

**11.2 MANAGEMENT AGREEMENT - VINCENT TOOL LIBRARY - PORTION OF BRITANNIA RESERVE, 41 BRITANNIA ROAD, MOUNT HAWTHORN**

- Attachments:
1. Proposed Management Agreement Area for Tools N Things Library Inc
  2. Storage Cage requested for inclusion under Management Agreement area Tools n Things Library Inc

**RECOMMENDATION:****That Council:**

1. **APPROVES** a Management Agreement for a portion of Britannia Reserve, 41 Britannia Road, Mt Hawthorn (as shown in Attachment 1) to Tools n Things Library Inc (TNTL) on the following key terms:
  - 1.1 **Term:** 6 (six) months
  - 1.2 **Option term:** 1 x 6 (six) months at City's sole discretion;
  - 1.3 **Tenancy Fee:** \$246 (excluding GST) per term, which includes a 50% community benefit rebate, indexed at CPI;
  - 1.4 **Outgoings:** Emergency Services Levy (ESL) to be paid by TNTL, all other outgoings payable by the City;
  - 1.5 **Public liability:** TNTL to effect and maintain current public liability insurance of not less than \$20,000,000 (per claim);
  - 1.6 **Condition:** provided in 'as is, where is' condition. The City will not undertake any capital or renewal works during the term of the Management Agreement, which includes repairing or replacing any fixtures or fittings at the end of their life;
  - 1.7 **Building insurance:** payable by the City with excess on any claim payable by TNTL;
  - 1.8 **Maintenance/repairs:** responsibility of TNTL, this includes keeping the Premises interior and exterior clean and tidy and repairing or replacing any fittings or fixtures if required;
  - 1.9 **Capital upgrades:** City will not undertake capital or renewal works; and
  - 1.10 **Damage to Premises:** in the event the Premises is damaged so it becomes unfit for use the City may at its discretion terminate the Management Agreement, and no compensation will be payable to the tenant.
2. **Subject to final satisfactory negotiations being carried out between TNTL and the Chief Executive Officer, AUTHORISES** the Mayor and Chief Executive Officer to affix the common seal and execute the Management Agreement in recommendation 1 above; and
3. **APPROVES** a waiver of fees in the amount of \$246 for the first term of the Management Agreement in order to provide further assistance with the establishment of the Tool Library in the City of Vincent.

**PURPOSE OF REPORT:**

To consider entering into a management agreement for the Turnstile building located at 41 Britannia Road, Mt Hawthorn to Tools n Things Library Inc and extension of the premises to include the outdoor storage cage adjacent to the Turnstile building (Attachment 2).

**BACKGROUND:**

In June 2020 Administration became aware that Transition Town Vincent (TTV) had entered into a sub-lease arrangement with Floreat Athena Football Club to use the undercroft area of the grandstand at Litis Stadium for a community Tool Library.

The City's consent was not sought prior to entering the sub-lease, however Administration permitted TTV to continue to occupy the space on a temporary basis, while assisting TTV to find an alternate premise. In July 2020, the Tool Library formally separated from TTV and became incorporated under the name of Tools N Things Library Inc (TNTL).

Floreat Athena Football Club's lease and the sub-lease expired in September 2020 and Administration agreed to TNTL's continued occupation of the space, on the basis that the nearby turnstile building at Litis Stadium was to be investigated as a suitable new location for the Tool Library.

A structural assessment of the grandstand at Litis Stadium was undertaken in December 2020, finding that the grandstand was in poor condition making it unsuitable for continued occupation by TNTL. On 15 January 2021, the Acting Chief Executive Officer, under Delegated Authority, approved the following:

1. *NOTES that Tools N Things Library Inc (TNTL) are currently occupying a portion of the grandstand at Litis Stadium, 41 Britannia Road, Leederville, for the purposes of a Tool Library and that the building is unsuitable for continued use due to its condition;*
2. *APPROVES a licence for TNTL to occupy the turnstile building at Litis Stadium, 41 Britannia Road, Leederville, as shown in the plan at Attachment 1, for a period of 6 months commencing 15 January 2021, on the following key terms:*
  - 2.1 *Rent: Nil;*
  - 2.2 *Outgoings: To be paid by the City;*
  - 2.3 *Building Condition: Provided in 'as is, where is' condition. The City will not undertake any capital or renewal works during the term, except at its sole discretion;*
  - 2.4 *Repairs and Maintenance: City is responsible for repairs and maintenance. TNTL to keep premises in a clean and tidy condition and repair any damage it causes;*
  - 2.5 *Insurance: TNTL to effect and maintain a public liability policy with cover not less than \$20 million;*
  - 2.6 *Indemnification: TNTL to indemnify the City against all costs and claims;*
  - 2.7 *Permitted Purpose: Tool library and associated community activities; and*
  - 2.8 *Alterations: Not without the prior approval in writing of the City.*
3. *NOTES that the Chief Executive Officer will present a further report to Council in respect to a longer term arrangement between the City and TNTL prior to the expiry of the temporary licence, which is on 15 July 2021.*

**DETAILS:**

TNTL have been operating out of the Turnstile building since late January and held their official 'housewarming' launch event, which was funded by the City of Vincent Community Grants program, on 20 March 2021. Their opening hours are Wednesdays 4 - 6pm and Saturdays 10am - 12noon. Tool Library memberships are currently available for a 'foundation member' rate of \$75 for an 18 month period and will change to a standard member rate of \$75 for a 12 month period later this year.

TNTL now have a total of 65 members, with approximately 5 to 10 items being borrowed each week. They have 12 volunteers. The library is continuing to grow with more than 450 items now available for loan.

In May 2021 the TNTL committee wrote to Administration, requesting to extend the agreement for use of the Turnstile building for another 12 months with a further waiver of fees for this period for use of the property. Additionally, TNTL requested that the storage cage located adjacent to their building be included in their Management Agreement area, as they wish to utilise this for storage and working space.

Administration is supportive of TNTL's ongoing use of the building, however it is recommended that the Management Agreement provide an initial 6 month term with a further 6 month option at the City's sole discretion. This is due to the upcoming public consultation process for Britannia Reserve Development Plan which will take place in the second half of 2021.

The storage cage that TNTL are seeking to utilise is approximately 26 square metres in area. This asset is not being actively used by the City and relevant Administration teams have indicated their support for allowing TNTL to utilise this space.

The Gross Rental Value (GRV) for the turnstile building is \$9,875. In accordance with the terms of the Property Management Framework for Category 1 groups, the tenancy fee has been calculated as 10% of the GRV, with a 50% community benefit rebate applicable. This equates to \$493 per year, or \$246 per 6 month term as per Recommendation 1.

Given that TNTL have already received a waiver for the first 6 months use of this building in addition to the period which they utilised the grandstand undercroft area for free, Administration believes that an additional 6 month waiver is appropriate, rather than a further 12 month waiver as requested by TNTL.

**CONSULTATION/ADVERTISING:**

The proposed Management Agreement to TNTL does not require public notice, in accordance with section 3.58 (Disposal of property) of the *Local Government Act 1995*, as TNTL has cultural and recreational purposes and members do not receive any pecuniary profit. As a result, the exemption under Regulation 30(2)(b) of the *Local Government (Functions and General) Regulations 1996* applies.

**LEGAL/POLICY:**

Regulation 30(2)(b) of the *Local Government (Functions and General) Regulations 1996*:

*'(2) A disposition of land is an exempt disposition if —*

*(b) the land is disposed of to a body, whether incorporated or not —*

- (i) the objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; and*
- (ii) the members of which are not entitled or permitted to receive any pecuniary profit from the body's transactions...'*

The proposed Management Agreement terms align with the City's Property Management Framework for a Category 1 tenant, with the exception of the Term. It is considered appropriate to enter into a shorter lease Term given the current Britannia Reserve Development Plan process, until such time as it is determined that the Plan will not impact on the future availability of the Turnstile Building for use by TNTL.

**RISK MANAGEMENT IMPLICATIONS**

Low: It is low risk for Council to consider a Management Agreement for a community building.

**STRATEGIC IMPLICATIONS:**

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Connected Community

*Our community facilities and spaces are well known and well used.*

Thriving Places

*Our physical assets are efficiently and effectively managed and maintained.*

**SUSTAINABILITY IMPLICATIONS:**

This is in keeping with the following priority outcomes of the City's *Sustainable Environment Strategy 2019-2024*:

*Waste reduction*

**PUBLIC HEALTH IMPLICATIONS:**

This is in keeping with the following priority health outcomes of the City's *Public Health Plan 2020-2025*:

*Increased mental health and wellbeing*

**FINANCIAL/BUDGET IMPLICATIONS:**

The proposed tenancy fee is \$987 per annum excluding GST. The Tools n Things Tool Library is eligible for a 50% community benefit rebate, which means the annual tenancy fee payable is \$493. As the proposed term is for a 6 month period, with a further 6 month option at the City's discretion, the tenancy fee payable per term is \$246. Administration propose that the initial term 6 months tenancy fee is waived to allow TNTL to establish and build a sustainable operation.

Utilities will be paid for by the City with TNTL responsible for ESL and building insurance excess.

Attachment 1 – Proposed Management Agreement Area for Tools N Things Library Inc



Attachment 2 – Storage Cage requested for inclusion under Management Agreement area.

