

19.8 STATION MASTER'S COTTAGE - EXPRESSION OF INTEREST

Objective Reference:

Authorising Officer: Peter Best, General Manager Infrastructure & Operations

Responsible Officer: Bradley Salton, Group Manager City Infrastructure

Report Author: Sven Ljungberg, Program Manager Aquatic & Emergency Precinct
James O'Reilly, Strategic Advisor Social Planning

Attachments: 1. **General Meeting Resolution Advice Item 14.2 Station Master's Cottage - Future Use Recommendation**

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

- (h) *other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.*

PURPOSE

The purpose of this report is to:

- inform Councillors of the submissions received in response to the Station Master's Cottage Expressions of Interest (EOI) campaign held between 1 August and 10 October 2018, and
- seek a resolution of Council to:
 - apply the exception under s236(1)(b)(ii) of the *Local Government Regulation 2012* (LGR), for Council to dispose of the Station Master's Cottage, as a valuable non-current asset, other than by tender or auction to a community organisation;
 - offer a lease agreement to the Redland Centre for Women over Lot 10 on SP289024 situated at 120 Shore Street North, Cleveland, for a term of five (5) years; and
 - delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary, and discharge all documents in regard to this matter

BACKGROUND

The historic building known as the Station Master's Cottage, gifted to Redland City Council (Council) by the Redlands Returned Services League (RSL) was relocated by Council on 13 July 2017, from 204 Middle Street Cleveland to Linear Park, at 120 Shore Street North Cleveland.

The Department of Natural Resources, Mines and Energy (DNRME) consented to relocating the structure and created a reserve lot in an open space parcel for heritage, historical and cultural purposes.

At Council's General Meeting of 23 May 2018, Council resolved to approve the future use of the Station Master's Cottage as a Community Facility i.e. a facility that provides opportunity for community groups, not for profit organisations and/or social enterprise providers to conduct and deliver community service activities for the benefit of the Redland's community.

As a result of the resolution, Council administered an Expression of Interest (EOI) campaign for the Station Master's Cottage between 1 August and 10 October 2018. This campaign sought proposals from interested community organisations to determine the future user and management

arrangements of the facility, with the aim of achieving optimum use and maximising community benefit from the restored Station Master's Cottage.

Renovations are currently underway to make the Station Master's Cottage fit for use. Following the completion of these works and issue of the building compliance and occupancy certificate (circa. mid 2019) the facility will become available for use.

ISSUES

- s227(a) of the LGR provides that a local government cannot enter into a valuable non-current asset contract unless it first invites written tenders for the contract under s228. This section is subject to Division 4.
- s228 provides for the tender process, which may include inviting Expressions of Interest (EOI). To avoid confusion the EOI process undertaken by Council was not an EOI under s228 of the LGR.
- Division 4 s236 provides for exceptions to s227 valuable non-current asset contracts. s236(1)(b)(ii) of the LGR provides that subject to subsections (2) to (4), a local government may dispose of a valuable non-current asset other than by tender or auction if the valuable non-current asset is disposed of to a community organisation.
- s236(2) of the LGR provides that an exception mentioned in s236 (1)(a) to (e) of the LGR applies only if, before the disposal, the local government has decided, by resolution, that the exception may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction.
- The exception under s236(1)(b)(ii) of the *Local Government Regulation 2012* is sought to be applied in this instance.

EXPRESSIONS OF INTEREST CAMPAIGN

- In accordance with Council's General Meeting Resolution Advice Item 14.2 of 23 May 2018, an EOI campaign was undertaken by Council's Community and Economic Development Group (Strengthening Communities Unit), to seek community organisations interested in occupying the Station Master's Cottage.
- The EOI campaign was considered the best method to ensure transparency and maximise the community response. It also provided Council with the opportunity to consider community needs and service gaps. This approach is in line with the intent of Council's Social Infrastructure Strategy.
- The EOI campaign was advertised through the Redland City Bulletin, Facebook, and several community networks for a period of 51 business days between 1 August and 10 October 2018.
- The eligibility provisions of the Station Master's Cottage EOI brief specified that applicants must be entities that undertake activities for a public purpose, or have their primary activities directed at not making a profit.
- In accordance with Council's Leasing of Council Land and Facilities Policy (POL-3071), to be eligible to occupy the facility, applicants must benefit the wider community through their operations and be incorporated pursuant to the *Associations Act Queensland*.
- The objectives of the EOI campaign were to identify the most appropriate use of the Station Master's Cottage to facilitate Council's 'Strong and connected communities' outcome (7.2) detailed in the Redland City Council Corporate Plan 2018-2023:

- Council maximises community benefit from the use of its parklands and facilities by improving access to and the quality and shared use of, public spaces and facilities by groups for sporting, recreational and community activities.
- A performance indicator is also included in the Corporate Plan as a measurement of the subject outcome:
 - Number of community groups with leases/permits for Council facilities.

COMMUNITY RESPONSE

- Whilst the Station Master's Cottage EOI campaign generated considerable public interest, the predominant feedback received on the facility was that it lacked the spatial capacity for the operational activities of many community organisations and groups.
- A number of community groups also responded that the facility was too far removed from public transport networks and access would be effectively restricted to private means of transportation.
- A number of local service providers expressed the need to expand their operational space to meet increases in service demand.
- A total of four EOIs were submitted to Council proposing various uses for the Station Master's Cottage. A brief description of the proposals submitted is provided below:

envisages a variety of uses for the Station Master's Cottage that would help form an arts precinct in conjunction with Old School House Gallery and Grand View Hotel's Art exhibition spaces. intends to offer mainland students the chance to benefit from professional art tutelage, and extend services to the mainland to enhance accessibility. would also intend to have a space for exhibition and art sales.

has expressed an interest to use a portion of the Station Master's Cottage (1 room) for a printmaking studio and drawing. It would be the intention of to offer specialised guidance from tutors, demonstrations on market days, exhibitions and gathering events.

envisages the Station Master's Cottage as a centre for meetings and gatherings, exhibitions, market days, performances with music, dance, acting, poetry and book readings, co-ordinating member run art classes and workshops. intends to form a 'Creative Arts Hub' to share and enhance ongoing creative growth and sustainability for all involved throughout Redland City.

Redland Centre for Women (RCW)

RCW propose to use the Station Master's Cottage to extend their service delivery by providing a welcoming women's hub enhancing social connectedness. Since 2016 the RCW are without a permanent tenancy which limits the suite of programs and services they can offer. This lease would enable the delivery of 11 programs including, counselling to support women through life challenges, back to work program for unemployed women, Redland's Active Women (RAW) program, and young mother support.

RECOMMENDED DISPOSAL

- The submissions underwent preliminary assessment by Council's Strategic Advisor Social Planning (Strengthening Communities Unit) against criteria included in the EOI brief.

- The assessment criteria sought to identify organisational and financial sustainability and community benefit associated with the proposed use.
- Council's Strategic Advisor Social Planning provided preliminary EOI assessment recommendations to Council's Community Land and Facilities Panel (CLFP). This multidisciplinary panel of designated Council officers assess applications by not for profit organisations under Council's Leasing of Council Land and Facilities Policy (POL-3071).
- In support of the policy objectives stipulated in Council's Strong Communities Policy (POL-3087), it was the unanimous recommendation of the CLFP to dispose of the asset (under a lease agreement) to the Redland Centre for Women.
- The services provided by RCW respond to ongoing community needs and generate positive social impacts. RCW has in the past supported up to 2500 women annually, with 11 different social services ranging from domestic violence soft entry counselling programs, back to work and active women programs.
- Council is aware of the local community need regarding soft entry counselling programs and peripheral support services associated with domestic violence referrals. These are a critical element to support funded service providers and a robust service system. The Redland's region currently has a single (specifically funded) domestic and family violence counselling service provided by the Centre for Women and Co. (a separate service organisation to RCW).
- These service sector shortfalls were also reflected in the findings of the 2015 'Not Now, Not Ever' report by the Special Taskforce on Domestic and Family Violence in Queensland sponsored by the Queensland Government, which provided recommendations on how domestic and family violence support services could be improved. The 2015 report specifically noted that service providers consistently raised concerns about significant gaps in services across the State of Queensland and a general lack of a unified or coordinated response.
- Importantly, the 2015 'Not Now, Not Ever' report also considered best practice as integrated service response through a generalist service provider to ensure early identification and appropriate support, followed by an appropriate referral pathway. The recommended disposal of the facility to RCW would facilitate best practice in this regard.
- RCW currently requires a centralised premises from which to provide services, which would address a service deficit in the region in the form of a gateway to the funded service sector, and provide outreach for numerous other program offerings supporting healthier lives for girls and women in the Redlands.
- The recommended disposal of the facility to the RCW also considers that community health and service needs in the Redland's region should be prioritised above artistic based recreational opportunities which are well serviced locally. It is also considered that artistic outlets (i.e. Old Schoolhouse Gallery Inc.) are already provided in the immediate vicinity of the Station Master's Cottage and duplicating more uses of this type would deny a diversity of service offering in the area.
- The Strategic Advisor Social Planning (Strengthening Communities Unit) will advise and debrief all applicants to the EOI following determination of this report.

STRATEGIC IMPLICATIONS

Legal

Legislative definitions

The following definitions from s224 of the *Local Government Regulation 2012* (LGR) are provided for ease of reference.

- A **valuable non-current asset** is (a) land; or (b) another non-current asset that has an apparent value that is equal to or more than a limit set by the local government.
- A **valuable non-current asset contract** is a contract for the disposal of a valuable non-current asset.
- The **disposal** of a valuable non-current asset by a local government includes the disposal of all or any part of an interest in the asset (Example— the grant of a lease over land or a building).

Legislative Requirements

- s227(a) of the LGR provides that a local government cannot enter into a valuable non-current asset contract unless it first invites written tenders for the contract under s228. This section is subject to Division 4.
- Division 4 s236 provides for exceptions to valuable non-current asset contracts. s236(1)(b)(ii) of the LGR provides that subject to subsections (2) to (4), a local government may dispose of a valuable non-current asset other than by tender or auction if the valuable non-current asset is disposed of to a community organisation.
- s236(2) of the LGR provides that an exception mentioned in s236 (1)(a) to (e) of the LGR applies only if, before the disposal, the local government has decided, by resolution, that the exception may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction.
- A tender process will not be required should Council resolve that the exception under s236(1)(b)(ii) (to dispose of the valuable non-current asset) may apply to the local government if the contract is awarded to a community organisation.
- Before issuing a lease over the land to a third party (trustee lease), Council must first obtain written 'in principle' approval from DRNME. This can occur following the resolution of Council to dispose of the asset to a community organisation under a lease agreement.
- DNRME have confirmed a land management plan will not be required in regard to the recommended disposal and are supportive of the proposed community organisation (RCW) leasing the building.

Risk Management

- The EOI has allowed community groups to submit proposals guided by Council terms and conditions in an open and transparent process mitigating any perceptions of bias.
- Council may determine not to proceed with any proposal submitted, and no legal or other obligation shall arise between any person and or party making a submission to Council.
- Council may elect not to proceed with the process and is not obliged to proceed with any proposal or conclude any agreement.

Financial

- The cost of renovation works on the Station Master's Cottage is being undertaken using approved FY2018/2019 CAPEX funding.
- There are no financial or cost implications to Council regarding disposal of the Station Master's Cottage to a community organisation. The Lessee will pay the cost of establishing the lease through Council's nominated solicitors.
- As part of the establishment of a lease over the facility, Council will obtain full cost recovery of operational and maintenance costs from the lessee in the form of rent payable monthly in advance and indexed to CPI annually.
- The rent will be developed to cover the cost of condition assessment, statutory, preventative condition based and unplanned maintenance and include agency management and operational costs associated with running of the of the asset.
- Utility charges including water charges, electricity and telecommunications will be the responsibility of the lessee.
- If no lease is provided over the facility, Council will manage all future operational and maintenance costs associated with the Station Master's Cottage and make the facility available under a for hire model to the community, whilst seeking another appropriate lessee.
- During FY2019/2020 the introduction of a new accounting standard *AASB16 Leases* may impact on the way Council will report on this lease. The full impact of this is currently being reviewed by Council's Financial Service Group.

People

There are no identified impacts on people.

Environmental

There are no identified environmental impacts.

Social

- Council's Strengthening Communities Unit engagement with community networks and community organisations (Bayside Housing Network, Redland Centre for Women, Redlands Community Centre) has provided insight into current service gaps.
- Embedding the social services of the Redland Centre for Women in the Station Masters Cottage will address these service gaps, expanding generalist counselling services and providing seamless referral pathways into the funded service sector.
- Support of this recommendation will enable the reinstatement of the full suite of support services and programs facilitated by the Redland Centre for Women creating direct social benefits and enhancing quality of life for the Redland's community.

Alignment with Council's Policy and Plans

Redland City Council Corporate Plan 2018-2023

- The proposed recommendation promotes direct alignment with several corporate plan outcomes including supporting community health, and wellbeing through a full range of services and programs.

Social Infrastructure Policy (POL-3088)

- Council is committed to the provision of a high quality, functional network of social infrastructure which will support community health and wellbeing and assist in meeting the needs and aspirations of the Redland community.

Strong Communities Policy (POL-3087)

- Council is committed to supporting a strong community which can be recognised as a connected community with access to the full range of options required for a rich community life and an active attachment to place.

Council Land and Facilities (POL-3071)

- Council is committed to providing access to Council owned or managed land and facilities for the delivery of opportunities which contribute to building safe, strong and self-reliant communities.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Community Development Officer	4 December 2018	Provision of advice and support for future use recommendation of Station Master's Cottage (Community Land and Facilities Panel member).
Community Safety Officer	4 December 2018	Provision of advice and support for future user recommendation of Station Master's Cottage (Community Land and Facilities Panel member).
Service Manager City Sports & Venues	4 December 2018	Provision of advice and support for future user recommendation of Station Master's Cottage (Community Land and Facilities Panel member).
Local Sports and Recreation Officer	4 December 2018	Provision of advice and support for future user recommendation of Station Master's Cottage (Community Land and Facilities Panel member).
Senior Leasing Officer	4 December 2018	Provision of advice and support for future user recommendation of Station Master's Cottage (Community Land and Facilities Panel member).
Service Manager Creative Arts	4 December 2018	Provision of advice and support for future user recommendation of Station Master's Cottage (Community Land and Facilities Panel member). Provided further advice on orientation and service of local art groups.
Senior Advisor Community Development	23 January 2019	Provision of advice regarding the mechanics of local domestic violence support services.
Legal Services – Senior Solicitor	25 February 2019	Confirmation of legal advice on LGR and position as set out in report to Council.
Aquatic and Emergency Precinct Program Manager	27 February 2019	Advice provided to consult divisional councillor on the Community Land and Facilities Panel recommendation. Confirmation of existing approvals and previous resolutions. Confirmation of advice with DNRME.
Division 2 Councillor	8 March 2019	Consultation with Division 2 Councillor in relation to EOI applications received, consideration of assessment process and user recommendation.
Legal Services – General Counsel	11 April 2019	Consultation with General Counsel in relation to legal aspects of report confirming agreement with terminology and use of LGR exception, and recommended lease term five (5) years maximum.

OPTIONS

Option One

That Council resolves to:

1. apply the exception under s236(1)(b)(ii) of the *Local Government Regulation 2012*, for Council to dispose of the Station Master's Cottage, as a valuable non-current asset, other than by tender or auction to a community organisation;
2. offer a lease agreement to the Redland Centre for Women over Lot 10 on SP289024 situated at 120 Shore Street North, Cleveland, for a term of five (5) years;
3. delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary, and discharge all documents in regard to this matter; and
4. maintain this report as confidential, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

Option Two

That Council resolves to note the report and promote the Station Master's Cottage for hire arrangements to the general community.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **apply the exception under s236(1)(b)(ii) of the *Local Government Regulation 2012*, for Council to dispose of the Station Master's Cottage, as a valuable non-current asset, other than by tender or auction to a community organisation;**
2. **offer a lease agreement to the Redland Centre for Women over Lot 10 on SP289024 situated at 120 Shore Street North, Cleveland, for a term of five (5) years;**
3. **delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary, and discharge all documents in regard to this matter; and**
4. **maintain this report as confidential, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.**

14.2 STATION MASTERS COTTAGE - FUTURE USE RECOMMENDATION**Objective Reference:** A3064591**Authorising Officer:** Peter Best, General Manager Infrastructure & Operations**Responsible Officer:** Shelley Thompson, PA to General Manager Infrastructure**Report Author:** Sven Ljungberg, Program Manager Aquatic & Emergency Precinct**Attachments:** Nil**PURPOSE**

The purpose of this report is to:

- inform Councillors of the outcomes of stakeholder consultation as it relates to the future use of the Station Masters Cottage; and
- seek Council approval of the proposed future use for the Station Masters Cottage.

BACKGROUND

The historic building known as the Station Masters Cottage (SMC), gifted to Redland City Council (Council) by the Redlands Returned Services League (RSL), was relocated by Council on 13 July 2017 from 204 Middle Street Cleveland, to Linear Park at 120 Little Shore Street Cleveland.

The Department of Natural Resources, Mines and Energy (DNRME) consented to relocating the structure and created a reserve lot in an open space parcel for heritage, historical and cultural purposes. The building sits adjacent to other historical and 'recreated' buildings in what has evolved into an historical character precinct.

ISSUES

- The SMC is not listed on the local heritage register, nor is it intended to be as advised by Council's Strategic Planning. However, the SMC is considered suitable as a character historical building of Redland City, largely existing in its original form.
- Consultation with DNRME revealed that primary uses such as retail, commercial or offices 'for profit' would be unfavourable and not permitted.
- DNRME also noted "concessions for secondary use such as coffee or food service would be appropriate so long as the space is operated and run by a not-for-profit organisation where it could be demonstrated that the funds go back to the organisation and not as a commercial for profit business".
- Communication Engagement & Tourism identified a potential use as a Visitor Information Centre (VIC). Advice received from Planning Assessment confirms this use is consistent with the current approval for a Community Facility, however internal consensus from Officers and Executive Leadership Team (ELT) is that the building location is not ideal for this purpose.
- This consultation activity resulted in *"the SMC's future use being identified as a facility that provides opportunity for community groups, not for profit organisations and/or social enterprise providers to conduct and deliver community service activities for the benefit of the Redlands community"*.

Suitable uses that are consistent with the Community Facility designation include:

- Not-for-Profit Organisations;
- Social Enterprise Providers;
- Historical Society, Genealogical Society;
- Museum;
- Art Gallery;
- Community meeting rooms.

Current approvals applicable to the SMC are:

- Council Planning Approval File No: MCU013875 “Community Facility with conditions”;
- Development Permit #00022756 for Building Works Class 5 Office with conditions.

Councillors are to note an allocation has been made in the FY18/19 CAPEX budget, but not yet approved, sufficient to enable the upgrade of the SMC to a standard suitable for and consistent with the recommended future use.

Following renovation and award of the building compliance and occupancy certificate, an Expression of Interest (EOI) process will be run by Council inviting local community groups to submit proposals to use the building consistent with relevant Council terms and conditions.

Any lease agreement with a lessee will include an obligation for that lessee to separately “fit-out” the building to suit the lessee’s operational requirements at their cost, consistent with Council leasing and building management and operational requirements.

STRATEGIC IMPLICATIONS

Legislative Requirements

- *Land Act 1994*;
- State Policy- Secondary use of Trust land under the Land Act Department of Natural Resources and Mines May 2017;
- National Construction Code (NCC) Compliance with structural adequacy, sanitary facilities, glazing assemblies, energy efficiency, fire services, access and egress and signage;
- Australian Standards Compliance, (Various) notably AS 1428 Design for access and mobility;
- *Commonwealth Disability Discrimination Act (DDA) 1992*.

Risk Management

- Council approval of the SMC future use will enable the appropriate allocation of resources and funds to ensure that the SMC is upgraded to a standard that is fit for purpose, prior to the SMC being made available to prospective end user organisations or groups.
- SMC building condition and engineering assessments will facilitate the optimisation and development of tender documentation.
- The EOI process will allow community groups to submit proposals guided by any Council terms, conditions or constraints and compete on a level playing field, mitigating any perceptions of bias.

Financial

- The FY17/18 CAPEX Budget is \$177,000. This budget has been and will be used to engage consultants to undertake relevant building condition and engineering assessments and

develop a tender work package for the future upgrade of the SMC by registered building contractors.

- A FY18/19 CAPEX budget submission of \$515,250 has been made for the renovation and upgrade of the SMC, noting that this budget request is subject to Council approval.

People

The project will be coordinated by the Program Manager Aquatic & Emergency Precinct, with the assistance of external consultants and contract management administered through the Project Delivery Group.

City Sport & Venues and Strengthening Communities teams will assist in preparing an EOI for community groups and the development and execution of any future lease arrangements.

Environmental

Asbestos Management report has concluded there is no asbestos contamination or asbestos containing materials within the building.

No other environmental matters to report.

Social

The SMC provides opportunities for community groups, not for profit and social enterprise providers to access facilities and offer community services, whilst conserving and showcasing Redlands' cultural heritage for the benefit of the community.

Alignment with Council's Policy and Plans

- This project supports the following Council policies:
 - o POL-3088 – Social Infrastructure Policy
 - o POL-3115 - Community Halls and Precincts Policy

CONSULTATION

Consultation to develop the SMC future use, and ascertain the planning and building approval requirements associated with this future use, has been undertaken with:

- Department of Natural Resources, Mines and Energy
- Division 2 Councillor; and
- Council Officers from City Sport & Venues, Facility Services, Water & Waste Operations, Water & Waste Infrastructure, Library Services, Strategic Planning, Financial Services, Strengthening Communities and Communication Engagement & Tourism.

OPTIONS

Option One

That Council resolves to approve the future use of the Station Masters Cottage as a Community Facility.

Option Two

That Council requests officers investigate further options and lead with an Expression of Interest process, noting this will result in delay to program delivery; raise community expectations for possible inconsistent uses, incur greater holding costs and risk of vandalism due to building being vacant for a further extended period.

Option Three

That Council resolves to note this report.

COUNCIL RESOLUTION 2018/11

Moved by: Cr Peter Mitchell

Seconded by: Cr Wendy Boglary

That Council resolves to approve the future use of the Station Masters Cottage as a Community Facility.

CARRIED 11/0

Crs Karen Williams, Wendy Boglary, Peter Mitchell, Paul Gollè, Lance Hewlett, Mark Edwards, Julie Talty, Murray Elliott, Tracey Huges, Paul Gleeson and Paul Bishop voted FOR the motion.