

5.2. LEASE TO DOUGLAS SHIRE HISTORICAL SOCIETY OVER PART OF LOT 3 ON PTD20936 WHARF STREET PORT DOUGLAS

REPORT AUTHOR(S) GENERAL MANAGER	Graham Busby, Property Officer Joanne Jacobson, Acting General Manager Corporate Services
DEPARTMENT	Governance

RECOMMENDATION

That Council:

- 1. Offers a trustee lease to the Douglas Shire Historical Society Inc (lessee) over an area of approximately 39m² of lot 3 on PTD20936, Wharf Street Port Douglas, for the purpose of an office and storeroom, subject to but not limited to the following terms and conditions:**
 - a. for a term of ten (10) years to commence from a date to be determined;**
 - 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. lessee to be responsible for all reasonable costs associated with the preparation and registration of the lease;**
 - d. the lease to be issued as per the terms and conditions in Council's Standard Terms Document for Trustee Leases, registered under dealing number 717940164; and**
 - e. for the term of the lease, Council waive the rates and charges (including Council utility charges) normally payable under the Standard Trustee Lease (717940164).**
- 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

Over an extended period of time, the Douglas Shire Historical Society Inc (DSHS) has made approaches to Council, in order to secure use of the SES shed situated at Wharf Street Port Douglas, for the purposes of housing its collection of artifacts and historical records.

Following an onsite meeting in February 2018, Council received confirmation from the Area Controller Far Northern Region, that the State Emergency Service (SES) had decided to relinquish their occupation of the subject premises.

Consequently, the DSHS has reviewed Council's standard terms document for Trustee leasing and subsequently requested a concession be granted with respect to them being responsible for payment of rates and charges.

This report is prepared in order to gain Council approval to issue a trustee lease to DSHS for the old SES Shed at Port Douglas.

BACKGROUND

Land described as Lot 3 on PTD20936, Wharf Street Port Douglas is Reserve land, held in trust by Douglas Shire Council. The dedicated primary use of this Reserve land is Local Government, with the sub purpose being State Emergency Services. Council records do not confirm exactly when the SES shed was constructed on the Reserve, however it is thought by Council Officers that it may have been during the mid to late 1970's.

Information received from the Department of Natural Resources Mines and Energy has confirmed that Council may wish to consider retaining this reserve for its current purpose, develop a land management plan and then lodge an application for a Trustee lease for the inconsistent use of a proposed office and storeroom for DSHS. Officers have followed this advice and a land management plan has now been developed and it will be considered by Council under a separate report at this same Council meeting.

DSHS have advised that they first made approaches to Douglas Shire Council in 2001, regarding potential use of the subject SES shed for storage of its growing collection of artifacts and historical records. At that time, it was envisaged that a new SES facility was to be developed in Craiglie in conjunction with the State Government, however this did not eventuate. Further attempts by DSHS to gain tenure of this shed over subsequent years did not reach a favourable outcome, until such time that Area Controller Far Northern Region meet with Council's CEO and other officers onsite in February 2018. At the time of this meeting, it was noted that the operations of the SES in the Mossman/Port Douglas region are now co-ordinated through the Mossman headquarters and that the subject shed had not been used for some time, due to the fact there is no longer an SES group in Port Douglas. Following this meeting, Council received written confirmation from the Area Controller, that the SES had decided to hand back this shed which had been previously designated for SES use.

COMMENT

The Douglas Shire Historical Society is the leading organisation in the Shire who cares for cultural European heritage and preserves and stores historical documentation and artifacts.

For many years the group has operated by storing items in member's houses and in a small room located upstairs at the Old Shire Hall in Mossman. Over time, the groups collection has not only outgrown this small room, but from the beginning, there has never been sufficient space available in this room to conduct committee meetings or to be able to properly catalogue the collection.

Now that the SES has formally advised that it no longer requires the use of the shed in Wharf Street Port Douglas, Council officers are proposing that DSHS be given a lease to use these premises for the purposes of an office and storeroom.

Given the size of the shed and the fact that it is cyclone proof and above storm surge level, officers believe that it would provide an ideal solution to the needs of DSHS, as it would provide them with not only the space to conduct committee meetings, but it would also provide them with the much needed room to safely and securely store and catalogue the Shire's historical and sometimes fragile documentation.

For many years, DSHS have shown a strong desire to occupy these premises for the purposes described above. If Council now agrees to grant them a lease over these premises, DSHS

have indicated that they are willing to commit as much as \$18,000 of their own funds in order to undertake the necessary modifications of the building to suit their requirements.

The proposed improvements include: install air-conditioning, replace old window fittings, provide new and additional access doors, undertake internal painting and electrical upgrade works, and install infrastructure associated with digital services to the premises.

With DSHS having to make such a large commitment to upgrade the premises to suit their requirements, a request has been made from the group to have Council's Standard Terms for Trustee leasing amended in this instance, to allow for them to be exempt from having to pay rates and charges, which are estimated to be approximately \$2,600 per year.

DSHS have made this request based upon the fact that they are a not for profit organisation who return almost all their income back into community projects. Their fundraising efforts over the years has seen upwards of \$75,000 being contributed towards the restoration of the Port Douglas Court House Museum alone. The ability of the group to contribute up to \$18,000 of their own funds towards the necessary modifications of the building represents the entirety of their reserve, which has taken the group 20 years to build for the specific purpose of being able to secure a permanent, safe and secure facility that will ensure that the valuable historical records of the Douglas Shire are preserved for future generations. The committee of DSHS believe that a requirement for them to pay rates and charges on the shed will place financial stain on the group. The members (mostly elderly residents) will continue to undertake their valuable work, using funds raised by a major annual raffle and the proceeds of book sales.

Council officers have given consideration to the DSHS request for a concession to be granted with respect to the payment of rates and charges on the shed and are fully supportive of such a concession being granted by Council in this instance. Should Councillors agree to the request as detailed above, Council's standard terms for trustee leasing will be amended accordingly.

PROPOSAL

This report is prepared in order to obtain Council approval for the issue of a trustee lease to the Douglas Shire Historical Society Inc over part of Lot 3 on PTD20936, Wharf Street Port Douglas for the purposes of an office and storeroom. It is proposed to issue a trustee lease over the footprint of the existing SES shed contained within the abovementioned lot. The area concerned would be approximately 39 m² as indicated on the drawing attached to this report.

FINANCIAL/RESOURCE IMPLICATIONS

It is recommended that the DSHS be responsible for reasonable costs associated with the preparation and registration of the lease.

Under Council's Standard terms document for freehold leasing, the lessee is responsible for rates and charges associated with the premises. Given the status of DSHS, they would be eligible for rates based financial assistance, therefore 100% of general rates would be refunded. In addition, DSHS have also sought a concession to be granted by Council with respect to water, cleansing & sewerage charges associated with the premises, which would total approximately a further \$1,700 per year.

The SES are totally exempt from paying rates and charges, so if Council resolved to agree to the requested concession, there would be no loss of revenue.

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 had their leases renewed by Council.

In order that the premises be handed over to DSHS at the commencement of the lease in a sound and reasonable condition and be fit for occupation, it is anticipated that Council will undertake external painting of the premises, repair a known leak in the concrete roof and attend to some minor onsite drainage issues. Quotations for this work are still being sought.

RISK MANAGEMENT IMPLICATIONS

Granting a lease to DSHS would have no impact upon Council's liability exposure. Council's Property section undertakes annual lease compliance inspections at all leased facilities on an annual basis. At the time of these inspections, facilities are inspected from a health and safety perspective and lessee insurances are checked to ensure they are current.

SUSTAINABILITY IMPLICATIONS

Economic: The only cost to Council would be to ensure that the premises are in a sound and reasonable condition and fit for occupation at the commencement of the lease.

Environmental: There are no environmental sustainability implications.

Social: Granting a lease to DSHS of the subject premises, will help to provide the group with a hospitable area for members to have their committee meetings and a place to collate and safely store valuable historical documentation and artifacts.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 5 – Governance

5.2.1 - Provide Councillors and community with accurate, unbiased and factual reporting to enable accountable and transparent decision-making.

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:

Asset-Owner Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

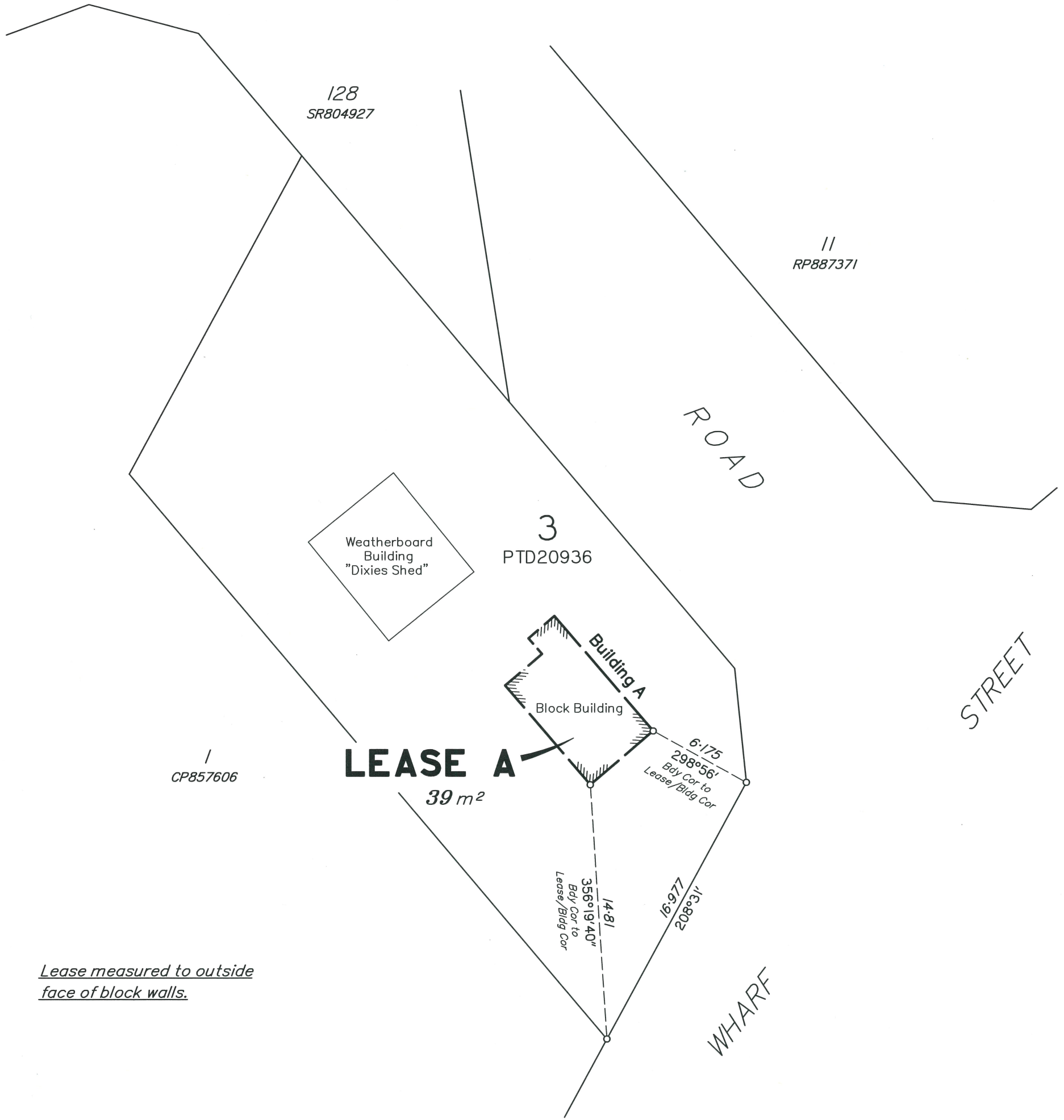
CONSULTATION

Internal: Manager of Governance
Infrastructure

External: State Emergency Service (SES)
Department of Natural Resources Mines & Energy
Douglas Shire Historical Society Inc

ATTACHMENTS

1. Sketch plan of proposed lease area to DSHS at Wharf Street **[5.2.1]**

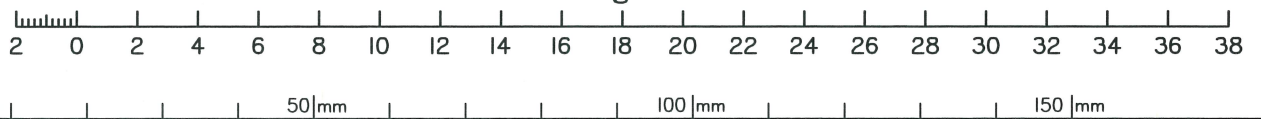


Lease measured to outside face of block walls.

RPS Australia East Pty Ltd ACN 140 292 762 hereby certify that the details shown on this sketch plan are correct.

[Signature]
 Authorised Delegate
 11/04/18
 Date

Scale 1:250 - Lengths are in Metres.



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LOCAL GOVERNMENT: DOUGLAS SHIRE LOCALITY: PORT DOUGLAS
 Meridian: PTD20936 Ordinary Council Meeting - 24 April 2018 F/N's: No

Scale:	1:250
Format:	SKETCH
Drawing No:	PR140236_01
Drawing File:	PR140236_01.DWG