

ORDINARY MEETING	8
21 FEBRUARY 2024	

**TENURE ARRANGEMENT – SURRENDER OF EXISTING FREEHOLD LEASE AND OFFER OF NEW FREEHOLD LEASE OVER PART OF LOT 3 ON RP701079, 28 GROVE STREET CAIRNS NORTH - DIVISION 5**

19/28/44 | #7324985

**RECOMMENDATION:**

That Council:

1. Approves the surrender of the freehold lease by Cairns Junior Choral Society Inc over part of lot 3 on RP701079, 28 Grove Street Cairns North;
2. Applies an exception in accordance with section 236(1)(b)(ii) of the *Local Government Regulation 2012* pursuant to section 236(2) for the purpose of the leasing of land to a community organisation over part of Council freehold land described as lot 3 on RP701079, 28 Grove Street Cairns North;
3. Supports a freehold lease offer to the Cairns Italian Festival Inc for a term of 3 years for community hall purposes over part of lot 3 on RP701079, 28 Grove Street, Cairns North in accordance with Council's registered standard terms lease agreement and conditional upon the ongoing accommodation of existing user groups at the premises; and
4. Delegates authority to the Chief Executive Officer under section 257 of the *Local Government Act 2009* to negotiate and finalise any and all matters relating to the freehold lease arrangements.

**INTERESTED PARTIES:**

Applicants

- Cairns Junior Choral Society Inc
- Cairns Italian Festival Inc

Regular hall users

- AA
- Children of AA
- Cairns Cloggers
- Church of Christ
- Cairns First Aid Training

*Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.*

## **EXECUTIVE SUMMARY:**

This report has been prepared to gain approval to allow the Cairns Junior Choral Society Inc to surrender their freehold lease over part of Council land and to offer the Cairns Italian Festival Inc a lease over the same area for a term of 3 years for community hall purposes subject to the same terms and conditions as the current lease. By applying an exception under the *Local Government Regulation 2012*, the local government can lease land to a community organisation without the need to tender.

## **BACKGROUND:**

Cairns Junior Choral Society Inc (CJCS) have leased one of the structures (hall) at 28 Grove Street, Parramatta Park for over 20 years. Their current lease is due to expire 31 December 2025 however due to a lack of memberships and committee members, the Society approached Council requesting they be allowed to either transfer their lease to a new lessee or surrender their current lease.

CJCS was hoping to transfer the lease to the Cairns Italian Festival Inc (CIF) who currently hire the hall on a regular basis through CJCS. CIF has provided support to CJCS with the running of the hall.

CIF was established in 2018 with a primary focus in fostering and retaining the historical value of Italian immigration to Far North Queensland. CIF would like to gain tenure over the hall:

- to provide a meeting place for Italian immigrants as part of a community akin to their origins;
- as a location for social nights (card nights, dinner/BBQ nights, bocce competitions);
- to use to display and store important historical documentation and memorabilia;
- to use as a storage facility for the festival assets; and
- to ensure that other not for profit organisations continue to be able to utilise the space in a community hall capacity.

CIF hold a festival every year that has become a montage of different events. With approximately 38,000 people attending over the 2 week period, the festival includes;

- Italian themed restaurant evenings;
- Historical Italian museum events;
- Fireworks;
- The signature event, Italian Festival day, with an attendance of 12,800;
- Italian Salami making competition; and
- Italian & Pasta Sugo competition.

CIF have submitted an Application to Occupy Council Property. Their cover letter with information on their vision for the hall can be found at attachment 2.

Further, CIF have committed to continue to support the use of the hall as a community hall for the benefit of the existing NFP groups and other users.

**COMMENT:**

Internal discussions have been held with Community Spaces, as the asset owner of the subject land. Due to the number of external NFP groups currently using the hall it was considered most appropriate to ensure any future lessee would see that this level of community use was supported in the future. Clubs and organisations currently using the hall on a regular basis include Cairns Cloggers, AA, the Children of AA, Church of Christ and Cairns First Aid Training (commercial).

Due to the current lease expiring at the end of 2025 it was decided the best course of action would be for CJCS to surrender their lease and a new lease be offered to CIF for a term of three (3) years as a trial period to ensure that the premises continues to be utilised in a manner that is beneficial to the community.

A condition of the lease stating that CIF must continue to allow the not for profit organisations and clubs and other users who currently utilise the hall to continue to do so is to be included.

**Terms and conditions**

The offer of a freehold lease to Cairns Italian Festival Inc (lessee) is subject to the following terms and conditions:

- For club and ancillary community hall purposes;
- over part of Council's freehold land described as lot 3 on RP701079;
- for a term of three (3) years from a date to be determined;
- lessee responsible for:
  - rates (general) – lessee may apply for rates based financial assistance
  - charges – sewerage / EML
  - water
  - utilities – electricity / phone / gas
  - public liability insurance noting Council as an interested party
  - bin/waste collection – to be met by lessee, ensure Council is no longer responsible
- lessee is to allow the not for profit organisations and clubs who currently utilise the hall to continue to do so;
- Council's standard terms document for freehold leasing registered under dealing no 721071527;
- in accordance with Council's Tenure Arrangements and Disposal of Council Property – General Policy; and
- should the negotiations become protracted and the tenure arrangement is not finalised within three (3) months of the date of this approval, Council reserves the right to withdraw its lease offer.

**OPTIONS:****Option 1: (Recommended)**

That Council:

1. Approves the surrender of the freehold lease by Cairns Junior Choral Society Inc over part of lot 3 on RP701079, 28 Grove Street Cairns North;
2. Applies an exception in accordance with section 236(1)(b)(ii) of the *Local Government Regulation 2012* pursuant to section 236(2) for the purpose of the leasing of land to a community organisation over part of Council freehold land described as lot 3 on RP701079, 28 Grove Street Cairns North;
3. Supports a freehold lease offer to the Cairns Italian Festival Inc for a term of 3 years for community hall purposes over part of lot 3 on RP701079, 28 Grove Street Cairns North in accordance with Council's registered standard terms lease agreement and conditional upon the ongoing accommodation of existing user groups at the premises; and
4. Delegates authority to the Chief Executive Officer under section 257 of the *Local Government Act 2009* to negotiate and finalise any and all matters relating to the freehold lease arrangements.

**Option 2:**

That Council does not provide approval to make a freehold lease offer to the Cairns Italian Festival Inc and instead invites submissions from interested not for profit organisations for the lease of the premises.

**Option 3:**

That Council does not provide approval to make a freehold lease offer to the Cairns Italian Festival Inc and the premises remains vacant.

**CONSIDERATIONS:****Risk Management:**

There is minimal risk associated with the recommendations of this report. The initial offer of a 3 year term enables Council to ensure that the Cairns Italian Festival Inc manages and maintains the premises in line with Council and community need. CIF have a strong membership base, provided support and assistance to the current lessee and understand the importance for the hall to continue to be utilised as a community hall. It is therefore expected that the facility on Grove Street will continue to be well maintained and run.

**Council Finance and the Local Economy:**

All costs associated with the lease of the property including, but not limited to legal costs, associated professional services and registration fees will be borne by Council.

The lessee is responsible for general rates, including utility charges if applicable (i.e. fire levy, access to water and access to sewerage).

There are no outstanding rent, rates and water from the previous arrangement.

#### Corporate and Operational Plans:

This report aligns with Council's Corporate Plan 2021 – 2026 focus areas relating to:

1. Community and Culture - Fostering a vibrant and healthy community where everyone feels they belong; and
2. Focused Council - Ensure decision making is collaborative, transparent and accountable.

#### Statutory:

Section 236 of the *Local Government Regulation 2012* allows Council to apply an exception to dispose of a valuable non-current asset without the need to tender or auction. This section also allows for the issue of leases to community organisations for less than market value which would not apply in the absence of the exception.

The lease will be prepared in accordance with the requirements of the *Land Title Act 1994*.

#### Policy:

The tenure arrangement will be prepared in accordance with Council's 'Tenure Arrangements and Disposal of Council Property General Policy', in particular part 1 of the associated administrative instruction which provides for use by not for profit community groups.

#### **CONSULTATION:**

Discussions have occurred with the relevant internal stakeholders to seek preliminary direction on the use of this facility.

As CIF have been booking the premises since 2018, are financial viable (as evidenced by their most recent financial systems), have indicated they will continue to offer the building to other groups in a community hall capacity; and have a proven track record in management and organisation (annual Cairns Italian Festival), they are seen as a strong choice to take on a lease over the Grove Street Hall.

**ATTACHMENTS:**

Attachment 1 – Aerial view of proposed lease area (red hatched area)

Attachment 2 – The Cairns Italian Festival cover letter

A handwritten signature in black ink that reads "Patterson". The signature is written in a cursive style with a long horizontal stroke at the end.

Amy Patterson  
Executive Manager - Licensing and Compliance

A handwritten signature in black ink that reads "Ed Johnson". The signature is written in a cursive style with a long horizontal stroke at the end.

Ed Johnson  
Director – Planning, Growth and Sustainability

**Attachment 1 – Aerial view of proposed lease area highlighted in red**



## Attachment 2 – The Cairns Italian Festival cover letter



30/08/2023

Cairns Regional Council,  
PO Box 359,  
CAIRNS Q 4870

Cairns Italian Festival Inc.  
PO Box 6943  
Cairns 4870  
ABN 1276075070  
Ph. 0419355175  
Email [info@cairnssitalianfestival.com.au](mailto:info@cairnssitalianfestival.com.au)

**To Whom It May Concern:**

Dear Sir, Madam.

I am writing as the Vice President of the Cairns Italian Festival, to write on behalf our executive, to formally express our interest in possibly being the lead tenant in the ongoing running leasing of the Cairns Regional Council community hall located at 28b Grove Street. Cairns. Currently known as the Cairns Junior Choral Society Hall.

Historically I am very aware of the make-up of the hall, and its presence in Cairns. Being a resident in McLeod Street In the early 1970's. Having personally attended kindergarten and junior choral society at that exact site.

I believe I have a firm understanding of the intent of the hall's purpose in providing for the greater Cairns village.

We as Cairns Italian Festival (CIF) want to be able to provide a meeting place for the older folk ( and younger folk), members and non-members who have immigrated to Australia, to be able to converse in their native tongue, enjoy each other's company and be part of a club / community that is akin to their origins.

This will also include social family card nights, (Games called Briscola and Scuba), Family regional dinners / barbecues. Playing Bocce down the side of the building, again, for both the young and old.

Our main mandate however is to ensure the many immigrant stories of Italian immigrants to the Far North are never lost, means that having the hall, we have some where to document, explore and trace, store and display this important historical information, to ensure , that it is never forgotten, or lost.

Commercially, the Grove Street facility has a great storage facility to the rear of the building, which means we can also store our festival assets from year to year which are utilized for our signature event " La Festa attracting more than 12000 patrons.

CIF understand the importance of this hall being not exclusive to any one NFP organization or entity.

We do however would like the ability to have a place to call home, and financially, we would also be happy to possibly develop the site with minor upgrades should that be , #1 allowable under the CRC's bylaws, and #2 advantageous to all interested parties utilizing the facilities.

I personally am vested in this site for my personal previous involvement and in short what this hall has historically provided for so many different organizations over many, many years. As much as this is a commercial request, there is on our executive's part a major emotional attachment to seeing these types of facilities survive and not being lost down the track. I do hope we can be seriously considered for the lead tenant position for the Grove Street facility.

Yours faithfully,

  
Luigi A Carozzo (Vice President)

On Behalf of Executive committee Cairns Italian Festival.