

1.7 36-42 MACKIE ROAD, MULGRAVE - WELLINGTON RESERVE COMMUNITY CENTRE – PROPOSED LEASE TO KERRIE NEIGHBOURHOOD HOUSE INCORPORATED

Responsible Director: Peter Panagakos

RECOMMENDATION*That Council:*

1. *Negotiate a lease with Kerrie Neighbourhood House Incorporated (KNH) for the Neighbourhood House located at the Wellington Reserve Community Centre, 36-42 Mackie Road, Mulgrave incorporating the following terms and conditions:*
 - a. *Premises* Wellington Reserve Community Centre, 36-42 Mackie Road, Mulgrave
 - b. *Lessee:* Kerrie Neighbourhood House Incorporated
 - c. *Term:* 5 Years
 - d. *Rent:* \$1.00 per annum including GST
 - e. *Use:* Activities associated with Neighbourhood Houses
based on local community needs

("the Proposal")
2. *Give public notice of the proposal in accordance with Section 190 of the Act, in a daily newspaper and on Council's website from 6 August 2020 and invite submissions on the proposal.*
3. *Authorises Council's Chief Executive Officer or her delegate to undertake the administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act in respect of the proposal ('Appointed Officer').*
4. *Appoint a Committee of Council comprising the Mulgrave Ward Councillors and the Mayor to hear any submitters requesting to be heard and consider any submissions received under Section 223 of the Act at a date and time to be fixed.*
5. *Consider and determine the outcome of the Section 223 process on the proposal at the Ordinary Meeting of Council on a date and time to be fixed.*

INTRODUCTION

The purpose of this report is for Council to commence the statutory process in accordance with Section 190 of the Act to advertise its proposal to grant a Lease to the KNH for use

of the Wellington Reserve Community Centre, 36-42 Mackie Road Mulgrave. Please refer to Attachment 1.

BACKGROUND

In July 2017, the management of the Wellington Reserve Community Centre was transferred to the Kerrie Neighbourhood House Incorporated for 2 years. This allowed a single organisation to manage the facility which includes:

- The Mackie Road Neighbourhood House
- Mulgrave Girl Guides
- Mulgrave Scouts
- Mulgrave Neighbourhood Library
- A Multi-Purpose Hall for community use
- A number of smaller rooms for community use
- A community garden
- A community café
- A dedicated Playgroup room

Kerrie Neighbourhood House has efficiently managed the operations of the facility and a new lease inclusive of management responsibilities is proposed. KNH would be responsible for the overall management and the day to day use of the entire facility by existing Occupiers and the public.

The Common area of the facility will be available for the continued shared use of the Occupiers of the building and the public.

The KNH is funded externally with grants from the Council, the Department of Health and Human Services and various local philanthropic organisations.

DISCUSSION

As the KNH has been managing the facility for the last three years, it is anticipated that the proposed transfer to a formal occupancy and management arrangement will have no direct impact upon existing Occupiers or users.

Whilst delivering a full Neighbourhood House program, the proposed new agreement, also requires the KNH to use its best endeavours to:

- Manage the bookings of the all the community rooms;
- Undertake regular inspections of the facility;
- Ensure the facility is secured when not in use;
- Ensure the Reception is staffed;
- Oversee the operations of the Wellington Reserve Community Centre Tenants Committee;
- Attend to payment and apportioning of associated utility costs

Prior to offering a new lease agreement, Council is required to comply with the requirements of section 190 of the Local Government Act 1989, which states that if a lease is to be:

- (a) for 1 year or more; and
 - (i) the rent for any period of the lease is \$50,000 or more a year; or
 - (ii) the current market rental value of the land is \$50,000 or more a year; or
- (b) for 10 years or more; or
- (c) a building or improving lease,

Council must, at least 4 weeks before the lease is made, publish a public notice of the proposed lease. A person has a right to make a submission under Section 223 of the Act on the proposed lease.

In accordance with Council's Leasing and Licensing Policy, the annual rental for Neighbourhood Houses is \$1.00 per annum (plus GST).

As the market rental value of this facility is greater than \$50,000, Council must publish a public notice of intention to enter into a lease and invite submissions. It is proposed to publish a public notice of the proposed lease to KNH in a newspaper and on Council's website in early August 2020.

SOCIAL IMPLICATIONS

Neighbourhood Houses bring people together to connect, learn and contribute in their local community through social, educational, recreational and support activities, using a unique community development approach.

The community development approach is about enabling communities to identify and address their own needs because communities have existing strengths and assets that make them part of the solution.

Neighbourhood Houses encourage the lifelong learning by welcoming people from all walks of life at all stages of life. This inclusive approach creates opportunities for individuals and groups to enrich their lives through connections they might not otherwise make.

FINANCIAL IMPLICATIONS

Council manages any non-minor repairs associated with the facility.

The proposed lease allocates the management and payment of utilities and cleaning associated with the facility as the responsibility of the KNH. These charges are borne by the various building Occupiers on a proportional basis in accordance with the following table:

	Neighbourhood House	Scouts	Guides	Library	Children's Services
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Electricity	77.5%	5%	5%	7.5%	5%
Gas	78%	10%	10%	1%	1%
Cleaning	83%	5%	5%	5%	2%

CONCLUSION

Both Council and the KNH are desirous to continuing and formalising the existing relationship and it is now appropriate for Council to consider a Lease to the KNH. To progress this, Council is required to undertake Public Notification of its intention to grant a lease and consider any submissions before determining to enter into a lease arrangement.

Attachment 1

Site Plan



Attachment 2**Key terms and Conditions associated with the proposed Lease**

Leased Area	Refer to Attachment 1
Commencement Date	The date upon which Council resolves to proceed with a lease
Permitted Use	Activities associated with Neighbourhood Houses based on local community needs
Term	5 years
Rental	\$1.00 per annum (plus GST)
Maintenance	The Lessee will be responsible for minor repairs and maintenance.
Outgoings	The Lessee will be responsible for payment and apportionment of all utility costs associated with the facility.
Additional Clauses	The Lease requires the Lessee to manage the facility as a whole through an annexed Management Agreement.