Golden Wattle Park / Mirnu Wirra (Park 21 West) - Draft Lease Agreement

Strategic Alignment - Our Community

Public

Tuesday, 4 March 2025
City Community Services and
Culture Committee

Program Contact:

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Approving Officer:

Jo Podoliak, Director City Community

EXECUTIVE SUMMARY

The purpose of this report is to seek the approval of Council to provide an exemption to the Adelaide Community Sports and Recreation Association (ACSARA) from securing a lease through an Expression of Interest (EOI) process as required under the Adelaide Park Lands Leasing and Licencing Policy 2016 (the Policy). The report outlines the rationale for considering this exemption.

Further, Council's approval is sought to undertake public consultation on a draft 21-year Park Lands Community Lease Agreement ('Lease Agreement') with the ACSARA for the community sports facilities located at Golden Wattle Park / Mirnu Wirra (Park 21 West).

On 10 December 2024, the City of Adelaide endorsed a Community Building <u>Concept Design</u> for redeveloping the existing leased Community Building in Park 21 West. The endorsed Concept Design is consistent with the recently adopted <u>Adelaide Park Lands Community Buildings</u> (Sport and Recreation) Policy.

The proposed lease term reflects ACSARA's \$2.55m contribution to the Community Building redevelopment, which forms part of the proposed lease area. This co-contribution is contingent on ACSARA being granted a long-term lease for the community sports facilities located at Park 21 West.

The ACSARA currently hold a 12-month lease agreement for the facilities in Park 21 West, which is due to expire on 30 September 2025. At the expiration of a lease agreement, the land and building are legally deemed vacant, and per section 13.1 of the Policy:

'a new lease will be selected by way of Expression of Interest unless there are exceptional circumstances (in which case a Council resolution will be required)'.

This report outlines the statutory public consultation process, parliamentary approval requirements and timeframes in paragraphs 21 to 28.

The foundational elements of the draft Lease Agreement have been developed as per the Adelaide Park Lands Leasing and Licensing Policy (2016) and in consultation with the ACSARA. There will be some immaterial amendments or refinements as the project matures, including the addition of approved Development Plans and maintenance schedules, prior to the execution of the Lease Agreement.

Public consultation findings on the draft Lease Agreement will be presented to City Community Services and Culture Committee in July 2025.

This matter was presented to Kadaltilla / Adelaide Park Lands Authority on 27 February 2025.

RECOMMENDATION

The following recommendation will be presented to Council on 11 March 2025 for consideration

THAT THE CITY COMMUNITY SERVICES AND CULTURE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

- 1. Notes that on 10 December 2024, Council endorsed a Community Building Concept Design for Golden Wattle Park / Mirnu Wirra (Park 21 West).
- 2. Approves the exemption for the Adelaide Community Sports and Recreation Association, from the requirement to secure a lease through an Expression of Interest process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.
- 3. Approves the draft 21-year Park Lands Community Lease Agreement between the City of Adelaide (Lessor) and the Adelaide Community Sports and Recreation Association (Lessee) for community sports facilities at Golden Wattle Park / Mirnu Wirra (Park 21 West), as contained in Attachment A to Item 7.3 on the Agenda for the meeting of the City Community Services and Culture Committee held on 4 March 2025, for the purpose of public consultation.
- 4. Notes that the findings of the public consultation will be presented to the City Community Services and Culture Committee in July 2025.

IMPLICATIONS AND FINANCIALS

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City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Community This report supports the key action of 'enabling community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport'.
Policy	The leasing and licensing of community sporting facilities in Golden Wattle Park / Mirnu Wirra (Park 21 West) is consistent with the Adelaide Park Lands Community Land Management Plan. The draft Park Lands Community Lease Agreement ('Lease Agreement') has been developed per the Adelaide Park Lands Leasing and Licensing Policy (2016).
Consultation	Public consultation on the draft Lease Agreement will occur over a three-week period per the City of Adelaide's Community Consultation Policy.
Resource	Public consultation will be undertaken utilising existing resources.
Risk / Legal / Legislative	Local Government Act 1999 (SA) Public consultation on the draft Lease Agreement will occur over a three-week period. Adelaide Park Lands Act 2005 (SA) Subject to public consultation and further consideration by Kadaltilla and Council, the draft Lease Agreement will be placed before both Houses of Parliament for 14 sitting days (concurrently) before execution.
Opportunities	By entering into a 21-year Lease Agreement with the ACSARA, the City of Adelaide will partner with a community organisation to deliver a variety of community sports programs at Park 21 West.
24/25 Budget Allocation	Not as a result of this report
Proposed 25/26 Budget Allocation	The draft Lease Agreement includes lease fees (building rent) and licence fees (outdoor facilities) per the Adelaide Park Lands Leasing and Licensing Policy (2016).
Life of Project, Service, Initiative or (Expectancy of) Asset	The proposed lease term is 21 years.
24/25 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	A maintenance schedule will inform the maintenance responsibilities for the leased and licensed facilities.
Other Funding Sources	The ACSARA will contribute \$2.55m to redevelop a Community Building that will form part of the proposed lease area.

DISCUSSION

- 1. The Adelaide Community Sports and Recreation Association (ACSARA) is the Lessee of a Community Building and three playing fields in Golden Wattle Park / Mirnu Wirra (Park 21 West).
- 2. Following an Expression of Interest (EOI) process, the ACSARA was previously granted a five-year Park Lands Community Lease Agreement for the community sports facilities in Park 21 West. This lease agreement expired on 30 April 2024. The ACSARA currently has a short-term lease agreement expiring on 30 September 2025.
- 3. The ACSARA delivers valuable recreational and social programs that align with the Park Lands' purpose and the City of Adelaide's (CoA) strategic priorities. Administration estimates that the community sports facilities in Park 21 West are used by 88,000 participants annually, which equates to 1,700 weekly users.

Community Building Redevelopment

- 4. The existing Park 21 West Community Building was constructed of Besser Block in the 1960s to service a single playing field. Structural issues were identified in 2010.
- 5. On 10 December 2024, the CoA endorsed a Community Building Concept Design for redeveloping the existing Community Building in Park 21 West. The endorsed Concept Design reflects the recently adopted Adelaide Park Lands Community Buildings (Sport and Recreation) Policy.
- 6. The Community Building redevelopment will be funded by contributions from CoA (\$3.09m) and ACSARA (\$2.55m). ACSARA's contribution includes a \$1.55m State Government grant.
- 7. This co-contribution by the ACSARA is contingent on them being granted a long-term lease for the community sports facilities located at Park 21 West.

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

- 8. The Adelaide Park Lands Leasing and Licensing Policy was endorsed 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 Expression of Interest (EOI) process unless there are exceptional circumstances, in which case a Council resolution is required.
- 9. Exceptional circumstances are reviewed on a case-by-case basis, depending on the particulars of the situation.
- 10. An assessment has been undertaken to determine if exceptional circumstances exist in this case and key considerations are presented below:
 - 10.1. The ACSARA has been based in Park 21 West for over 35 years.
 - 10.2. The ACSARA proactively sought State Government grant funding of \$1.55m towards redeveloping the existing Community Building in Park 21 West.
 - 10.3. The ACSARA is investing \$1m of its own funds into redeveloping the existing Community Building.
 - 10.4. The ACSARA has collaborated with Administration in the planning for redeveloping the Community Building in Park 21 West.
 - 10.5. Maintaining the ACSARA tenure in Park 21 West ensures ongoing sport and recreational outcomes envisaged by the Adelaide Park Lands Management Strategy and the Community Land Management Plan.
- 11. Administration is seeking the approval of Council to exempt the ACSARA from the requirement to secure the lease through an EOI process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.

Proposed Lease Agreement – Terms and Conditions

- 12. Should Council endorse an exemption from the requirement to undertake an EOI process, it is recommended that the following high-level terms and conditions inform a new lease agreement with the ACSARA:
 - 12.1. Term:
 - 12.1.1. The proposed lease term is 21 years, structured as 7+7+7, with the Lessee having the option to exercise its rights to renew a second and third seven-year term.

12.1.2. If the Lessee does not comply with the lease terms, they will forfeit their renewal entitlement. This gives the ACSARA security to realise the benefits of their financial investment while ensuring Council retains oversight of compliance and performance at each renewal stage.

12.2. Building Rent:

- 12.2.1. \$55 per square metre, discounted by 80% (per Policy for community recreation and sports organisations) and reviewed annually as per the CoA's endorsed Fees and Charges.
- 12.3. Licence Fees:
 - 12.3.1. As per the CoA's annually endorsed Fees and Charges, applied from 1 July each year.
- 12.4. Permitted Use:
 - 12.4.1. Community sport and associated community development (not-for-profit) activities.
- 13. Attachment A contains a draft 21-year Park Lands Community Lease Agreement ('Lease Agreement') with the ACSARA for the community sports facilities located at Park 21 West. The foundational elements of the draft Lease Agreement have been developed as per the Adelaide Park Lands Leasing and Licensing Policy (2016) and in consultation with the ACSARA. There will be some immaterial amendments or refinements as the project matures, including the addition of approved Development Plans and maintenance schedules, prior to the execution of the Lease Agreement.
- 14. The proposed 21-year term reflects ACSARA's \$2.55m contribution to redeveloping the existing Community Building, which forms part of the proposed lease area.
- 15. On 10 November 2020, following an extensive stakeholder and community engagement process, Council adopted a new Community Land Management Plan for Park 21 West, incorporating a Concept Plan to inform the enhancement of a community sporting hub within this park. This Concept Plan is referenced in the latest Adelaide Park Lands Community Land Management Plan. The draft Lease Agreement contains a lease plan that allows for expansion of the playing field areas, consistent with the Concept Plan.

Lease Consultation

- 16. Public consultation on the draft Lease Agreement will occur over a three-week period per the CoA's Community Consultation Policy, in March and April 2025.
- 17. The public consultation process will include:
 - 17.1. Publication of public notices (Government Gazette and The Advertiser).
 - 17.2. Information on the City of Adelaide website.
 - 17.3. Copies of the draft Lease Agreement available for viewing at all CoA libraries and community centres.
- 18. Findings of the public consultation will be presented to Kadaltilla and Council in June and July 2025 respectively.
- 19. If supported and subject to any amendments, the draft Lease Agreement will be laid before both Houses of Parliament for 14 sitting days (concurrent) per the *Adelaide Park Lands Act (2005*).

Kadaltilla / Adelaide Park Lands Authority

This matter was presented to Kadaltilla / Adelaide Park Lands Authority on 27 February 2025.

Next Steps

- 21. Subject to Council approval, Administration will conduct public consultation for three weeks in March and April 2025.
- 22. The findings of the public consultation will be presented to the City Community Services and Culture Committee in July 2025.
- 23. If supported and subject to any amendments, the draft Lease Agreement will be laid before both Houses of Parliament for 14 sitting days with an obligation for the Presiding Member of each House to lay a copy before the respective House within six sitting days of receiving.
- 24. There are 21 sitting days from August to November (inclusive). If the Lease Agreement is submitted by the end of July 2025, the last legislative process is anticipated to be completed by the end of November 2025.
- 25. The ACSARA's existing Lease Agreement will end on 30 September 2025 and the Administration will arrange under delegation for a short-term Lease Agreement until the legislative process outlined in paragraphs 23 and 24 is completed.

- 26. Executing a long-term lease is critical to delivering this Community Building redevelopment project in Park 21 West. In the interim, Administration is working with the ACSARA to progress with the detailed design phase, with the intention to commence construction in early 2026.
- 27. To meet this construction start date, a lease agreement must be in place by December 2025 at the latest.
- 28. Detailed designs for the Community Building will be presented to Kadaltilla and Council before tender documents are issued for construction.

ATTACHMENTS

Attachment A – Draft Park Lands Community Lease Agreement for Golden Wattle Park / Mirnu Wirra (Park 21 West)

- END OF REPORT -