

Blackfriars Priory School - Lease Agreement

Tuesday, 7 November 2023
City Community Services and
Culture Committee

Strategic Alignment - Thriving Communities

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Public

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Shaping

EXECUTIVE SUMMARY

Blackfriars Priory School (Blackfriars) has held occupation agreements with the City of Adelaide for sporting use in Pardipardinyilla / Denise Norton Park (Park 2), since the late 1950s and holds a current Park Lands Lease Agreement with the City of Adelaide for the sports building, playing fields and courts located in Park 2. This agreement is due to expire on 31 December 2023.

This report seeks Council's authorisation for the City of Adelaide to enter lease negotiations with Blackfriars Priory School (Blackfriars) for a two year and six-month (1 January 2024 to 30 June 2026). The expiration of this new Park Lands Lease Agreement in 2026 will coincide with scheduled completion of the Adelaide Aquatic Centre Redevelopment and will provide Council with sufficient time to plan and deliver future leasing outcomes in Park 2.

This report also outlines the rationale to exempt Blackfriars from the Expression of Interest (EOI) process, due to the exceptional circumstances related to the delivery of the State Government's AACR in Park 2. The location of the AACR directly impacts the Barton Ovals west and east which are currently licensed to Blackfriars Priory School (Blackfriars). Blackfriars have advised Administration that they still require the balance of Park 2 sports facilities (LeRoy Oval, St Dominic's Oval and the adjacent tennis courts) for school physical education programs, evenings and weekends to maintain current sports programming.

Exemption from the Policy's requirement to undertake an EOI process will enable lease negotiation with Blackfriars to progress at the expiration of their current agreement with the City of Adelaide, in December 2023.

RECOMMENDATION

The following recommendation will be presented to Council on 14 November 2023 for consideration

THAT THE CITY COMMUNITY SERVICES AND CULTURE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Authorises the Lord Mayor or Chief Executive Officer to enter into lease negotiations for a two year and six-month (1 January 2024 to 30 June 2026) Park Lands Lease Agreement with Blackfriars Priory School (Lessee) for the sports building, playing fields and courts located in Pardipardinyilla / Denise Norton Park (Park 2).
 2. Notes the advice received from Kadaltilla / Adelaide Park Lands Authority at its meeting of 26 October 2023, to endorse lease negotiations for a two year and six month (1 January 2024 to 30 June 2026) and supporting exemption of the Blackfriars Priory School Park Lands Lease Agreement, from the requirement to undertake an Expression of Interest process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.
 3. Approves the exemption of the Blackfriars Priory School Park Lands Lease Agreement, from the requirement to undertake an Expression of Interest process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Thriving Communities Outcome 1: Thriving Communities – 1.1 Leverage the Adelaide Park Lands to promote health, wellbeing and lifestyle experiences.
Policy	Community Land Management Plan (CLMP) The CLMP for this park supports the leasing of sports facilities. Adelaide Park Lands Leasing and Licensing Policy Section 13.1 stipulates that in the case of vacant land or building a new lessee will be selected by way of Expression of Interest (EOI) unless there are exceptional circumstances.
Consultation	Not as a result of this report
Resource	Undertaken within current operational resources.
Risk / Legal / Legislative	Adelaide Park Lands Leasing and Licencing Policy 2016
Opportunities	Maintaining Blackfriars Priory School tenure in Park 2, ensures continued sport and recreational outcomes envisaged by the Adelaide Park Lands Management Strategy and the Community Land Management Plan for Park 2 are being achieved.
23/24 Budget Allocation	Within existing resources
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Two year and six-month (1 January 2024 to 30 June 2026) Park Lands Lease Agreement
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	All operational costs to be met by the Lessee.
Other Funding Sources	Not as a result of this report

DISCUSSION

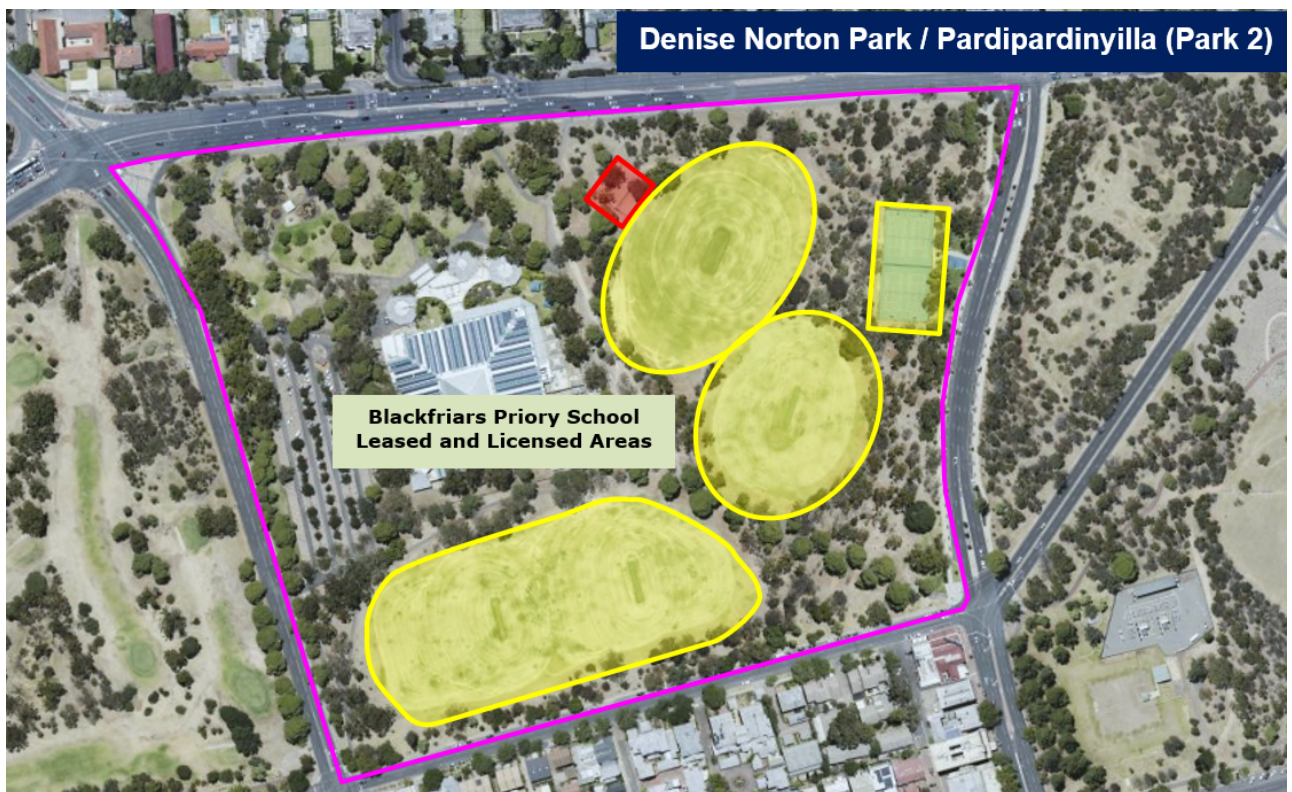
Historical Context

1. Located in the northern Adelaide Park Lands, Pardipardinyilla / Denise Norton Park (Park 2) consists of 17.8ha of land bound by Jeffcott Street, Prospect Road, Fitzroy Terrace and Barton Terrace.
2. The Adelaide Aquatic Centre (AAC) and adjoining car park were constructed between 1968 and 1969, and later in 1985 the AAC was enclosed to meet international swimming standards.
3. In 1988, the Bush Magic Playground was installed and was the first playground in South Australia designed for wheelchair access.
4. Other land-uses evident in this park include the tennis courts and sports playing fields, which have been curated in this park since the early 1900's.
5. Blackfriars Priory School (Blackfriars) was established in Prospect in 1953, and since the late 1950's, has held various occupation agreements with the City of Adelaide for sporting use in Park 2.

Blackfriars Park Lands Lease Agreements for Park 2 to the Present

6. Following the expiration of the previous Park Lands Lease Agreement between Blackfriars and the City of Adelaide in 2017 for the sports facilities (building, playing fields and courts) located in Park 2, an Expression of Interest (EOI) process was undertaken in accordance with the Adelaide Park Land Leasing and Licensing Policy 2016.
7. Blackfriars was successful in this process and entered into a five-year Park Lands Lease Agreement (1 January 2019 to 31 December 2023) with the City of Adelaide for the building (lease area shown as red in Image 1) and playing fields and courts (licence areas shown as yellow in Image 1).

Image 1: Location Plan



8. Blackfriars' successful EOI application detailed a proposal to redevelop the current building and create a sports pavilion to service the wider park. As a result, project milestones to achieve this agreed outcome were inserted into the Park Lands Lease Agreement. The redevelopment of the building was supported through a commitment to enter long term lease negotiations once relevant approvals and funding was secured by the school, for the new sports pavilion.
9. Blackfriars have maintained open communication with Administration to achieve these project milestones, however progress was disrupted in financial year 2019/20 due to an unsolicited proposal put forward by the Adelaide Crows Football Club for the Adelaide Aquatic Centre, and then again between 2020 and 2021 due to impacts of the COVID-19 pandemic.

Adelaide Aquatic Centre Redevelopment Project and Impacts for Blackfriars

10. In September 2022, the State Government announced the new location for the Adelaide Aquatic Centre would be in the south-west corner of Park 2. This location directly impacts the Barton Ovals west and east which are licensed to Blackfriars for soccer and cricket use.
11. Since this time, Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) and Council have considered various reports that relate to the authorising environment for the State Government's AACR in Park 2. On 27 June 2023, Council received a report that included specific reference to the impacts for Blackfriars, noting at paragraphs 41-44 of the report:
 - 11.1. The State Government and the CoA continues to work with Park 2 Lessee Blackfriars Priory School (Blackfriars) regarding the impact of the State Government's new Adelaide Aquatic Centre Redevelopment.
 - 11.2. Preliminary project works commencing in October 2023 will impact playing fields that form part of the Park Lands Lease Agreement between Blackfriars and the CoA. Their current Park Lands Lease Agreement expires on 31 December 2023.
 - 11.3. Administration will present to Council in a future report a proposed lease for the available portions of Park 2 for the period that is aligned to the State Government's construction program before considering any longer-term outcomes for the lessee.
 - 11.4. Administration has also sought that Department for Infrastructure and Transport (DIT) and Office for Recreation, Sport and Racing (ORSR) consider alternative options in the event that existing CoA infrastructure cannot provide a short-term solution for Blackfriars or their sub-lessees during the construction phase.
12. At its meeting of 10 October 2023, Council noted the assessment of the community consultation findings on the draft AACR Construction Licence and draft Long Term Lease Agreement, and noted that a further report detailing the essential terms and the negotiated draft Long Term Lease Agreement will be presented to Council in November 2023.
13. It is proposed that the Construction License for the AACR between the Minister for Infrastructure and Transport and the City of Adelaide will commence mid-October 2023 which is before Blackfriars' current five-year Park Lands Lease Agreement expires on 31 December 2023.

Variation of Current Blackfriars Park Lands Lease

14. In consideration of the impacts of the AACR, Blackfriars have indicated that they still require the balance of Park 2 sports facilities (LeRoy Oval, St Dominic's Oval and the adjacent tennis courts) for school physical education programs, evenings and weekends to maintain current sports programming.
15. In August 2023, Administration wrote to Blackfriars regarding the AACR in Park 2 and the impact of this development on Blackfriars' licensed areas (Barton Ovals west and east), in particular the request from State Government to occupy the southern portions of Park 2 from mid-October 2023. Slides that were presented to Council on 13 June 2023 by DIT outlining the proposed project timeframes and key design elements were also provided to Blackfriars.
16. The letter recognised that changes would be required to the Blackfriars' licensed areas for the remaining term of the agreement, and that both parties would need to enter into an Agreement for Variation of Lease, to take effect from 1 October 2023.
17. The Agreement for Variation of Lease was executed by both parties on 5 October 2023.
18. In recognition of the continued impact to Blackfriars for the duration of the AACR project, Administration gave Blackfriars an undertaking that a report would be submitted to Council seeking an exemption to the EOI process in section 13.1 of the Adelaide Park Lands Leasing and Licensing Policy, to enable the negotiation of a new Park Lands Lease Agreement commencing 1 January 2024 and ending on 30 June 2026 (two years and six months).
19. This period is proposed to cover the construction timeframe of the AACR, with completion of the State Government project estimated in March 2026.

Section 13.1 of the Adelaide Park Lands Lease Leasing and Licensing Policy 2016

20. The current Adelaide Park Lands Leasing and Licensing Policy was endorsed as Policy by Council in January 2016. A requirement of the Policy (section 13.1) is to select a new lessee of vacant land and/or building through an EOI process unless there are exceptional circumstances, in which case a Council resolution is required.

21. Exceptional circumstances are reviewed on a case-by-case basis, depending on the particulars of the situation.
22. An assessment has been undertaken to determine if exceptional circumstances exist in this case, and key considerations are presented below:
 - 22.1. The State Government's AACR project will continue to impact Park 2 for the next two and a half years. Providing a lease to Blackfriars to 30 June 2026, would provide Council with sufficient time to plan and deliver future leasing outcomes sought for this park.
 - 22.2. Blackfriars were successful in the most recent EOI process that was undertaken in 2017.
 - 22.3. In good faith the school attempted to progress the project milestones in the current five-year Park Lands Lease Agreement, however external factors including the unsolicited Adelaide Crows Football Club proposal for the Adelaide Aquatic Centre and later the COVID-19 pandemic, impacted their ability to deliver.
23. It is Administration's assessment that exceptional circumstances exist that satisfy section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016, particularly the State Government's AACR development in Park 2, and it recommends Council resolve to provide an exemption from the requirement to undertake an EOI process to select the lessee for Park 2.

Kadaltilla / Adelaide Park Lands Authority

24. At its meeting of 26 October 2023, Kadaltilla / Adelaide Park Lands Authority advised Council that it:
 - “1. *Endorses the Lord Mayor or Chief Executive Officer to enter into lease negotiations for a two year and six month (1 January 2024 to 30 June 2026) Park Lands Lease Agreement with Blackfriars Priory School (Lessee) for the sports building, playing fields and courts located in Pardipardinyilla / Denise Norton Park (Park 2).*
 2. *Approves the exemption of the Blackfriars Priory School Park Lands Lease Agreement, from the requirement to undertake an Expression of Interest process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.”*

Summary

25. Prior to correspondence being sent to Blackfriars in August 2023, the Council had resolved to partner with the State Government for the AACR to be in Park 2 and that the project would be facilitated via a Construction Licence and a Long-Term Lease Agreement.
26. To accommodate the AACR project and maintain Blackfriars' tenure within Park 2 for the duration of the AACR, the Administration seeks:
 - 26.1. A Council resolution to exempt Blackfriars from the requirement to undertake an EOI process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.
 - 26.2. Endorsement to negotiate a new two-year six-month Park Lands Lease Agreement with Blackfriars (subject to Council endorsement) to commence on 1 January 2024 and expire on 30 June 2026.

Next Steps

27. Subject to Council's consent, the Lord Mayor and Chief Executive Officer (or delegate) will be authorised to finalise negotiations with Blackfriars for a new Park Lands Lease Agreement to commence on 1 January 2024 and expire on 30 June 2026.

ATTACHMENTS

Nil

- END OF REPORT -