



# **ORDINARY COUNCIL**

## **Addendum 2**

- 1. Emu Park Lions Club Lease**

**14 February 2012**

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## 1 OFFICERS REPORTS

### 1.1 Officers Reports

#### 1.1.1 Emu Park Lions Club Lease

**File No:** 374

**Attachments:** [Letter from Lions Club of Emu Park regarding Lease Charges](#)

[Letter from Lions Club of Emu Park regarding Lease Costs](#)

[Attachment 1 Emu Park Lions RCC Lease Cost.pdf](#)

[Attachment 2 Emu Parks Lions RCC Lease.pdf](#)

**Responsible Officer:** Michael Rowe  
Acting General Manager Community Services

**Author:** Michael Rowe  
Acting General Manager Community Services

**Proposed Meeting Date:** 14 February 2012

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### SUMMARY

Lions Club of Emu Park Inc seeking non-standard lease conditions variation.

### OFFICERS RECOMMENDATION

That Council offer the following non-standard lease conditions variation to the Lions Club of Emu Park Inc for inclusion into the proposed lease:

1. lease period to be ten (10) years;
2. lease fee to be structured to achieve standard lease fee parity within five (5) years at a 20% incremental rate schedule and be maintained at the lease fee parity rate for the duration of the lease;
3. payment of rates and utility fees not be included into the lease.

### BACKGROUND

A review of Council leases over both Council owned land and controlled reserves has revealed the Lions Club of Emu Park have operated a building known as "the Shack" on a Council controlled reserve at Hill Street, Emu Park for an extended period of time without charge under both the former Livingstone Shire Council and since amalgamation under the Rockhampton Regional Council.

No documented evidence to support either the use or the charging regime has been found to exist.

DERM has indicated that in addition to state standard conditions for Trustee lease that:

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1. no lease tenure of greater than twenty (20) years will be approved and that tenure for greater than ten (10) years may be subject to additional clarification
2. the charging of lease fees to ensure creation of a revenue stream to facilitate the maintenance of the state reserves under the control of Council is encouraged.

Consequently, as part of the Review process Council has adopted Standard lease conditions and charging regime for the purposes of:

1. meeting the DERM requirements for Trustee leases;
2. mitigating the liability risk to Council;
3. providing consistency for lease type
4. providing transparency and equity of lease conditions.
5. providing an affordable income stream to assist with maintenance of the land.

Council has conducted a series of meetings between the Lions Club of Emu Park, DERM officers and Council officers to discuss the lease terms and conditions with particular emphasis on the following:

1. lease term – Council’s standard lease term is five (5) years. There does however exist within the current leases variations of time and option extension;
2. lease fees – the current lease fee for the lease type is \$600. There does however exist within current leases instances of “phased application”;
3. applicability of rates and charges – currently the payment of rates and utility charges constitutes a standard condition. Scope does however exist for the absorption of rates and utility charges subject to Council consent;
4. categorisation of lease types – currently no special category exists for Community Service Clubs.

Acknowledging the position the Lions Club of Emu Park Inc has found itself in, that of moving from a rent free status to a rental status and the potential impact this transition may have on the Club, Council officers have proposed the following transitional plan in terms of the salient conditions:

1. A lease term of ten (10) years
2. A lease fee to be transitioned in as follows:

Year 1	20% of standard lease fee
Year 2	40% of standard lease fee
Year 3	60% of standard lease fee
Year 4	80% of standard lease fee
Year 5	100% of standard lease fee
Year 6 – 10	100% of standard lease fee
3. Payment of rates and utility charges to be absorbed as a community service obligation in relation to the operation and maintenance of the reserve.

## **BUDGET IMPLICATIONS**

The budget implications of the specific lease are considered to be minimal.

A further analysis would have to be performed should special categorisation or universal extension of the specific case arrangements be envisaged.

**POLICY IMPLICATIONS**

No policy exists in the case of a specific instance however a significant policy review would need to be undertaken should a universal extension of the specific case arrangements be envisaged.

**CONCLUSION**

The situation the Lions Club of Emu Park Inc has found itself in has arisen due to a confluence of circumstances which the Club could not reasonably have been expected to foresee and accordingly it is recommended that the following conditions be imposed relative to the proposed lease:

1. A lease term of ten (10) years
2. A lease fee to be transitioned in as follows:

Year 1	20% of standard lease fee
Year 2	40% of standard lease fee
Year 3	60% of standard lease fee
Year 4	80% of standard lease fee
Year 5	100% of standard lease fee
Year 6 – 10	100% of standard lease fee
3. Payment of rates and utility charges to be absorbed as a community service obligation in relation to the operation and maintenance of the reserve.

# **Rockhampton Regional Council**

## **Council**

### **Emu Park Lions Lease**

#### **Letter from Lions Club of Emu Park regarding Lease Charges**

**14 February 2012**

**Attachment 1**

**Pages 1**



# THE LIONS CLUB OF EMU PARK

QUEENSLAND DISTRICT 201 Q4 AUSTRALIA

P.O. Box 14,  
Emu Park 4710  
Phone 07 4938 7095

8<sup>th</sup> February 2012  
Your Ref: LEA/298

The Chief Executive Officer  
Rockhampton Regional Council  
PO Box 1860  
Rockhampton Q 4700

Dear Sir


## **Proposed Reserve Lease - Lot 9 Hill Street, Emu Park**

**Request that this be tabled at the next Council meeting as agreed with Mayor Carter.**

With regard to entering into a lease with Rockhampton Regional Council, the Lions Club of Emu Park wishes to advise the following points as integral to the signing of that document.

1. The Emu Park Lions Club be granted a lease term of 15 years as agreed by DERM
2. Payment of the lease to be set at \$300 per annum
3. Upon payment of the lease, the Club not be liable for Rates or Utility charges.
4. These specific changes be included in an amended lease document prior to signing.

Yours sincerely

  
Lorna Rossiter  
President  
Lions Club of Emu Park Inc.

CC Mayor Carter  
CC Cr Brett Sevendsen

# **Rockhampton Regional Council**

## **Council**

### **Emu Park Lions Lease**

#### **Letter from Lions Club of Emu Park regarding Lease Costs**

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# THE LIONS CLUB OF EMU PARK

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8<sup>th</sup> February 2012  
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The Chief Executive Officer  
Rockhampton Regional Council  
PO Box 1860  
Rockhampton Q 4700

Dear Sir

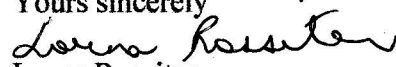
## **Council Lease Charges for Service Clubs**

**Request that this be tabled at the next Council meeting as agreed with Mayor Carter.**

Following our meeting held with Council Friday February 3<sup>rd</sup> regarding the proposed Reserve Lease - Lot 9 Hill Street, Emu Park, the Emu Park Lions Club believe that a Service Club such as Lions is a special category and should not be categorised with all other organisations which fall under Sports and Recreation.

Please refer to our previous correspondence regarding our representations to Rockhampton Regional Council on this issue as a background for the benefit of information for Councillors.

We request that this policy be reviewed by Council with a view to creating a minimum fixed rate for Service Clubs whose sole purpose is to support the community.

Yours sincerely  
  
Lorna Rossiter  
President  
Lions Club of Emu Park Inc.

CC Mayor Carter  
CC Cr Brett Sevendsen