

Adelaide Archery Club – Park Lands Lease Agreement – Exemption to EOI process

Strategic Alignment - Our Community

Public

Tuesday, 4 February 2025
City Community Services and
Culture Committee

Program Contact:

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Approving Officer:

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City Community

EXECUTIVE SUMMARY

This report seeks Council's approval to enter into a five-year Park Lands Community Lease Agreement (Lease Agreement) with the Adelaide Archery Club (AAC) for Bullrush Park / Warnpangga (Park 10), commencing 1 October 2025.

Since the 1950s, the AAC has held occupation agreements with the City of Adelaide (CoA) for the sporting use of a community building and playing fields in Park 10.

On 28 May 2019, the CoA approved the AAC's request to upgrade and extend their leased building in Park 10. In recognition of the AAC's proposed investment, they were granted a 15-year Lease Agreement commencing 1 October 2020.

The 2020 Lease Agreement contains a Special Condition, that if the Lessee does not practically complete the upgrade (which includes accessible toilets and change facilities, storage upgrades and façade improvements) within three years of the commencement date, the lease term is reduced from 15 to five years. Due to difficulties raising the required funding, including multiple unsuccessful State Government grant funding requests, the upgrade commenced in 2024, outside the three-year period. The work was completed in December 2024 at a cost of \$420,000.

The 2020 Lease Agreement will expire on 30 September 2025. At the expiration of a Lease Agreement, the land and building are legally deemed vacant, and per section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016 (the Policy):

'a new lease will be selected by way of Expression of Interest unless there are exceptional circumstances (in which case a Council resolution will be required).'

This report outlines the rationale for considering an exemption for the AAC from the Expression of Interest (EOI) process required under the Policy.

Exemption from the Policy's requirement to undertake an EOI process will enable a new Lease Agreement to be executed prior to the expiration of their current agreement with the CoA in September 2025.

This matter was considered and supported by Kadaltilla / Adelaide Park Lands Authority on Thursday 28 November 2024.

RECOMMENDATION

The following recommendation will be presented to Council on 11 February 2025 for consideration

THAT THE CITY COMMUNITY SERVICES AND CULTURE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Authorises the Chief Executive Officer or delegate to grant a five-year (1 October 2025 to 30 September 2030) Park Lands Community Lease Agreement to the Adelaide Archery Club (Lessee) for the community building and playing fields located in Bullrush Park / Warnpangga (Park 10).

2. Approves the exemption of the Adelaide Archery Club, from the requirement to undertake an Expression of Interest process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Community Enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport.
Policy	<u>Adelaide Park Lands Community Land Management Plan (CLMP)</u> The CLMP supports leasing and licensing of various community sports facilities located within Bullrush Park / Warrupangga Park 10. Adelaide Park Lands Leasing and Licencing Policy 2016.
Consultation	Not as a result of this report
Resource	The granting of a new Park Lands Community Lease Agreement (Lease Agreement) will be undertaken within current operational resources.
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Maintaining the Adelaide Archery Club's tenure in Park 10 ensures ongoing sport and recreational outcomes envisaged by the Adelaide Park Lands Management Strategy and the Community Land Management Plan.
24/25 Budget Allocation	The Lease Agreement will deliver \$2,640 in revenue in the 2024/25 financial year.
Proposed 25/26 Budget Allocation	The Lease Agreement will deliver just over \$2,700 in revenue in the 2025/26 financial year, indexed annually for the next five years.
Life of Project, Service, Initiative or (Expectancy of) Asset	Five-year lease agreement.
24/25 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	The Lessee will be responsible for the maintenance of the leased and licensed assets.
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The AAC holds a Park Lands Community Lease Agreement for 1.08ha of area located in Bullrush Park / Warnpangga (Park 10).
2. The AAC has been based in the Bullrush Park / Warnpangga (Park 10) for 78 years and is affiliated with both the National (Archery Australia) and State (Archery South Australia) bodies.
3. The AAC is the largest archery club in South Australia and currently has 321 registered members aged between nine and 80 years of age, of which 38 per cent are female, and 62 per cent are male.
4. Over the years, the AAC has conducted beginner development courses and offered practice sessions, training activities, and competitions. Over 200 students are instructed through beginner programs each year along with corporate come-and-try days.
5. The AAC's use of Park 10 has been consistent with the purpose for which the land is held as stated in the Adelaide Park Lands Community Land Management Plan (CLMP).
6. The AAC has demonstrated the capacity to maintain facilities to a standard acceptable to the City of Adelaide (CoA) and operates the facilities in Park 10 in accordance with its Park Lands leasing requirements.

Community Building Upgrade Project

7. In May 2019, Council considered the AAC's request to upgrade its leased community building in Park 10 to improve accessibility and functionality of the facility and resolved:
'That Council:
 1. Approves the request made by the Adelaide Archery Club to undertake a building extension to their leased premises in Bullrush Park/Warnpangga (Park 10), subject to Development approval.
 2. Approves the proposed building extension concept design as per Attachment A to Item 4.1 on the Agenda for the meeting of The Committee held on 21 May 2019 incorporating additional storage and upgraded amenities, and enhancements to the appearance of the existing facility as per Option 1.
 3. Approves Administration to deal directly with the Adelaide Archery Club in relation to this project and notes that the Club will not be subjected to an Expression of Interest (EOI) process.
 4. Authorises the CEO to enter into lease negotiations with the Adelaide Archery Club in accordance with the Park Lands Leasing and Licensing Policy and Guidelines and for a term of up to (15) years, noting that the agreement would be subject to community consultation (Local Government Act (SA) 1999) and being placed before both Houses of Parliament (Adelaide Park Lands Act (SA) 2005).'
8. At the time, the AAC held a five-year Lease Agreement expiring 30 September 2020.
9. In September 2019, the building upgrade was granted Development Approval. The approved scope of works included increased storage areas, accessible toilets, changeroom facilities, and facade improvements, as shown in [Link 1](#).
10. These approved works equate to a 38sqm addition to the existing building and will extend the community's use of it into the future.

Lease Agreement

11. Between February and March 2020, public consultation was conducted on a draft 15-year Lease Agreement for the AAC in Park 10.
12. On 14 April 2020, Council approved the results of the consultation process and for Administration to enter into lease negotiations with the AAC.
13. On 1 October 2020, the Lease Agreement was executed. The Lease Agreement contained the following Special Condition:
 - 13.1. *'Despite any other provision of this Lease, if the Lessee does not practically complete the Proposed Redevelopment within the three (3) years from the Commencement Date, the Term of the lease is reduced from fifteen (15) to five years (5).'*

Community Building Upgrade Project Funding

14. The AAC applied for State Government funding support for the community building upgrade across three consecutive years. On all occasions, AAC was unsuccessful.
15. In February 2023, Council approved Community Infrastructure Grant funding of \$100,000 towards the project.
16. Utilising its own funds and the CoA grant, AAC commenced the project in July 2024. On 12 August 2024, Council Members received an update via e-news as shown in [Link 2](#).
17. The upgrade project was completed in December 2024 at a cost of \$420,000. The December 2024 project completion date does not satisfy the Special Condition clause of the AAC's existing Lease Agreement, as it occurred more than three years from the Commencement Date of the Lease (1 October 2020). The existing Lease Agreement will now expire on 30 September 2025.

Section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016 (the Policy)

18. The Policy was endorsed in January 2016. A requirement of the Policy (Section 13.1) is to select a new lessee of vacant land and/or building through an Expression of Interest (EOI) process unless there are exceptional circumstances, in which case a Council resolution is required.
19. Exceptional circumstances are reviewed on a case-by-case basis, depending on the particulars of the situation.
20. An assessment has been undertaken to determine if exceptional circumstances exist in this case and key considerations are presented below:
 - 20.1. The AAC has been based in Park 10 for 78 years and operates the facilities there in accordance with its Park Lands leasing requirements.
 - 20.2. The Park 10 site contains landscape features and equipment unique to archery.
 - 20.3. The AAC has invested \$320,000 of its own funds into the community building upgrade project.
 - 20.4. The AAC proactively sought State Government grant funding for the project across three consecutive financial years (2021/22 to 2023/24).
 - 20.5. The AAC was unable to raise the necessary funds to complete the project within the three-year timeframe required by their Lease Agreement.
 - 20.6. Through legislated public consultation and parliamentary processes, approval was granted for a 15-year Lease Agreement.
 - 20.7. Maintaining the AAC's tenure in Park 10 ensures ongoing sport and recreational outcomes envisaged by the Adelaide Park Lands Management Strategy and the CLMP.
21. Administration seeks the City Community Service and Culture Committee's advice as to whether the considerations outlined in paragraphs 21.1 – 21.7 warrant exceptional circumstances that satisfy section 13.1 of the Policy.
22. The Committee may endorse an exemption to the AAC from the requirement to undertake an EOI process to select the lessee for the community archery facilities in Park 10.
23. Alternatively, Committee may advise Administration that an EOI process should proceed.
24. As per the Policy, should the Committee endorse and Council approve an exemption to the EOI process, it should be noted that, public consultation is not required as the lease does not exceed a five-year term.

Proposed Lease Agreement – Terms and Conditions

25. Should the Committee endorse an exemption to the AAC from the requirement to undertake an EOI process, it is recommended that the following high-level terms and conditions inform a new lease agreement with AAC:
 - 25.1. Term: Five years
 - 25.2. Building Rent: \$55 per square metre, discounted by 80% (per Policy for community recreation and sport organisations) and reviewed annually by 4%.
 - 25.3. Licence Fees: As per the City of Adelaide's annually endorsed Fees and Charges, applied from 1 July each year.
 - 25.4. Permitted Use: Community sport and associated community development (not-for-profit) activities.

Kadaltilla / Adelaide Park Lands Authority

26. This matter was considered and supported by Kadaltilla / Adelaide Park Lands Authority on Thursday 28 November 2024. Kadaltilla resolved:

'That the Kadaltilla / Adelaide Park Lands Authority:

1. Endorses the Chief Executive Officer to enter into lease negotiations for a five-year (1 October 2025 to 30 September 2030) Park Lands Community Lease Agreement with the Adelaide Archery Club (Lessee) for the community building and playing fields located in Bullrush Park / Warnpangga (Park 10).

2. Endorses the exemption of the Adelaide Archery Club, from the requirement to undertake an Expression of Interest process in accordance with section 13.1 of the Adelaide Park Lands Leasing and Licencing Policy 2016.'

Next Steps

27. Subject to Council's approval, Administration will finalise a new five-year Lease Agreement with the AAC commencing 1 October 2025.
28. Alternatively, should Council not support the granting of a new five-year Lease Agreement, Administration will proceed with an EOI process.

DATA AND SUPPORTING INFORMATION

Link 1 – Scope of works

Link 2 – E-News: Bullrush Park / Warnpangga (Park 10): CoA Community Infrastructure Grant – Archery Club works – 12 August 2024

ATTACHMENTS

Nil

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