

**Executive Summary****12.14 Proposed Lease of Council Land - Part of 83R-85R Hillcrest Road Frankston (Jubilee Park Reserve) - Frankston and District Netball Association (FDNA)**

*Enquiries: (Danielle Watts: Corporate and Commercial Services)*

Council Plan

Level 1:

1. Healthy and Safe Communities

Level 2:

1.3 Encourage active and healthy lifestyles for people of all ages and abilities

**Purpose**

To update Council on the proposed leasing arrangements with the Frankston and District Netball Association for the new Jubilee Park Stadium (including outdoor netball courts), and to seek approval to commence the community engagement process.

**Recommendation (Director Corporate and Commercial Services)**

That Council:

1. Notes the requirements of section 115(4) of the Local Government Act 2020 and Council's Community Engagement Policy;
2. Authorises and directs the CEO to give public notice of Council's intention to enter into a lease with the Frankston and District Netball Association (FDNA), of part of the Council land at 83R-85R Hillcrest Road Frankston, being part of Lot 1 on Title Plan Number 107277, and known locally as Jubilee Park Reserve, for:
  - a) the purposes of a multi-use indoor sports stadium for netball, cricket, volleyball, and basketball, including café, crèche and function space, and outdoor netball courts;
  - b) a term of 16 years; and
  - c) a base rental of \$165,000 plus GST; a turnover rental in respect of the commercial spaces of up to 10% of associated income; and a maintenance contribution of up to \$100,00 plus GST.
3. Notes that to support the FDNA in establishing the operation of the stadium, the base rent; turnover rent, and maintenance contribution will be staggered in the initial period of the lease term as follows:
  - a) Year 1 – Rent \$8,250 plus GST per annum being 5% of the Base Rent; Turnover rent equal to 0% of Gross Sales during the Turnover Rent Period, plus a Maintenance Contribution.
  - b) Year 2 - \$16,500 plus GST per annum being 10% of the Base Rent; Turnover Rent equal to 6% of Gross Sales during the Turnover Rent Period, plus a Maintenance Contribution.
  - c) Year 3 – \$33,000 plus GST per annum being 20% of the Base Rent; Turnover Rent equal to 7% of Gross Sales during the Turnover Rent Period, plus a Maintenance Contribution.
  - d) Year 4 – \$66,000 plus GST per annum being 40% of the Base Rent; Turnover Rent equal to 8% of Gross Sales during the Turnover Rent Period, plus a Maintenance Contribution.
  - e) Year 5 – \$132,000 plus GST per annum, being 80% of the Base Rent, Turnover Rent equal to 9% of Gross Sales during the Turnover Rent Period, plus a Maintenance Contribution.

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- Sustainable Environment (improve the quality of recycling, minimise the generation of waste and establish alternatives to landfill)

**Officer's Declaration of Interests**

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

**Risk Mitigation**

There is minimal risk in seeking community feedback on the leasing proposal.

Operational risk lies with the overall FDNA capability to manage the Stadium to ensure that the facility model is sustainable over the course of the lease term, and that community objectives can be achieved.

Financially, higher rent requirements automatically create a higher default risk. However, the framework of the Stadium operation which provides for a stepped increase in financial payments as well as KPI requirements, allows time for the FDNA to establish operations in the new premises, and build programmes and participation rates, acting to mitigate these risks.

Since Council's previous decision, the FDNA have undertaken much work to enhance and expand their skills. Pleasingly they have sought expert advice on a range of matters, including but not limited to the operation of the commercial spaces (café and function area) and broader stadium management.

Council has the ability to enforce provisions in both the lease and SLA, though other requirements which provide ongoing oversight of operations with scheduled monthly meetings with Council, will also act to mitigate such a need.

Council needs to ensure that appropriate resourcing is available to allow detailed oversight of the FDNA management of the facility.

**Conclusion**

The Frankston and District Netball Association has worked with officers on the management arrangements for the redeveloped Jubilee Park Netball Stadium at Jubilee Park Reserve.

In accordance with the Property Strategy, the proposed lease supports the ongoing development of netball and associated programmes, in a manner that provides both a financial and service return to Council. Tenure of the facility requires the successful completion of a community engagement process pursuant to the *Local Government Act 2020*, including public notification.

The commencement of the community engagement process for the leasing of Council land is recommended, to allow the lease proposal to progress to the next stage.

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**ATTACHMENTS**

Attachment A: [↓](#) Lease Plan - FDNA



**williams ross architects**  
Frankston City Council  
**Jubilee Park Stadium**  
Frankston City Council  
**Lease Boundary Plan**  
October 2021  
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**A01**