

3.1. TIME EXTENSION OF DEVELOPMENT LEASE - AGED CARE FACILITY - JOHNSTON ROAD MOSSMAN

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DEPARTMENT Corporate Services

RECOMMENDATION

That Council:

- 1. resolves to have a Form 13 executed recording the expiry date of the Development Lease to be 31 December 2020 to enable delivery of the Aged Care Facility.**
- 2. delegates authority to the Mayor and Chief Executive Officer in accordance with section 257 of the *Local Government Act 2009* to finalise any and all matters associated with this matter and any future extensions of the Development Lease that may be required.**

EXECUTIVE SUMMARY

A Development Lease between Douglas Shire Council and The Salvation Army (TSA) was entered into in August 2016 to provide for the delivery of an Aged Care Facility on land owned by Douglas Shire Council located at Johnston Road Mossman.

The Development Lease was due to expire on 30 June 2018 and at its meeting on 26 June 2018, Council resolved to extend the term of the Development Lease to 31 July 2019.

The status of the Aged Care Facility Project has been uncertain for a number of months however on Tuesday 18 December 2019, Council received advice from TSA that the project would progress conditionally, with one condition being Council to extend the Development Lease to allow sufficient time for construction. TSA expect the construction to commence after the 2019 wet season and a period of eighteen months would be required to finalise the project.

It is recommended for Council to provide an extension of the Development Lease to 31 December 2020.

CONSIDERATION & COMMENT

Clauses contained within the Development Lease provides an ability to extend the term of the lease however it can only be extended for a maximum of 18 months from the expiry date contained within the Development Lease. The expiry date currently recorded in the Development Lease is 30 June 2018 therefore the maximum extension that can be currently provided is to 31 December 2019 which does not provide sufficient time for construction.

After reference to Council's legal providers this can be solved by executing a Form 13 which contains the expiry date and have this expiry date recorded as 31 December 2020. All other terms and conditions of the Development Lease will remain in full force and effect.

The request to extend the term up to 31 December 2020 is strongly supported and it is recommended to Council to resolve to extend the Development Lease accordingly.

FINANCIAL/RESOURCE IMPLICATIONS

The extension of the Development Lease has minimal impact on financial or resource considerations for Council.

RISK MANAGEMENT IMPLICATIONS

Providing the extension of the Development Lease ensures that Council has provided TSA with every opportunity to deliver this project. Not extending the Development Lease would substantially increase the risk of jeopardising this high priority community project.

SUSTAINABILITY IMPLICATIONS

Economic: The development of an Aged Care Facility provides for economic benefits both in the short term during the construction of the project and long term through the creation of jobs and career path opportunities.

Environmental: Infrastructure works to support the development have been completed. The construction of the works were undertaken in accordance with best practice with respect to soil and sediment erosion control measures to ensure the environmental attributes of the site being adjacent Marrs Creek were maintained.

Social: The delivery of an Aged Care Facility represents a significant investment in community infrastructure and enhances the social wellbeing and services available to the Mossman community.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 1 - Celebrating Our Communities

1.1.4 - Support and encourage a healthy, active and capable region through sporting, cultural and recreational opportunities, and community wellbeing initiatives.

1.2.1 - Advocate for state and federally funded services in identified areas of need.

1.3.1 - Take a proactive role in supporting the provision of improved facilities and services directed at assisting and caring for vulnerable groups in our communities.

Theme 4 - Engage, Plan, Partner

4.2.2 - Provide leadership to secure beneficial social, environmental and economic outcomes for the Shire.

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:

Part-Funder Sharing the cost of a program or activity with other organisations.

CONSULTATION

Internal: Senior Management and Councillors

External: TSA and the Mossman District Nursing Home Committee.

ATTACHMENTS

Nil