

6.14. TENURE MATTER - FREEHOLD LEASE - PORT DOUGLAS COMMUNITY SERVICE NETWORK INC (NEIGHBOURHOOD CENTRE)

REPORT AUTHOR	Property Officer
MANAGER	Manager Community Services
DEPARTMENT	Community Services

RECOMMENDATION

That Council:

1. **Apply an exception to the disposal of a valuable non-current asset under Section 236(1)(b)(ii) of the *Local Government Regulation 2012*, as the disposal is to a community organisation.**
2. **Offer a freehold lease to Port Douglas Community Service Network Incorporated over the whole of the land described as Lot 62 SP165885, commonly known as 6-8 Mowbray Street Port Douglas:**
 - a. **For a twenty (20) year term, commencing 24 February 2025 and ending 23 February 2045.**
 - b. **At \$550 (including GST) rent for the first year of the term with rent for each subsequent year of the term being subject to annual adjustments, measured against the Brisbane All Groups Consumer Price Index (CPI).**
 - c. **In accordance with Council's Standard Terms for a lease over freehold land, registered under dealing number 717940168, amended as necessary.**
 - d. **With all reasonable costs associated with the preparation and registration of the lease to be borne by the lessee.**
3. **Delegates authority under Section 257(1)(b) of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with the freehold lease.**

EXECUTIVE SUMMARY

Port Douglas Community Service Network Incorporated (PDCSN) operates the Port Douglas Neighbourhood Centre at 6-8 Mowbray Street and has done since the building was established in 2005. PDCSN's lease term expired 30 November 2023. PDCSN seeks to continue their tenure at the premises by way of a freehold lease, for a further twenty (20) years.

BACKGROUND

- The former lease term commenced 01 December 2004 and expired 30 November 2023. Nominal rent was payable under the lease.
- Attached to the former lease was a Development Management Agreement between the State of Queensland (acting through the Department of Communities), Douglas Shire Council and PDCSN, that defined the terms of Capital funds expenditure (funded by the State and Commonwealth Governments) for the purpose of constructing the Port Douglas Neighborhood and Child Care Centre, which officially opened in 2005.

- PDCSN has been in a lease 'holding over' period since 30 November 2023 due to the obligations of the parties under the Development Management Agreement continuing until 23 February 2025.
- Enactment of the holding over provision in the former lease allowed PDCSN to remain at the premises past the expiry date, with Council's consent, operating under the same terms and conditions as the lease.
- PDCSN has requested to continue operating under the same terms as the former lease, for a further twenty (20) years. Under the former lease all maintenance and operational costs, utilities, rates and building insurance were payable by the lessee. Such provisions will be replicated in the new lease in accordance with Council's Standard Terms for a lease over freehold land. Relevant clauses will be amended and/or removed as necessary.
- PDCSN has a strong history of delivering support programs and services to the community. Their mission is to nurture the existing strengths and future wellbeing of the community, to relieve poverty, distress and misfortune, and to support and advocate for the local community with a priority for those with limited opportunities and choices.

COMMENTS

- An objective of Council's Tenure Policy, adopted in August 2023, is to support long-term sustainability of community organisations.
- The length of tenure provided by Council under the Tenure Policy is dependent upon several factors, including demonstrated experience and sustainability of the organisation in delivering the intended services to the community.
- Tenure terms in excess of ten (10) years may be offered where the lessee has invested, or will invest, significant funds towards the development of the site, buildings or facilities.
- In accordance with Council's 2024-2025 Schedule of Fees and Charges, PDCSN is categorised as a Not-for-Profit Organisation with paid employees, attracting an Annual User Fee of \$550 (including GST) that applies to lease and tenure arrangements of Council land and facilities.

PROPOSAL

That Council:

1. Apply an exception to the disposal of a valuable non-current asset under Section 236(1)(b)(ii) of the *Local Government Regulation 2012*, as the disposal is to a community organisation.
2. Offer a freehold lease to Port Douglas Community Service Network Incorporated over the whole of the land described as Lot 62 SP165885, commonly known as 6-8 Mowbray Street Port Douglas:
 - a. For a twenty (20) year term, commencing 24 February 2025 and ending 23 February 2045.
 - b. At \$550 (including GST) rent for the first year of the term with rent for each subsequent year of the term being subject to annual adjustments, measured against the Brisbane All Groups Consumer Price Index (CPI).
 - c. In accordance with Council's Standard Terms for a lease over freehold land, registered under dealing number 717940168, amended as necessary.
 - d. With all reasonable costs associated with the preparation and registration of the lease to be borne by the lessee.

3. Delegates authority under Section 257(1)(b) of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with the freehold lease.

FINANCIAL/RESOURCE IMPLICATIONS

All costs associated with the preparation of the lease, including registration with Titles Queensland, will be borne by the lessee.

RISK MANAGEMENT IMPLICATIONS

The lessee must maintain Public Risk (Liability) cover for an amount of not less than twenty million dollars (\$20,000,000), as per Council's Standard Terms for a lease over freehold land. The Public Risk (Liability) policy also must cover the lessor and lessee for liability to one another.

SUSTAINABILITY IMPLICATIONS

Economic: Nil

Environmental: Nil

Social: A lease term of twenty (20) years provides security of tenure which may afford PDCSN access to funding opportunities that would otherwise be inaccessible to organisations with a shorter tenure. Access to a wider range of funding opportunities may benefit in-need members of the community through the various programs and services offered by PDCSN.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 4 - Inclusive Engagement, Planning and Partnerships

In delivering for our communities, economy and environment, Douglas Shire will ensure open and transparent engagement and communication. We will develop robust strategic plans and we will partner with our community and key stakeholders.

Goal 3 - *We will recognise the critical role that our partners play in planning and delivering vital programs and services.*

Operational Plan 2024-2025 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Custodian Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment, and good governance.

CONSULTATION

Internal: Council Workshop 11 February 2025

External: Port Douglas Community Service Network Incorporated

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

1. 62 S P 165885 [Lotplan] [6.14.1 - 1 page]

62SP165885 [Lotplan]

103 of 191

Attachment 6.14.1



(c) Douglas Shire Council



20 m

Scale = 1:631.260

31-January-2025

©2020 Douglas Shire Council (DSC). Based on or contains data provided by DSC and the State of Queensland Department of Natural Resources & Mines (NR&M) [2020].

In consideration of these agencies permitting use of this data you acknowledge and agree that these agencies give no warranty in relation to the data (including accuracy, reliability, completeness, currency or suitability) and accept no liability (including without limitation, liability in negligence) for any loss, damage or costs (including consequential damage) relating to any use of the data. Data must not be used for direct marketing or be used in breach of the privacy laws.

Ordinary Council Meeting - 25 March 2025