



CITY OF HOBART

AGENDA

**FINANCE COMMITTEE MEETING
(OPEN)**

WEDNESDAY 15 JUNE 2016

AT 5.00 PM

SUPPLEMENTARY ITEM

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- 13. 500 KALANG AVENUE, GLENORCHY - LEASE RENEWAL AND LAND OWNER CONSENT REQUEST – RIDING FOR THE DISABLED KALANG - FILE REF: 10-50-11**

**13. 500 KALANG AVENUE, GLENORCHY - LEASE RENEWAL AND LAND OWNER CONSENT REQUEST – RIDING FOR THE DISABLED KALANG
FILE REF: 10-50-11**

12x's

Report of the Acting Director Parks and City Amenity and the Group Manager Open Space of 26 May 2016 and attachments.

DELEGATION: Committee

This matter was also considered at the Parks and Recreation Committee meeting of 9 June 2016.

The General Manager reports:

“In accordance with the provisions of Part 2 Regulation 8(6) of the *Local Government (Meeting Procedures) Regulations 2015*, this supplementary matter is submitted for the consideration of the Committee.

Pursuant to Regulation 8(6), I report that:

- (a) an administrative error prevented this item from being included in the agenda;
- (b) the matter is regarded as urgent; and
- (c) advice is provided pursuant to Section 65 of the Act.”

TO : Parks and Recreation Committee
Finance Committee

FROM : Acting Director Parks and City Amenity
Group Manager Open Space

DATE : 30 May, 2016

SUBJECT : **500 KALANG AVENUE, GLENORCHY- LEASE RENEWAL
AND LAND OWNER CONSENT REQUEST - RIDING FOR
THE DISABLED KALANG**

FILE : 10-50-11 CS (document2)

1. INTRODUCTION

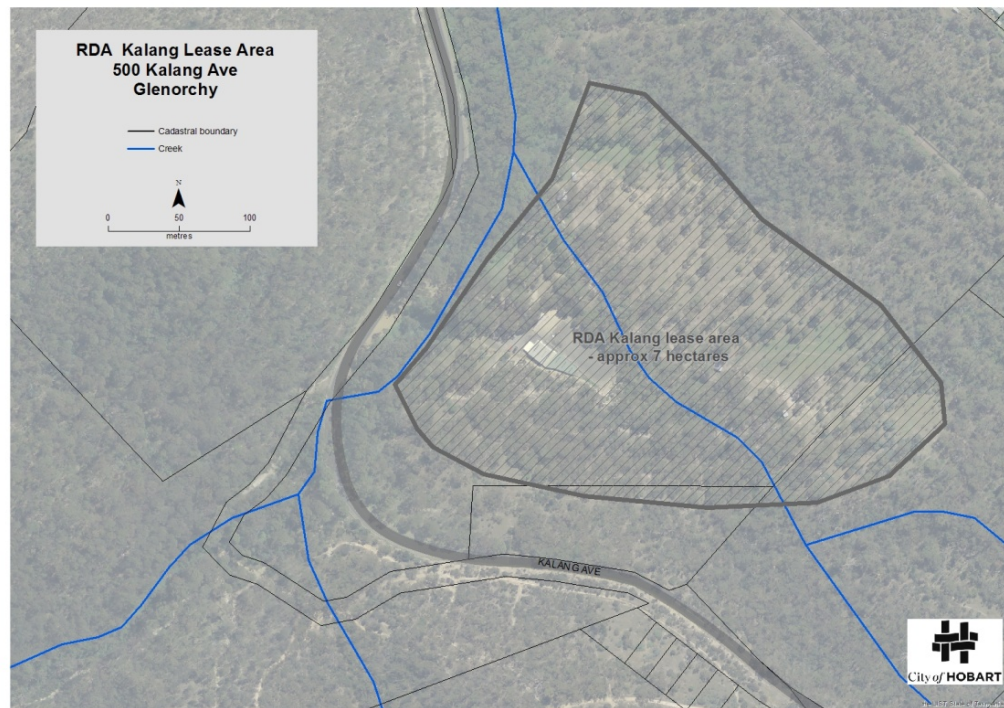
- 1.1. The purpose of this report is to:
- 1.1.1. Seek approval for Riding for the Disabled Association Kalang (RDA Kalang) to renew their lease of seven hectares of City owned land at 500 Kalang Avenue, Glenorchy.
 - 1.1.2. Seek land owner consent for RDA Kalang to lodge a development application for the installation of an additional storage shed and associated works within the lease area.

2. BACKGROUND

- 2.1. RDA Kalang is a volunteer based non-profit organisation providing equine therapy (horse riding and driving) opportunities for people with disabilities. The organisation is one of only two riding for the disabled centres in southern Tasmania (refer **Attachment A**).
- 2.2. RDA Kalang has approximately 15 volunteers and partners with a number of local organisations including Glenorchy City Council. It is affiliated with Riding for the Disabled Association of Tasmania and Riding for the Disabled Association of Australia.
- 2.3. Since 1991 RDA Kalang has leased seven hectares of City owned land at 500 Kalang Avenue, Glenorchy, at a nominal annual rental.



- 2.4. The seven hectare site leased by RDA Kalang (marked with the hash in the map below) is part of a larger 95 ha City owned property which is located within the Glenorchy municipality.



Map 1. Approximate location of RDA Kalang lease area.

- 2.5. RDA Kalang have developed the site over the last 25 years to suit their needs, including constructing a stable, riding arena, shed, toilets, a number of small buildings for feed storage and fencing paddocks.
- 2.6. RDA Kalang considers the Kalang Avenue site to be suitable for their ongoing operations, particularly given its accessible location.
- 2.7. RDA Kalang's lease request is consistent with the Council policy *Leases to Non-profit Organisations*. An assessment of the organisation's eligibility against the criteria in the policy is provided as **Attachment B**.
- 2.8. In accordance with section 177(2) of the *Local Government Act 1993* a valuation by registered valuers was undertaken of the market rental value of the RDA Kalang tenancy and established it to be Thirteen Thousand Five Hundred Dollars (\$13,500) p.a. net plus GST.
- 2.8.1. It is proposed however to renew the lease with RDA Kalang at a nominal annual rental of \$50 per annum with the lessee to meet the cost of all outgoings, including electricity and water costs, as well as maintenance and upkeep of facilities.
- 2.8.2. In accordance with Council Policy *Leases to Non-profit Organisations*, the lessee will be required to acknowledge the

- 2.8.3. In order to recognise the City's contribution by way of the reduced rental, RDA Kalang will be listed accordingly in the City's Annual Report, in which the City will also acknowledge the benefit that it, and the wider Hobart community more generally, receives as a result of these arrangements.
- 2.9. The 95 ha Barossa Creek property was originally purchased by the City in the 1950s for the purpose of a water storage reservoir. However, it has not been required for this purpose and has since been managed as operational land.
- 2.10. The 2008 Council Land Strategy identified the need to review the future use and management of the broader Kalang Avenue (Barossa Creek) property, however it is considered that this work will be the subject of a future report and does not affect the current RDA Kalang request.

Proposed Additional Storage Shed and Minor Upgrades

- 2.11. RDA Kalang has also approached the City with a proposal to install an additional storage shed (shipping container) and undertake minor upgrades to the site including resurfacing the riding arena with sand to improve the safety for riders and horses.
- 2.12. The proposed shed is to be located within the car park to provide additional space to store horse feed / arena equipment and will require a planning permit from the Glenorchy City Council.



Photo 1. Proposed location of footprint of the additional storage shed.



Photo 2. Arena with existing rough surface.

- 2.13. RDA Kalang has applied for a grant through the Tasmanian Community Fund to resurface the arena and the City of Glenorchy has confirmed their support / assistance for the proposed site upgrades (refer **Attachment C**).

3. PROPOSAL

- 3.1. It is proposed that:

- 3.1.1. Approval be granted to renew a lease with RDA Kalang of 7 ha of City owned land at 500 Kalang Avenue, Glenorchy for a term of 5 years, together with an option of a further term of 5 years, at a nominal rental of \$50 per annum.
- 3.1.2. The General Manager delegated the authority to finalise negotiations for the lease agreement, which will include a requirement for the lessee to meet the cost of all outgoings, including electricity and water costs, as well as maintenance and upkeep of facilities.
- 3.1.3. The Council grant land owner consent for RDA Kalang to submit a development application to the Glenorchy City Council for the installation of an additional storage shed and associated works within the lease area.

4. IMPLEMENTATION

- 4.1. Upon approval, lease arrangements will be finalised and landlord consent to lodge a development application will be subsequently provided.

5. STRATEGIC PLANNING IMPLICATIONS

- 5.1. The proposed lease renewal and use of the land by RDA Kalang aligns with the *Council's Strategic Plan 2015-2015*, including:

Strategic objective 4.1.3. - *Maximise participation for people with a disability in collaboration with the Access Advisory Council.*

Strategic objective 4.1.4. - *Facilitate and support local community groups to enhance community programs and reduce social isolation.*

6. COMMERCIAL OPPORTUNITIES

- 6.1. Continuation of RDA Kalang's non-profit operations is considered to be an appropriate use of the City's land, at the current time.

7. FINANCIAL IMPLICATIONS

- 7.1. Funding Source(s)

7.1.1. Not applicable

- 7.2. Impact on Current Year Operating Result

7.2.1. Not applicable

- 7.3. Impact on Future Years' Financial Result

7.3.1. RDA Kalang will continue to be responsible for the maintenance of all assets, and payment of service charges within the lease area.

- 7.4. Asset Related Implications

7.4.1. The lease agreement will require the lessee to continue to maintain the assets located within the lease area. A building asset condition assessment undertaken by City officers found the buildings to be generally in good to average condition. Standard building asset management monitoring will be undertaken to ensure that the lease obligations are adhered to.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. The new lease agreement will require RDA Kalang to continue to hold public liability and building and contents insurance for the term of the lease.

- 8.2. RDA Kalang, with assistance from the Tasmanian Fire Service, have prepared a Fire Safety Procedure, which outlines how the organisation will respond to bushfire danger and minimise risk for volunteers, clients and horses.
- 8.3. Bushfire management responsibilities (e.g. maintenance of vegetation) will be considered in the development of the new lease.

9. LEGAL IMPLICATIONS

- 9.1. The proposed installation of an additional storage shed (shipping container) within the lease area requires a development application to be lodged under the *City of Glenorchy Interim Planning Scheme 2015*. The application must be signed by the City of Hobart, as the land owner.

10. ENVIRONMENTAL IMPLICATIONS INCLUDING CLIMATE CHANGE AND SUSTAINABILITY

- 10.1. A number of weeds species, in particular black berries are present within and adjoining the lease area.
- 10.2. The Wellington Park Bushcare Group work in the nearby area, and there may be opportunities for the group to be involved in weed management within the lease area and adjoining City property, in partnership with RDA Kalang.
- 10.3. The new lease will provide the City with the opportunity to redefine roles and responsibilities relating to environmental management consistent with contemporary land management practices.

11. SOCIAL IMPLICATIONS

- 11.1. RDA Kalang provide a valuable community service. They intend to expand their program and provide further equine therapy opportunities for people with disabilities within greater Hobart.
- 11.2. RDA Kalang's volunteers are on-site on a regular basis (several times a week), and provide activation and passive surveillance of the City's property. RDA Kalang's presence is valuable to the City, given the area is remote from the majority of the City's day to day operations.
- 11.3. RDA Kalang activities on their 7 ha lease area do not prevent public access to the balance of the 95 ha Kalang Avenue property. Whilst not actively managed as a recreational asset, there are a number of informal tracks in the area that are used by the public.

12. DELEGATION

12.1. The Finance Committee has delegated authority to both:

(a) approve the renewal of existing leases; and

(b) re-lease previously leased property.

13. CONSULTATION

13.1. RDA Kalang have liaised closely with Council officers, including the Bushland and Reserves Unit, Open Space Planning and Legal and Governance.

14. CONCLUSION

14.1. Riding for the Disabled Kalang (RDA Kalang) is a volunteer based non-profit organisation providing horse riding opportunities for people with disabilities who, since 1991, have leased seven hectares of City owned land at 500 Kalang Avenue Glenorchy to run their operations.

Lease Renewal

14.2. RDA Kalang seeks to renew their lease for a term of 5 years at a nominal rental of \$50 per annum (with an option for a lease of a further term of 5 years).

14.3. Since 1991 RDA Kalang has developed riding facilities and buildings on the property to suit their operations and they consider the site to be suitable for their ongoing operations.

14.4. The RDA Kalang request complies with the Council Policy *Leases to Non-profit Organisations*.

14.4.1. In accordance with Council Policy, the lessee will be required to acknowledge the City's support in providing the facility at a reduced rental.

14.4.2. In order to recognise the City's contribution by way of the reduced rental, RDA Kalang will be listed accordingly in the City's Annual Report, in which the City will also acknowledge the benefit that it, and the wider Hobart community more generally, receives as a result of these arrangements.

14.5. The 2008 Council Land Strategy identified the need to review the future use and management of the broader Kalang Avenue (Barossa Creek) property, however it is considered that this work will be the subject of a future report to Council and does not affect the current RDA Kalang request.

Proposed Additional Storage Shed

- 14.6. RDA Kalang proposes to install an additional small storage shed (shipping container) within the existing car park and resurface the arena with sand to make it safer. The shed would provide additional space to store horse feed / arena equipment. This work requires a development application and hence landlord consent.
- 14.7. RDA Kalang has applied for a grant through the Tasmanian Community Fund to resurface the arena and the City of Glenorchy has confirmed their support / assistance for the proposed site upgrades.

15. RECOMMENDATION

That:

- 15.1. The report cs(document2) be received and noted.***
- 15.2. Approval be granted to renew the lease with Riding for the Disabled Kalang for seven hectares of City owned land located at 500 Kalang Avenue, Glenorchy, for five years with an option for a further term of five years at a nominal rental of \$50 per annum.***
- 15.3. The General Manager be authorised to finalise negotiations for the lease agreement, which will include a requirement for the lessee to meet the cost of all outgoings, including electricity and water costs, as well as maintenance and upkeep of facilities.***
- 15.4. Landowner consent be provided for Riding for the Disabled Kalang to lodge a development application with Glenorchy City Council for the installation of an additional storage shed to be located within the lease area.***

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



(Rob Mather)
GROUP MANAGER OPEN SPACE

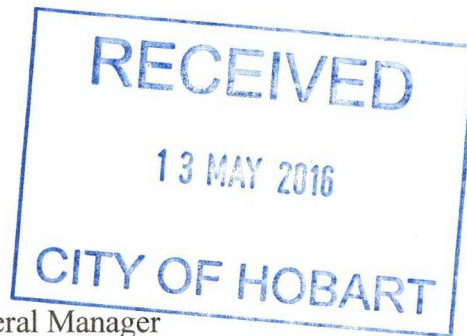


(Sue Buckland)
**ACTING DIRECTOR
PARKS AND CITY AMENITY**

Attachment A – Riding for the Disabled Kalang request

Attachment B – Assessment against the Leases to Non-profit Organisations (NFPO) Policy.

Attachment C – Letter of Support from Glenorchy City Council.



The General Manager
Hobart City Council
GPO Box 503
Hobart 7001

Riding for the Disabled Kalang Inc.
12 Rupara Avenue
West Hobart 7000
Ph: 6231 2358/0419 412246
Email: julia.clark@bigpond.com

10 May 2016

Dear Sir

I am writing to you on behalf of Riding for the Disabled Kalang Inc., to request a renewal of our lease at 500 Kalang Road, Glenorchy. As you may know, we offer experiences with horses for disabled riders aged between 4 and 80. Research has demonstrated that the benefits are wide-ranging across the areas of therapy, fun and socialisation, and we see improvements constantly with all of our riders.

In order for us to have certainty around planning, investment and land management a new lease is most important,

With thanks

Dr Julia Clark
RDA Kalang Inc Media Officer and Volunteer Coordinator

Attachment B

Address of area to be leased.	500 Kalang Avenue (Part of Title References 198178/1; 213777/1; 40777/1) in Glenorchy.
Use of leased area.	Riding for the disabled activities (i.e. instruction and events), including the agistment of horses.
Lessee.	Riding for the Disabled Association Kalang Inc (RDA)
Leased since.	19 February 1991.
Commercial valuation.	Yes.
Building Asset Assessment.	Completed. Buildings currently in use are in good – average condition.
Proposed lease term.	5 years, together with an option for a lease of a further 5 years.
Proposed rental charge.	\$50.00 per annum in line with the NFPO Policy. The current lease fee is \$10 per annum.

The following addresses the assessment criteria in the Leases to Non-profit Organisations (NFPO) Policy.

Criteria	Assessment
3.5. Eligibility - NFPO Definition	
<i>A NFPO is defined in the Policy as “an organisation that does not distribute its surplus funds to owners or shareholders”.</i>	<p>RDA Kalang is a volunteer organisation, providing horse riding and carriage driving opportunities for people with disabilities. The organisation is funded by donations, fundraising, grants, and membership fees. The City of Glenorchy and local businesses also provide in-kind support for maintenance works on the property.</p> <p>RDA is not a commercial entity generating a profit.</p>
3.6. Assessment for Granting a Lease and Providing Subsidised Rental.	
<i>(i) Use, or proposed use of the property.</i>	Riding for the disabled activities (i.e. instruction and events), including agistment of horses used in their program.
<i>(ii) Alignment with the Councils Strategic Plan and other relevant Council strategic documents.</i>	<p>The proposed lease renewal and use of the land by the RDA aligns with the Council's Strategic Plan 2015-2015, including:</p> <ul style="list-style-type: none"> - 4.1.3. Maximise participation for people with a disability in collaboration with the Access Advisory Council - 4.1.4. Facilitate and support local community groups to enhance community programs and reduce social isolation.
<i>(iii) Level of community benefit – proposed or provided.</i>	RDA Kalang provides a valuable community service for people with disabilities to participate in equestrian activities and therapy. RDA Kalang is one of only two riding for the disabled centres in southern Tasmania, and are affiliated with RDA Tasmania and RDA Australia.
<i>(iv) Value of land and buildings.</i>	The market rental value of the RDA Kalang lease area has been externally assessed to be \$13,500 per annum.

<i>(v) Potential for alternative use.</i>	The lease area and surrounding HCC property was purchased by the Council in the 1950's for a reservoir site. It was never required for this purpose. The land at 500 Kalang Avenue continues to be managed as operational land (e.g. minimal management intervention). A review of the status of the land is to be undertaken to determine its future use and level of management, consistent with the recommendations in the Council Land Review. There are currently no alternatives uses proposed for the site.
<i>(vi) Viability and capability of the organisation.</i>	RDA have operated from the site since 1991 and have developed a strong community program and following.
<i>(vii) Capacity to pay.</i>	The RDA have demonstrated their capacity to cover rental fees and basic maintenance costs over many years.
<i>(viii) Capacity to invest in and maintain the asset, or degree of capital investment undertaken.</i>	RDA have made significant improvements to the site, including an arena, fences, stables, toilets and other farm structures. RDA also partners with a number of local businesses who contribute to facility maintenance.
<i>(ix) Type of facility.</i>	Community Use
<i>(x) Capacity to invest in the community, or level of community investment provided, through disbursement of surplus funds to local community groups, organisations or activities.</i>	RDA do not generate surplus funds through their programs, rather they are reliant on volunteers to operate, as well as grants and support from partner businesses / organisations. All funds are used to provide opportunities for people with disabilities to participate in equine therapy.
<i>(xi) Length of tenure sought.</i>	5 years along with an option for a further 5 years.
<i>(xii) Level of compliance with existing lease terms and conditions.</i>	<p>The RDA have complied with the conditions of their lease within the bounds of their capacity.</p> <p>The new lease will provide an opportunity to clarify the roles and responsibilities of both the RDA and the HCC, taking into account the capacity of the RDA to undertake land management tasks (e.g. bushfire, weeds), given their volunteer capacity.</p>

Attachment C**OFFICE OF THE MAYOR**

29 February 2016

Mr Jordan Bush
President
Riding for the Disabled Association Kalang Inc.
21 Aquila Street
GLENORCHY TAS 7010

Dear Mr Bush,

LETTER OF SUPPORT FOR GRANT APPLICATION TO TASMANIAN COMMUNITY FUND FOR ARENA UPGRADE

The Glenorchy City Council would like to express its support for the Riding for the Disabled Association (RDA) grant application to the Tasmanian Community Fund Grant Round 32 for the resurfacing of the equestrian arena. The RDA is a voluntary non-profit organisation providing equestrian activities for people with disabilities.

To support this project, if the RDA is successful in gaining this grant, Glenorchy City Council will provide:

- Excavation of the existing arena to remove the top surface layer of coal ash with Council machinery and staff, disposal of this material on site.
- Spreading of new sand with Council machinery and staff once it is delivered.
- Some remediation of driveway with Council machinery and staff with excavated material.

We estimate that this work will take approximately 4 days, weather permitting.

Glenorchy City Council acknowledges the work the RDA does in providing volunteer led activities which benefit both children and adults in our community with a disability.

Yours sincerely

Alderman Kristie Johnston
MAYOR