

6.5. LEASE TO DOUGLAS UNITED FOOTBALL CLUB INC OVER LOT 89 SR536, 73 CASSOWARY ROAD, CASSOWARY

REPORT AUTHOR	Sara Roberts, Team Leader Property
MANAGER	Lisa Golding, Manager People and Community Services
DEPARTMENT	People and Community Services
RECOMMENDATION	

That Council:

- 1) Offers a trustee lease to the Douglas United Football Club over Lot 89 on SR536, 73 Cassowary Road, Cassowary for the purpose of conducting football club activities and ancillary uses, subject to but not limited to the following terms and conditions:**
 - a) For a term of fifteen years to commence from 1 December 2023;**
 - b) Rent for the first year of the term to be \$110.00 (including GST) and subject to annual review in accordance with the Brisbane All Groups Consumer Price Index (CPI);**
 - c) The lessee to be responsible for all reasonable costs associated with the preparation and registration of the lease;**
- 2) Delegates authority to the Chief Executive Officer in accordance with Section 257 of the Local Government Act 2009 to determine and finalise any and all matters associated with the lease.**

EXECUTIVE SUMMARY

Douglas United Football Club are seeking a fifteen year trustee lease over Lot 89 on SR536, 73 Cassowary Road, Cassowary. The club have occupied the site for over 40 years with the previous lease expiring in 2019. A Trustee Permit was issued to the club in December 2022 for a period of 12 months and will expire on 30 November 2023.

This report is prepared to gain Council approval to issue a trustee lease to Douglas United Football Club.

BACKGROUND

Douglas United Football Club entered into a trustee lease in July 1989 which expired in 2019. During the term of the lease, the club constructed an elevated block work facility with a kiosk and toilet facilities underneath, and 6 lighting towers surrounding the playing field. In 2016, an inspection of the lighting towers revealed that they were in poor condition and required replacement. Council committed \$50,000 for the engineering design and documentation. In 2022, the club was successful in receiving grant funding to replace the lights and this project is currently underway. To facilitate the grant application, Council provided a 1-year Trustee Permit to the club, pending finalisation of the Tenure Policy. Council adopted the Tenure Policy in August 2023.

COMMENTS

The club has occupied the grounds at Cassowary for over 40 years and have a long and successful history in the Douglas Shire. The club is a member of the Football Queensland Far North and Gulf competition and have a consistent junior base of approximately 70 participants. With the success of the national women's team in the World Cup, it is anticipated that the club, and the sport as a whole, will continue to see steady growth.

While the Tenure Policy provides that a trustee lease will be granted for a term of 10 years generally, it allows for terms in excess of this where the lessee has invested, or will invest, significant funds towards the development of the site, buildings or facilities. It is therefore considered reasonable that a lease for 15 years be granted.

PROPOSAL

That Council:

- 3) Offers a trustee lease to the Douglas United Football Club over Lot 89 on SR536, 73 Cassowary Road, Cassowary for the purpose of conducting football club activities and ancillary uses, subject to but not limited to the following terms and conditions:
 - a) For a term of fifteen years to commence from 1 December 2023;
 - b) Rent for the first year of the term to be \$110.00 (including GST) and subject to annual review in accordance with the Brisbane All Groups Consumer Price Index (CPI);
 - c) The lessee to be responsible for all reasonable costs associated with the preparation and registration of the lease;
- 4) Delegates authority to the Chief Executive Officer in accordance with Section 257 of the Local Government Act 2009 to determine and finalise any and all matters associated with the lease.

FINANCIAL/RESOURCE IMPLICATIONS

It is recommended that Douglas United Football Club be responsible for reasonable costs associated with the preparation and registration of the lease.

Under Council's Standard terms document for trustee leasing, the lessee is responsible for rates and charges associated with the premises. Given the status of Douglas United as a not-for-profit group, they would be eligible for rates based financial assistance, therefore 100% of general rates would be refunded.

Under the terms of the proposed new lease, it is recommended that the rent commence at \$110.00 (incl. GST) per annum in the first year, and then be subject to annual CPI increases each subsequent year. This amount is consistent with the amount charged to other not-for-profit groups who have recently been granted trustee permits or leases.

RISK MANAGEMENT IMPLICATIONS

Council's Property team endeavour to undertake annual lease compliance inspections at all leased facilities. At the time of these inspections, facilities are inspected to ensure that the conditions of the lease, including health and safety requirements and insurances, are up to date and compliant.

SUSTAINABILITY IMPLICATIONS

- Economic:** As trustee, Council has a responsibility to ensure that the premises remain structurally sound and is fit for occupation at the commencement of the lease.
- Environmental:** The grounds are cleared and already in use. There are no foreseeable environmental impacts.
- Social:** Community sporting activities contribute to the vibrancy and wellbeing of the community.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

Operational Plan 2023-2024 Actions:

New project arisen during the financial year.

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:** Councillor Workshop 14 November 2023
Team Leader Community Development
Sport and Recreation Officer

- External:** Douglas United Football Club

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

1. Douglas United **[6.5.1 - 1 page]**

Trustee Lease Lot 89 on SR536

Attachment 6.5.1

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