



8.3

**ALBERT PARK TENNIS HOCKEY CENTRE:
FUTURE TENANCY**

LOCATION/ADDRESS:

**HOCKEY DRIVE (OFF AUGHTIE DRIVE)
ALBERT PARK**

GENERAL MANAGER:

LISA DAVIS, INFRASTRUCTURE & AMENITY

PREPARED BY:

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TRIM FILE NO:

50/01/107

ATTACHMENTS:

Nil

PURPOSE

To present to Council the current status of the Albert Park Tennis and Hockey Centre (APTHC) Joint Venture between Wesley College (Uniting Church of Australia) and Port Phillip Council and to seek approval to:

- Commence negotiations with Parks Victoria for a new lease of the APTHC.
- Commence negotiations for a new Joint Venture agreement with Wesley College for the management of the APTHC facility and future lease.

I. RECOMMENDATION

That Council:

- 1.1 Authorises officers to work with Wesley College as Joint Venture partner to negotiate a new long term (up to 21 years) lease agreement for the Albert Park Tennis and Hockey Centre.
- 1.2 Authorises the commencement of negotiations with Wesley College to establish a new Joint Venture Agreement to manage the Albert Park Tennis and Hockey Centre, subject to a new lease being agreed.

2. BACKGROUND

- 2.1 The APTHC is located at Hockey Drive (off Aughtie Drive) in Albert Park, with Parks Victoria the land manager.
- 2.2 In 1996 the APTHC was jointly funded and developed into a purpose built tennis and hockey facility by Council (\$400K), Wesley College (\$400K) and the Powerhouse St Kilda Hockey Club (\$65K).
- 2.3 There are three agreements in place for the facility:

- 2.3.1 A Joint Venture (JV) between City of Port Phillip and Wesley College;
 - 2.3.2 A lease between the JV and Parks Victoria for a period of 21 years, due to expire in November 2017 ; and
 - 2.3.3 An agreement between City of Port Phillip and the Powerhouse St Kilda Hockey Club (PHSTHC) that outlines details around access, facility operations and Council's role in representing the club's interests on the JV Management Committee.
- 2.4 APTHC is a purpose built premium artificial grass pitch, which services the community on an annual and seasonal basis with school and community based hockey and tennis facilities.
- October 1 – March 31 (Tennis):
- Training and competition for Wesley College
 - Community use through casual court hire and lessons
- April 1 – September 30 (Hockey):
- Training and competition for PHSKHC and Wesley College
- 2.5 Wesley College is the primary administrator of the JV and manages the site on a day to day basis. The JV has a Management Committee comprising Wesley and CoPP Officers, which oversees operations and governance in accordance with the JV Agreement.
- 2.6 The APTHC refers to the playing field only. The adjacent Cox Mackenzie Pavilion is licenced to the hockey club through a separate process managed by Parks Victoria.

3. KEY INFORMATION

Facility, user and usage details

- 3.1 The APTHC is the only hockey facility in Port Phillip and is optimised by it becoming casual tennis courts which are publicly accessible (in that hirers are not required to become members of a club) during the summer season. The tennis operator offers casual court hire and professional tennis lessons.
- 3.2 During the summer season Wesley College uses the facility during school hours, with community access available before and after school hours and throughout the school holidays.
- 3.3 In addition to casual court hire, the tennis operator provided approximately 111 hours per week of structured tennis in summer 2015/16 comprising: adult private lessons; adult group coaching classes on 6 days of the week; meet-up groups on Tuesdays and Thursdays; Social tennis on Friday and Sunday afternoon/evenings; and evening adult tennis competitions 3 days per week and on weekends.
- 3.4 During the winter season the usage is: PHSKHC (approximately 40-45% of time), Wesley College (approx. 25-30% of time) with the balance being casual hire or the facility not being used.
- 3.5 All users of the facility pay hire fees to the JV; tennis hire fees are paid on a casual basis, and the fees for the hockey club and Wesley College are paid on a seasonal basis.

3.6 The PHSKHC membership comprises of:

- Junior boys 88
- Junior girls 45
- Senior and Masters women: 87
- Senior Masters men: 115
- Social members: 23
- **Total 358**

3.7 There are 25 teams currently playing: 10 juniors, 5 Womens, 5 Mens and 5 Masters, as well as a Hookin2Hockey program for beginners.

3.8 Over the past 18 months, with support from Council Officers, the Club has created a Business Plan, and improved its financial sustainability, membership base and governance to become an effective community sports club.

3.9 Like most community sports clubs, PHSKHC would need to undertake extensive fundraising to be able to contribute funding towards capital renewals or upgrades.

Tenure Arrangements

3.10 The current lease between the JV and Parks Victoria is due to expire in November 2017.

3.11 Parks Victoria has indicated that the process for renewal of a lease agreement could take at twelve to eighteen months. Key aspects of the Parks Victoria leasing process are:

3.11.1 The site is assessed by the Valuer General and rental is set accordingly.

3.11.2 Parties that enter into a lease must provide evidence of proposed future capital investment into the property.

3.11.3 The level of capital investment may influence the term of the lease.

3.12 Wesley College has indicated that its priority is to secure an ongoing lease prior to any capital investments being made in the site.

3.13 Officers also recommend that certainty of security of tenure should be established prior to any further significant capital investment.

Joint Venture Arrangements

3.14 Wesley College has indicated its preference to continue in a JV with Council, and seek a new lease.

3.15 In early 2015, PHSKHC approached Officers with aspirations to represent itself on the JV (at the exclusion of CoPP) however in more recent discussions, the club has indicated its support for the current arrangements continuing. The club does not have the financial means to become a party to the JV under the current arrangements.

- 3.16 The existing arrangement is unique in that it's the only example of CoPP leasing land in Albert Park for sporting provision and community use.
- 3.17 The JV has operated effectively in that it has generated through hire fees, sufficient operating funds and capital in its sinking fund to manage renewals and upgrades. The main assets are the hockey pitch and surface, lighting and fencing.
- 3.18 During the life of the JV, there has been no call on Council for additional funds to support the facility.

Benefits

- 3.19 The facility provides health and wellbeing benefits for the community by providing access to casual hire of tennis courts and tennis lessons by a tennis professional in the summer season, and access for a community based sporting club (PHSKHC) in the winter season.
- 3.20 The management arrangements for the facility have proven to be an effective and efficient means of providing community sport opportunities that Council could not otherwise offer. There have been no significant operating issues throughout the lease, and Wesley College understands and supports Council's position in relation to the benefits derived from community sport and recreation.
- 3.21 The current arrangement is consistent with Council's Sport and Recreation Strategy 2015-2024 which aspires to:
- Provide access and opportunities for sport participation, which contributes to a community health and wellbeing;
 - Provide and facilitate a diverse range of sport and recreation programs and services to the Port Phillip community;
 - Provide and maintain quality sport and recreation spaces for the Port Phillip community (including ensuring that all sporting surfaces and associated facilities are fit for purpose while meeting environmentally sustainable objectives)
 - Strengthens existing relationships with external organisations to enhance the range of sport and recreation opportunities available to the Port Phillip community
 - Increase awareness of the sport and recreation opportunities and services that are available in the City of Port Phillip

Options

- 3.22 There are two options for Council's future involvement with the JV and tenure arrangements for the APTHC site:
- 3.23 Option 1: Council could commit to maintaining the JV arrangement and seek a new lease (recommended).

Under this option, Council could agree with Wesley to continue in the JV and seek a new long term lease from Parks Victoria, utilising the current sinking fund as its capital investment proposal for a new lease.

If approved, under this option Council would also enter a new agreement with PHSKHC, similar to the existing one, around access to the facility and club obligations.

Under this option Council:

- Maintains access, at a relatively low cost, to scarce land for community sport and recreation.
- Would continue to provide publicly accessible tennis courts for use through summer (the only such provision in the municipality).
- Would enable the hockey club's access to the facility for the long term.

This option is supported by Council's JV partner, Wesley College.

This option is supported by the PHSKHC (while the playing surface is an immediate priority for the club, it understands the rationale in seeking security of tenure before further capital upgrades).

- 3.24 Option 2: Council could cease its involvement in the JV at the end of the current lease.

Under this option, at the end of the lease in November 2017, the current JV would end and the JV's assets would be split in accordance with the JV Agreement.

Council would relinquish any involvement in, or responsibility for, the site and would save on administrative and officer-time costs, estimated to be around 200 hours per annum.

Any parties, including PHSKHC and Wesley would liaise directly with Parks Victoria regarding any potential new lease. Parks Victoria may decide to open up the opportunity for an Expression of Interest.

Under this option Council:

- Would no longer have the ability to offer the community access to publicly available casual tennis; and
- Would be unable to support the PHSKHC with access to a hockey facility.

Proposed Future Agreement Principles

- 3.25 In line with the recommended Option One, Council Officers would represent the following requirements in negotiations with Wesley College and PV:

3.25.1 Lease agreement

3.25.1.1 Term up to 21 years

3.25.1.2 Continued access for tennis and hockey as per the current seasonal use

3.25.1.3 Upgrade of the playing surface to be Hockey Victoria Premier League compliant on confirmation of ongoing tenure

3.25.2 Joint Venture

3.25.2.1 Maintain access for the community and PHSKHC

3.25.2.2 Review of the financial obligations

3.25.2.2(a) Fee and charge setting

- 3.25.2.2(b) Sinking fund contributions
- 3.25.2.3 Capital investment plan for the life of the agreement
- 3.25.2.4 Development and implementation of a marketing plan
- 3.25.2.5 Agreed community benefits and community access targets
- 3.25.2.6 Improved Governance arrangements
- 3.25.3 Council and Club agreement
 - 3.25.3.1 As a minimum maintain current access rights in the winter season
 - 3.25.3.1(a) Each Saturday morning between 8am-12.30pm
 - 3.25.3.1(b) Each Tuesday and Thursday evening sufficient time slots for training the ten junior and ten senior teams
 - 3.25.3.1(c) Each alternative Friday evening between 5.45pm and 10pm
 - 3.25.3.1(d) Sufficient time slots each alternate Saturday and Sunday for matches for at least five men's teams and five women's teams
 - 3.25.3.1(e) Priority access to the facility over other groups at other times
 - 3.25.3.2 The Club will provide evidence annually of its governance processes and plans in line with the requirements places on sports clubs managed by the City of Port Phillip

Additional Information – Hockey Pitch Surface

- 3.26 In a separate but related matter, there has been a request by the PHSKHC for the JV to urgently replace the pitch surface.
- 3.27 The club has requested this because in 2015 Hockey Victoria, the sport's governing body, released new standards for its competition facilities - in particular the requirement for Premier competition to be played on a hybrid surface by the 2017 season (to comply with international standards).
- 3.28 The current playing surface at APTHC will need to be changed to the 'new' hybrid surface before PHSKHC's men's Premier team can play home matches at Albert Park. All other junior and senior teams will still train and compete at the site.
- 3.29 The Club has explained that there are impacts on its ability to fund-raise while the men's Premier team is playing its home matches at another venue.
- 3.30 The JV is yet to formally respond to the PHSKHC's request to replace the surface, but has obtained quotes that demonstrate it will cost a minimum of \$300-400K.
- 3.31 In assessing the merits of the request, Officers advise that the primary considerations for the JV are:
 - (a) the current surface is in very good condition and has a useful life of another 5-6 years (it was installed in 2009);

- (b) the men's Premier team is the only direct beneficiary of a new surface and the team is able to play its home matches at another venue in 2017;
- (c) the prudence of such an investment without certainty of tenure beyond November 2017, nor certainty about capital investment requirements in any future lease; and
- (d) the PHSKHC has limited capacity to contribute to the cost, meaning it would need to be funded from the JV's sinking fund

3.32 Officers recommended that a new lease be established prior to any further significant capital investment. This is consistent with Wesley College's views.

3.33 There is an opportunity for the PHSKHC to seek an exemption from Hockey Victoria on the new surface requirements for 2017. Council officers have liaised with Hockey Victoria and explained the tenure circumstances relating to the APTHC.

FURTHER SUPPORTING INFORMATION

4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

4.1 This report aligns to the *Council Plan* through:

1.4 Build strategic relations with our partners

- Work closely with Wesley College, Parks Victoria and the Powerhouse St Kilda Hockey Club

2.2 Support our community to achieve improved health and wellbeing

- Provide flexible community spaces that meet the broad needs of the community
- Ensure our parks, open spaces and the built environment encourage activity for all ages

4.3 Improve and manage local amenity and assets for now and the future

- Support sustainable and strategic investment in the management of assets our community can access

4.2 Council's *Sport and Recreation Strategy 2015-2024* supports this report:

Focus Area 1 – People: Provide and facilitate a diverse range of sport and recreation programs and services to the Port Phillip community

1.2 Increase awareness of the sport and recreation opportunities and services that are available in the City of Port Phillip

1.3 Strengthen existing relationships with external organisations to enhance the range of sport and recreation opportunities available to the Port Phillip community

Focus Area 2 – Places: Plan, provide and maintain quality sport and recreation spaces for the Port Phillip community

2.1 Ensure that all sporting surfaces and associated facilities are fit for purpose while meeting environmentally sustainable objectives

5. CONSULTATION AND STAKEHOLDERS

5.1 Consultation has occurred with:

5.1.1 Wesley College

5.1.2 PHSTHC

5.1.3 Parks Victoria – in terms of providing advice to officers on the process of leasing, capital investment expectations and maximum lease term.

6. LEGAL AND RISK IMPLICATIONS

6.1 Legal implications have been outlined in the report.

7. SUSTAINABILITY – Triple Bottom Line

7.1 ENVIRONMENTAL IMPLICATIONS

7.1.1 Any future upgrade of the playing surface at APTHC will be a hybrid surface that doesn't require watering. A wet playing surface is an option in the Hockey Victoria guidelines.

7.2 SOCIAL & CULTURAL IMPLICATIONS

7.2.1 The provision of community access to the facility meets the goals of the Sport and Recreation Strategy to provide a diverse range of activities.

7.3 ECONOMIC IMPLICATIONS

7.3.1 Nil

7.4 FINANCIAL IMPLICATIONS

7.4.1 Maintaining the JV will allow Council to provide cost effective access to hockey and tennis facilities without the requirement to purchase land.

7.4.2 The JV has operated the facility without a call to Council for funds, and this will be an underlying principle of a future JV Agreement.

8. IMPLEMENTATION STRATEGY

8.1 TIMELINE

8.1.1 The JV will meet to formalise the lease request to Parks Victoria.

8.1.2 A submission to PV to commence lease negotiations will be submitted as soon as practicable.

8.1.3 The lease negotiations could take 12-18 months.

8.1.4 A new CoPP-Wesley JV Agreement and the CoPP-PHSKHC Agreement would be commenced concurrently with a new lease.

8.1.5 Council will authorise each of these agreements via a Council Report.

8.2 COMMUNICATION

8.2.1 The PHSKHC and Wesley will be notified by letter of the Council decision.

8.2.2 Key messages:

- The provision of accessible sport and recreation facilities, in particular tennis and hockey, is supported by Council.
- Securing ongoing community access to the APTHC is an important component of meeting the Council's Sport and Recreation Strategy.
- The PHSKHC is an important member of our community that provides opportunities for males and females of all ages and abilities to be active and play sport.

- Council supports the PHSKHC's application to Hockey Victoria for an exemption to the requirements for a new surface, until tenure for APTHC is secured.

9. OFFICER DIRECT OR INDIRECT INTEREST

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.