm and comprises a portion of the land contained in Certificate of Crown Land Title Volume 3136 Folio 447. The proposed leased area is for the exclusive use of the Clubhouse Building only which is highlighted in blue in **Figure 1**. The reserve is for the purpose of recreation and park, and the City has the power to lease for any term not exceeding 21 years subject to the approval of the Minister for Lands.

The subject site has been leased by the City to the Club since 1950 for “bowling club and ancillary purposes”. The Club entered into the last lease on 1 November 2011 for a five year term. That lease contained a renewal clause in favour of the Club for a further five year term if there are no outstanding breaches of the lease at the expiry of the term, and if the Club had given three months written notice of the intention to renew prior to the expiry date of the lease.

A request to exercise the option to extend the lease was not received by the City three months prior to the expiry of the lease. The Club’s lease expired on 1 November 2016 with the Club continuing occupation of the premises under a holding over clause in the lease.

On 24 July 2019, the Club wrote to the City requesting a “long term” lease renewal of the premises. The Club advised that a “long term” lease renewal would be essential in enabling the Club to continue with its forward planning program, and further enhance Ernest Johnson Reserve as a premier sporting precinct.

Subsequently, the City commenced lease negotiations with the Club with an initial draft agreement proposed in September 2019.

The location of the leased site is shown in **Figure 1** below:



Figure 1: Leased Site

Comment

A new lease has been developed with the Club based on the same terms and conditions as their previous lease including the recovery of all other outgoings and utility costs. However, it is proposed that the new lease be for a term of 21 years, the maximum allowable, rather than a five year term as has been the previous case. The Club has a long history at the site and during this time has demonstrated consistent and sustainable management of its operations. Granting a new lease of the premises for 21 years will ensure continued provision of bowling facilities at this location and is consistent with other bowling club leases in the district.

It is therefore recommended that the new lease be approved.

Consultation

The City has been in consultation with the Club over the lease and they have agreed to the terms and conditions. In addition, the City has received Ministerial consent for the new lease to the Club with a proposed commencement date of 1 September 2020.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of the property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an ‘exempt’ disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. Therefore, the Club is exempt from section 3.58 of the Act.

In accordance with Section 3.58(3) of the *Local Government Act 1995*, authority is given to the CEO to enter into agreements to lease or licence property that the City owns or that it controls under a management order which confers the power to lease or licence. Under Delegation from Council DC609 Leases and Licences condition (b), the CEO may exercise this power in relation to a lease or licence subject to: Leases being for a maximum term of twenty one years for: Not for Profit Sporting Organisations, Not for Profit Organisations, Community Associations, Government Bodies, Committees and Associations, educational institutions and residential homes.

Financial Implications

The City will be responsible for the cost of preparation and lodgement of the lease document. This includes \$178.20 to surrender any existing, expired or superseded lease and a further \$178.20 to lodge the current lease agreement with Landgate. Additional fees may apply where further search checks or a copy of the certificate of title is required.

The new lease has an annual rental income of \$1,400 per annum (exclusive of GST), which is reviewed every three years. The rent review adjustment will be based on 0.1% of the insured value of the premises.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Community
Aspiration:	A diverse, connected, safe and engaged community.
Outcome:	Community infrastructure
Strategy:	Manage the provision, use and development of the City’s properties, assets and facilities

Attachments

Nil

Councillor Carl Celedin disclosed an Impartiality Interest in Item 7.4.

7.4 PROPOSED LEASE FOR THE TRINITY AQUINAS AMATEUR FOOTBALL CLUB AT BILL GRAYDEN PAVILION, LOT 500, BILL GRAYDEN RESERVE, THELMA STREET, COMO

Location: Bill Grayden Pavilion, Bill Grayden Reserve, Thelma Street, Como
Ward: Moresby Ward
Applicant: Not Applicable
File Ref: D-20-54543
Meeting Date: 11 August 2020
Author(s): Shonay Mitkus, Governance and Facilities Officer
Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s): Geoff Glass, Chief Executive Officer
Strategic Direction: Community: A diverse, connected, safe and engaged community
Council Strategy: 1.2 Community Infrastructure

Summary

To seek Council's approval to enter into a new lease with the existing tenant Trinity Aquinas Amateur Football Club for a five year term with an option of renewal for a further five year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner
Seconded: Councillor André Brender-A-Brandis

That the Property Committee recommends to Council that it:

1. Approves a new lease between the City of South Perth and the Trinity Aquinas Amateur Football Club at Bill Grayden Pavilion, Lot 500, Bill Grayden Reserve, Thelma Street, Como subject to the following terms:
 - a. for a period of five years with an option of renewal for a further five year term;
 - b. an annual rental of \$1,900 per annum (exclusive of GST) reviewed annually; and
 - c. payment of all outgoings and utilities.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the new lease documentation between the City of South Perth and the Trinity Aquinas Amateur Football Club at Bill Grayden Pavilion, Lot 500, Bill Grayden Reserve, Thelma Street, Como.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Background

The Trinity Aquinas Amateur Football Club (the Club) is located at the Bill Grayden Pavilion at Bill Grayden Reserve on Lot 500, Thelma Street, Como, which is a portion of Crown reserve 36435 under a Management Order to the City. Lot 500 has a total area of 232,332 sqm and comprises a portion of the land contained in Certificate of Crown Land Title Volume 3170 Folio 620. The reserve is for the purpose of recreation and park, with the power to lease for any term not exceeding 21 years subject to the approval of the Minister for Lands.

The proposed leased area is for the exclusive use of the Bill Grayden Pavilion only which is highlighted in blue in **Figure 1**. The annual leased term is for the Winter Season from 1 April to 30 September with the Pavilion occupied by the South Perth Baseball Club for the alternate Summer Season. The terms and conditions of occupation, including liability and responsibility, for the South Perth Baseball Club are covered in a separate lease agreement which is also subject to the approval of the Minister for Lands.

The subject site has been leased by the City since 1991 to the Club for the purposes of a sports pavilion and club premises. The Club entered into the last lease on 1 April 2011 with an annual rental in accordance with the Policy at that time. That lease contained a renewal clause for a further five year term in favour of the Club if there are no outstanding breaches of the lease at the expiry of the term, and if the Club provides three months written notice of the intention to renew prior to the expiry date of the lease.

The Club wrote to the City on 21 September 2015 requesting to exercise the option to extend the lease however, this request was not received three months prior to the expiry of the lease.

On 5 October 2015 the City gave formal written notice to the Club advising the lease would not be renewed for a further term due to consistent antisocial behaviour and poor treatment of its community facilities. However, as a result of immediate behavioural improvement by the Club, the City subsequently reversed its position allowing the Club continuing occupation of the premises under a holding over clause in the lease.

An updated lease agreement was drafted and sent to the Club in January 2017 with an amended annual rental of \$1,900 per annum (exclusive of GST) and included the recovery of all rates, taxes, utilities and all other outgoings. The Club wrote to the City on 11 May 2017 advising a signed copy of the lease agreement would be delivered to the City for formal execution within "the next few days", however this did not occur. Despite this, the Club has maintained its financial responsibilities with regards the payment of annual rental costs and the recovery of outgoings and utilities

The location of the leased site is shown in **Figure 1** below:



Figure 1: Leased Site

Comment

The agreement for the Trinity Aquinas Amateur Football Club is being progressed with the Club's Committee and operations having stabilised as demonstrated over the last three years.

In January 2020, discussions recommenced between the parties for a new lease agreement to be developed. As such, the new lease developed with the Club is based on the same terms and conditions as the previous draft lease sent in January 2017.

It is therefore recommended that the new lease be approved.

Consultation

In July 2020, the Club wrote to the City accepting all terms and conditions of the updated draft lease agreement and requested the City proceed in obtaining Ministerial consent.

On 24 July 2020, the City requested Ministerial consent for the new lease to the Club with confirmation received from the Minister for Lands on 4 August 2020.

Various City officers from Community, Culture and Recreation, Infrastructure Services and Governance have been consulted during the development of this report.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an ‘exempt’ disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. Therefore, the Club is exempt from section 3.58 of the Act.

Financial Implications

The City will be responsible for the cost of preparation and lodgement of the lease document. This includes \$178.20 to surrender any existing, expired or superseded lease and a further \$178.20 to lodge the current lease agreement with Landgate. Additional fees may apply where further search checks or a copy of the certificate of title is required.

The new lease has an annual rental income of \$1,900 per annum (exclusive of GST), which is reviewed annually, and includes the cost recovery of all rates, taxes, utilities and all other outgoings. The rent review adjustment will be based on 0.1% of the insured value of the premises.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Community
Aspiration:	A diverse, connected, safe and engaged community.
Outcome:	Community infrastructure
Strategy:	Manage the provision, use and development of the City’s properties, assets and facilities

Attachments

Nil

7.5 MILLERS POOL CAFE

*This item is considered **confidential** in accordance with section 5.23(2)(c) of the Local Government Act 1995 as it contains information relating to "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting"*

Location:	Reserve 33804
Ward:	Mill Point Ward
Applicant:	Not Applicable
File Ref:	D-20-57889
Meeting Date:	11 August 2020
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Geoff Glass, Chief Executive Officer
Strategic Direction:	Economy: A thriving City activated by innovation, attractions and opportunities
Council Strategy:	2.2 Activated Places

Summary

This report provides an update on the City's proposal to develop a portion of Reserve 33804 for the purpose of a permanent café / restaurant, to be known as Millers Pool Café.

Officer Recommendation

Moved: Mr Nigel McCombe

Seconded: Mayor Greg Milner

That the Property Committee notes the report for Millers Pool Café.

LOST (0/6)

For: Nil.

Against: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

During debate Mayor Greg Milner foreshadowed the following Recommendation:

Committee Recommendation

Moved: Mayor Greg Milner

Seconded: Councillor Carl Celedin

That the Property Committee recommends to Council that the expression of interest from U & H Tinelli Family Trust for a Millers Pool Café be accepted with the following conditions:

- Provision of a 21 year lease with a 21 year extension (subject to Ministerial approval);
- Three years rent free period;
- Rent of \$30,000 (plus GST) per year to be reviewed every 2 years and increased in accordance with CPI;
- All outgoing costs to be the responsibility of the lessee;

- The lessee to be responsible for 50% of the costs for the utilities connections.

Amendment

Moved: Mr Nigel McCombe
Seconded: Councillor Carl Celedin

That the words '*to be capped at a price to be determined at a future date*' be added after the word '*connections*' in dot point 5.

The amendment was put and declared CARRIED (6/0) and formed part of the substantive motion.

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner
Seconded: Councillor Carl Celedin

That the Property Committee recommends to Council that the expression of interest from U & H Tinelli Family Trust for a Millers Pool Café be accepted with the following conditions:

- Provision of a 21 year lease with a 21 year extension (subject to Ministerial approval);
- Three years rent free period;
- Rent of \$30,000 (plus GST) per year to be reviewed every 2 years and increased in accordance with CPI;
- All outgoing costs to be the responsibility of the lessee;
- The lessee to be responsible for 50% of the costs for the utilities connections to be capped at a price to be determined at a future date.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

7.6 ADVERSE POSSESSION CLAIM

*This item is considered **confidential** in accordance with section 5.23(2)(d) of the Local Government Act 1995 as it contains information relating to "legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting"*

Location:	South Perth
Ward:	Como Ward
Applicant:	Not Applicable
File Ref:	D-20-47071
Meeting Date:	11 August 2020
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Geoff Glass, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report gives information relating to an adverse possession claim received by the City where the owners of are trying to claim a portion of a road reserve at the eastern boundary of their property.

Officer Recommendation AND COMMITTEE DECISION

Moved: Mayor Greg Milner
Seconded: Councillor André Brender-A-Brandis

That the Property Committee notes the adverse possession claim.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Mayor Greg Milner disclosed an Impartiality Interest in Item 7.7.

7.7 CONTRACT FOR SALE OF LAND IN MANNING

*This item is considered **confidential** in accordance with section 5.23(2)(c) and (d) of the Local Government Act 1995 as it contains information relating to "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting and legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting"*

Location:	Manning
Ward:	Manning Ward
Applicant:	Not Applicable
File Ref:	D-20-58124
Meeting Date:	11 August 2020
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Geoff Glass, Chief Executive Officer
Strategic Direction:	Economy: A thriving City activated by innovation, attractions and opportunities
Council Strategy:	2.2 Activated Places

Summary

This report provides details on the sale of land in Manning and a proposed course of action for the Committee to consider.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mr Nigel McCombe
Seconded: Councillor André Brender-A-Brandis

That the Property Committee recommends that Council endorses the Officer's Recommendation contained within the body of this report.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

7.8 RECREATION AND AQUATIC FACILITY - PROJECT UPDATE

Location:	Collier Park Golf Course
Ward:	Moresby
Applicant:	Not Applicable
File Ref:	D-20-56841
Meeting Date:	11 August 2020
Author(s):	Jac Scott, Manager Business & Construction
Reporting Officer(s):	Mark Taylor, Director Infrastructure Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.3 Community Safety & Health

Summary

This report provides an update on the progression of Stage 1. 'Project Definition and Business Case' of the Recreation and Aquatic Facility development.

Officer Recommendation AND COMMITTEE DECISION

Moved: Mayor Greg Milner

Seconded: Mr Lewis Brock

That the Property Committee notes the progress of development of the Recreation and Aquatic Facility project to date.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Background

The development of an aquatic facility within the City of South Perth (the City) has been the subject of a range of proposals dating back many years. Since 2003 the City has conducted six studies and delivered nine community polls / surveys incorporating sport and recreation needs. In response, the community has indicated significant support for aquatic facilities, indoor sports and a gymnasium.

The City's only indoor recreation facility, George Burnett Leisure Centre (GBLC), is below industry standard for provision of indoor sports and recreation, comprising only one under-sized sports court. The minimum requirement for indoor sports such as basketball and netball is three to eight courts.

The benefits of developing a multi-purpose recreation facility such as the Recreation and Aquatic Facility (RAF) were highlighted in the City's Community Recreation Facilities Plan. The adopted Plan recommended the City to investigate provision of a RAF to include:

- Six to eight indoor sports courts to accommodate netball, basketball, volleyball, badminton, table tennis and other relevant sports;

- Outdoor and indoor swimming pool, leisure water, spa / sauna and other necessary aquatic sports;
- Education spaces, commercial spaces, entertainment spaces (function areas, golf), gymnasium, health and wellness space;
- Partnerships with Federal, State and regional stakeholders such as Curtin University and commercial operators to assist in capital and life cycle funding; and
- Repurposing the existing GBLC.

At its meeting held in October 2018 Council resolved the following in respect to the development of a Recreation and Aquatic Facility (RAF) within the City of South Perth.

That Council:

1. *Reaffirm its commitment for the planning and promotion of the development of recreation and aquatic facilities to service community needs in accordance with Strategic Outcome 1.2(C) of the City of South Perth Strategic Community Plan 2017-2027;*
2. *Commence formal engagement with Federal and State Governments, adjoining local authorities, tertiary institutions, peak sporting bodies and commercial operators to gauge their interest, support and involvement in a regional scale multi-use leisure and aquatic facility to be located within the City;*
3. *Advance work on the design concepts and preferred sites to enable preparation of a detailed Business Plan to be submitted to Council by July 2019;*
4. *Commit to consultation with stakeholder groups and the public on the refinement of the concepts and preferred sites; and*
5. *Form a Project Reference Group reporting through to the Property Committee to oversee the development of the project.*

The resultant RAF Feasibility Study was completed in 2019 and identified further relevant factors including:

- The Collier Park Golf clubhouse buildings are reaching their end of life;
- Changing long term golf usage trends, with the need to reinvent the City's golf business, plus expanding the use of the facility and offerings;
- Existing inadequate built facilities at the GBLC;
- The need to meet national and local sporting facility demands, with administration support facilities; and
- The implications of the Greater Curtin Project / Programs to facilitate a source of interest and connection to Curtin University through sport, health programs and community.

The Feasibility Study included engagement with external organisations within and adjacent to the City, such as Curtin University, to explore partnership opportunities. The exercise also reviewed potential site locations for the RAF. Following an extensive process, which included input from Council, the preferred site was agreed to be in the vicinity of the existing Collier Park Golf clubhouse.

With a preferred location now confirmed it was necessary to update the Feasibility Study to confirm the business case for a specific facility at the preferred location. This included confirmation on the integration of golf, potential partnerships with Curtin University and the impact on the City's Collier Park Golf business.

On 17 April 2019 the Hon. Josh Frydenberg MP, Treasurer of Australia, announced a \$20 million election commitment to fund an aquatic centre for the City of South Perth. The commitment was confirmed following the re-election of the Coalition Government in May 2019.

At the September 2019 meeting, a report on the RAF was considered by Council and the following was resolved:

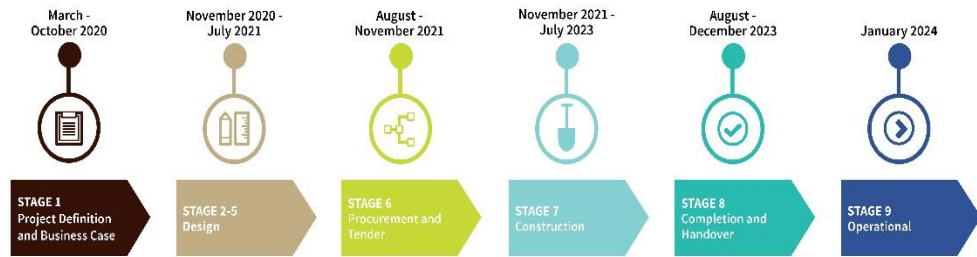
That Council:

- 1. Formally acknowledge and thank the Federal Member for Swan, Hon Steve Irons MP and accept (subject to the execution of appropriate documentation and agreements as required) the May 2019 Federal Election Coalition Commitment of \$20m for a Recreation and Aquatic Facility in the City of South Perth;*
- 2. Confirm as the preferred site the Collier Park Golf Course (north of the Clubhouse) as the selected location based on opportunities for establishing integrated facilities, enhancing commercial and operational viability, future proofing the golf course and attracting partner funding opportunities;*
- 3. That the preferred site be used for the purpose of advancing the feasibility business case with the business case to include a stakeholder and funding strategy, estimates on capital and operational costs, delivery and operational procurement models, delivery risk assessment, facility scope and accommodation plans, and any required commercial and partner agreements;*
- 4. Request the Chief Executive Officer to initiate and establish formal governance arrangements with prospective partners and to seek external funding support; and*
- 5. That all decision milestones on the progress of the project be reported direct to Council for its determination.*

Comment

The potential for the RAF project to proceed is based on a number of factors. These include the attraction of appropriate levels of funding from the Federal (achieved) and State Governments, plus the commercial sector. In addition, the ability to achieve economies of scale, reduce the requirement for duplicate facilities within the City and to prove that the RAF can achieve an annual financial return are all essential.

The Gateway structure for the RAF project, identified in the September 2019 Council report, has been refined and expanded (see below). The purpose of the Gateways is to facilitate governance and decision making support and to retain Council oversight and control of the project. The gateways align with the anticipated stages of financial contributions towards the project for both Council and other project partners to limit financial exposure for all partners as the RAF project progresses through Design to the Procurement and Tender stage.



Since the September 2019 Council resolution, the City has been actively working to complete Stage 1 'Project Definition and Business Case' with the purpose to present these documents to Council at the October 2020 meeting.

This includes:

- Stakeholder and funding input;
- Design review and development; and
- Expanding the business case and operational modelling components.

The following appointments have been made to assist in the development of the project:

- Project Director;
- Paatsch Group - Strategic Advocacy and Advisory;
- GRA Partners - Government Relations advice;
- Christou Design Group - lead architects;
- NS Group as Project Managers and Strategic Advisory Support;
- Syme Marmion & Co. to prepare the business case; and
- Other specialist consultants to advise on cost control, services, design, planning and environmental items.

Consultation

To inform the RAF project brief (scale and scope) as part of Stage 1, consultation has been undertaken with key funding stakeholders (see below). The range and number of key stakeholders engaged in this process will determine the level of support to ensure that the RAF is affordable as well as financially sustainable into the future.

- The Western Australian Government - Discussions have been held with the relevant State Government departments and the Office of the Minister for Sport to promote the project and to sound out the potential for funding;
- SportWest - The creation of a Community House within the RAF. SportWest is the peak industry body for sport in Western Australia. A Community House is a centre for a community's social, cultural, recreational, and civic activities.

Commercial and design workshops have been held with an agreed draft Heads of Agreement prepared;

- Curtin University – Discussions have centred around Curtin University being a funding partner, sporting and public health stakeholder, in terms of:
 - Shared sporting facilities; and
 - The development of an integrated health model to provide health and wellness treatment consulting and sport medicine facilities alongside delivering preventive health programs. The model will ensure the facility attracts customers beyond the sport and recreation users and expands into health and wellness for all ages and abilities;
- Golf course operator (Clublinks) - Commercial and design workshops have been held with Clublinks, who have indicated their desire to commit to the development of the RAF if they become the operator. Clublinks are currently two years into their five year contract. Their long term future involvement as operator will be the subject of a future process;
- Clontarf Aboriginal College – The potential to be a key client of the RAF and support for the State Government funding case; and
- Other sporting, educational and community entities - Extensive design and funding workshops have been held to determine funding levels, design and operational requirements and community engagement / support.

Consultation will continue as the design develops and business case drivers are tested with key funding stakeholders. Ongoing engagement enables stakeholders to provide critical input to the business case, in parallel with incorporation of the design and operational planning requirements. This ensures the business case provided to Council is robust and reliable.

Community information updates on the progression of the RAF project will continue to be provided via:

- City website updates,
- Articles in the Peninsula magazine, and
- Community surveys.

This will evolve as more detailed information about the project is made available during the remainder of Stage 1.

A briefing of Council was held on 3 August 2020 to present progress of the development of Stage 1 of the RAF project.

A program is being prepared to identify opportunities for Council information and appraisal of the progress of Stage 1 of the RAF project leading up to the October meeting. This will potentially include the Bulletin, workshops and briefings.

Summary

With additional work undertaken around business viability and potential stakeholders, the opportunity to provide a quality regional facility that would serve as a focal point for the community to access leading-edge programs that integrate with health, wellness, recreation and education, in partnership with Curtin University, is emerging.

7.8 Recreation and Aquatic Facility - Project Update

This could take the project beyond the previous expectation of aquatics and recreation and deliver a true community hub that is a regional integrated community wellness, education and recreation precinct. This will align with the City's recently endorsed Public Health Plan.

Policy and Legislative Implications

Nil.

Financial Implications

The development of the RAF will involve a significant capital outlay of up to \$80 million, depending on the nature and scale of the adopted concept and the level of funding that has been received.

The work being progressed supports the case for the State Government and other potential funding partners to commit to the project.

Council in due course must also consider its own funding strategy for the project. Amongst considerations will be the likely needs of existing community recreation infrastructure that has either reached its end of useful life or functionality and will need to be replaced (that is GBLC, Collier Park Golf Course). In that context the RAF project is an alternative to the requirement to replace or improve those facilities.

The City's 2020/2021 budget includes a contribution of \$600,000 for the project. Additional base fund contributions are being sought from partners to finance the delivery of Stage 1 of the project.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Community
Aspiration:	A diverse, connected, safe and engaged community
Outcome:	Community Infrastructure
Strategy:	Plan for and promote the development of recreation and aquatic facilities to service community needs

Attachments

Nil

8. OTHER RELATED BUSINESS

Nil.

9. CLOSURE

The Presiding Member closed the meeting at 7.04pm.

These Minutes were confirmed at the next Property Committee Meeting yet to be determined.

Signed: _____
Presiding Member at the meeting at which the Minutes were confirmed.