

7. Bega Indoor Sports Stadium lease

Proposed lease of Bega Indoor Sports Stadium (BISS).

Group Manager, Infrastructure Waste & Water

BACKGROUND

The lease of the BISS expired last year and a temporary arrangement with the immediate past lessee was put in place to allow the facility to remain open during school term 4 of 2008 for scheduled competitions and school use.

Current users of the Bega Indoor Sports Stadium are:

- 10 i) Bega Hockey Association on Monday evenings between 4.00pm and 9.00pm;
- ii) Junior Basketball on Saturday mornings between 9.00am and 12 noon;
- iii) Bega High School on Wednesdays between 1.00pm and 3.00pm.

There is intermittent use by unspecified groups.

The current use levels of the BISS are not well documented and there is an argument as to the viability of the BISS to a potential lessee and an expansion of usage will be a major aspect challenging any potential lessee.

Following consultation with members of the stadium committee a call for Expressions of Interest was placed in the local press and two responses were received.

Bemboka Aquatics Pty Ltd (Mr John Tapper) who was the most recent lessee and Fling Physical Theatre Inc.

20 ISSUES

Bemboka Aquatics had leased the facility for the previous 3 years and undertook operation of the facility under a temporary arrangement for 3 months at the end of 2008 to ensure current users were able to pursue their sport and leisure activities.

Fling Physical Theatre Inc have a diverse range of activities and interests and see potential in having a better resourced and stable facility from which to base their activities.

Both applicants have expressed keen interest in expanding use of the BISS with additional sports and fitness activities and increased community usage of the facility.

Legal

30 A commercial lease will be prepared in favour of the lessee appointed by Council.

Social / Cultural

The facility is currently used less than it should be. The development of additional activity would assist in addressing that under utilisation and would provide greater recreational and cultural experience to a broader range of the community than at present.

Consultation

The merits of each submission have been discussed with members of the Bega Indoor Sports Stadium Management Committee.

40 The future of the Bega Indoor Sports Stadium Management Committee was also discussed in light of the non-participation of some of the user group delegates.

A reference group is proposed to replace the Bega Indoor Sports Stadium Management Committee as a quorum has been difficult to achieve due to the ongoing lack of participation of several user group representatives.

The proposed structure is proposed to include the lessee of the facility, representatives of the various sporting user groups and a staff member of Bega Valley Shire Council.

Financial

50 Fling Physical Theatre Inc and Bemboka Aquatics Pty Ltd have both lodged submissions for the lease. A copy of each submission has been provided to Councillors separately. Bemboka Aquatics Pty Ltd has offered rent of \$5,200 p.a., and Fling have offered \$3,000 p.a.

Fling Physical Theatre Inc

proposed rent: \$3,000/year

Fling current activities: gymnastics, acrobatic and variety of dance and movement practices (ballroom and tap through to Pilates and Tai chi).

Further use: indoor cricket, senior basketball, investigate badminton, indoor bowling, indoor soccer and martial arts disciplines.

Bemboka Aquatics Pty Ltd

Proposed rent: \$5,200/year

60 Further use: Basketball and indoor soccer competition, investigate rock climbing wall.

Negotiation for a rent increase at the end of the first year would see a better return to council, and allow the prospective tenant to increase use of the facility, introduce new activities and consolidate their business.

The loss of \$2,200 in revenue to Council in the initial year would only be for 12 months with the rent increased to \$5,000 p.a. for the remaining term of the lease.

Resources (including staff)

Putting a lease in place would reduce the facility management calls on staff time.

CONCLUSION

70 Based on analysis of the submissions, the “Fling” proposal is considered to provide a better outcome for the broader community than that proposed by Bemboka Aquatics. The diverse range of activities and effective management as outlined by Fling is considered to provide adequate compensation for the first year loss in income when compared to the Bemboka Aquatics submission.

An issue for council consideration is the evaluation of a proposal that offers less immediate dollar return but greater community benefit. It is believed that an actively managed and vibrant stadium will deliver a better outcome and makes the Fling proposal a more attractive option for Council’s facility.

RECOMMENDATION

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1. That Council offer a lease for the Bega Indoor Sports Stadium for a term of three years in favour of “Fling” with rent for the first year being \$3,000 and \$5,000 for the remaining two years of the lease.
 2. That the Mayor and General Manager execute the relevant documents.