

SUPPLEMENTARY AGENDA

Notice is hereby given that an Ordinary Meeting of Council will be held at Manly Chambers on

Tuesday 13 December 2016

Beginning at 6:30pm for the purpose of considering and determining matters included in this agenda.



Mark Ferguson
General Manager

Issued: 13/12/2016

OUR VALUES

Respect

Empowerment

Service

Wellbeing

Equity

Mark Ferguson
General Manager

Dick Persson, AM
Administrator

Helen Lever
Acting Deputy General Manager
Corporate Services

Governance/Minute Taker

Governance Manager

Ben Taylor
Deputy General Manager
Environment & Infrastructure

Beth Lawsen
Deputy General Manager
Public Affairs

David Kerr
Acting Deputy General Manager
Planning & Community

Public Addresses

Press

Public Gallery

**NORTHERN BEACHES
COUNCIL**

**Agenda for an Ordinary Meeting of Council
to be held on Tuesday 13 December 2016
at Manly Chambers
Commencing at 6:30pm**

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8.0 ENVIRONMENT & INFRASTRUCTURE DIVISION REPORTS

ITEM 8.12	RFT 2016/092 - CAFE LEASE - FRENCHS FOREST, WARRINGAH AQUATIC CENTRE RESOLUTION MODIFICATION
REPORTING MANAGER	EXECUTIVE MANAGER PROPERTY MANAGEMENT & COMMERCIAL
TRIM FILE REF	2016/404043
ATTACHMENTS	NIL

EXECUTIVE SUMMARY

PURPOSE

To consider a revision to Council Resolution 125/16 relating to the Warringah Aquatic Centre Cafe lease in Aquatic Reserve (Crown Reserve), Aquatic Drive, Frenchs Forest.

SUMMARY

The Warringah Aquatic Centre Cafe is situated in Aquatic Reserve, Aquatic Drive, Frenchs Forest.

Council sought to lease the café on a commercial basis and resolved on 11 October 2016 to accept the preferred tender and seek to finalise the 5+5 year term cafe lease.

At the Council Meeting on 30 November 2016, the Draft Northern Beaches Hospital Structure Plan was released, which significantly changed the commercial opportunity and business case for the proposed lessee. The Structure Plan is currently the subject of community engagement however it places significant uncertainty as to the tenure of any lease, as well as the ability for the lessee to amortise the capital fit out costs over the proposed 10 year lease period.

As such, to manage the impact of these changed circumstances for the potential lessee, Council seeks to negotiate a revised lease agreement from the tender process through direct negotiations.

RECOMMENDATION OF DEPUTY GENERAL MANAGER ENVIRONMENT & INFRASTRUCTURE

That Council adopt the recommendation contained in the Confidential Agenda Item 11.6 regarding the Café Lease at the Warringah Aquatic Centre.

REPORT

BACKGROUND

The Warringah Aquatic Centre Cafe is situated in Aquatic Reserve, Aquatic Drive, Frenchs Forest being Crown Reserve managed by Council as Trustee. The cafe is part of the Warringah Aquatic Centre premises situated adjacent to the baseball sportsground.

The cafe is currently unoccupied due to site preparation works required for the conversion from a kiosk to a cafe and outdoor pool site activation project works. The kiosk tenure arrangement ended on 25 May 2016 and a short term vending machine food and beverage service solution was implemented for our customers.

As the cafe was to be leased on a commercial basis, Council issued an RFT for a new lease of the cafe to commence on 1 November 2016 (approximately) for a term of 5 + 5 years. On 11 October 2016, Council resolved under resolution 125/16 to accept the tender of The Trustee for Brendan Keevers Family Trust Pty Ltd.

At the Council Meeting on 30 November 2016, the Draft Northern Beaches Hospital Structure Plan was released which included the proposal to relocate Frenchs Forest High School to the site of the Warringah Aquatic Centre. The proposed demolition of the Warringah Aquatic Centre changed the commercial opportunity for the proposed tenant and has impacted the execution of the lease.

While the Structure Plan is currently the subject of community engagement, the proposal places significant uncertainty as to the tenure of any lease, as well as the ability for the lessee to amortise the capital fit out costs over the proposed 10 year lease period.

CONSULTATION

Nil

TIMING

Negotiations will commence immediately.

FINANCIAL IMPACT

Subject to negotiations, however anticipated to be a negative impact on the rental return to Council.

SOCIAL IMPACT

Successful negotiation of a lease for the provision of a café will significantly improve the customer experience at Warringah Aquatic Centre. The facility is currently only serviced through a short term vending machines and the peak summer and carnival season is approaching.

ENVIRONMENTAL IMPACT

Nil

NORTHERN BEACHES COUNCIL

