

16.2 Unsolicited Proposal - 262 Sturt Road, Marion
Report Reference GC211123F16.2**Moved Councillor Masika****Seconded Councillor Crossland**

That pursuant to Section 90(2) and (3)(d)(i) and (ii) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the Chief Executive, Manager City Activation, Chief Financial Officer, Communications Advisor, Unit Manager Governance and Council Support and Governance Officer, be excluded from the meeting as the Council receives and considers information relating to Unsolicited Proposal – 262 Sturt Road, Marion, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to a proposal from a third party.

Carried Unanimously

8.36pm the meeting went into confidence.

8.37pm Councillor Crossland left the meeting and did not return

Moved Councillor Telfer**Seconded Councillor Hutchinson**

That Council:

1. Note the outcomes of negotiations with the proponent group and their broad acceptance of all terms proposed by Council in its resolution of GC211026F16.4.
2. Is prepared to offer a lease to the proponent group on the following basis;
 - a. No capital or operating investment from the City of Marion;
 - b. A 42 year lease term
 - c. An annual rent of [REDACTED] (which council has derived from a simple estimate of the rent which would be chargeable to a non-profit association providing recreational services based on the obligations set out in the leasing and licensing policy);
 - d. A discount (of 5% - 10%) in line with the attached schedule for City of Marion residents on services provided by the facility;
 - e. A put option at the expiration of the 42 year lease term requiring the City of Marion to purchase the building from the Consortium for an amount agreed to by both parties in the put option agreement
3. Endorse Administration to finalise a formal contract in line with the above negotiated terms.
4. Endorse the Chief Executive Officer, in consultation with the Mayor to execute the final contract.
5. Note that Administration will bring a future report detailing the final negotiated contractual arrangements and the next steps with regard to development of the site and engagement with the community on the Unsolicited Proposal outcome.
6. Notes the prior decision by Council to prohibit traffic movements from 262 Sturt Road, Marion Site to Shelly Avenue or Christina Street, Marion

7. Notes that this process remains confidential and non-binding on Council in line with its Unsolicited Bids Proposal policy until a final contract is executed by both parties.
8. In accordance with Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that this report, Unsolicited Proposal – 262 Sturt Road, Marion, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(d)(i) and (ii) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2021.

Carried

Councillor Shilling called a Division:

Those For: Councillors Masika, Mason, Veliskou, Clancy, Prior, Hull, Telfer and Hutchinson

Those Against: Councillors Shilling and Duncan

Carried

8.51pm the meeting came out of confidence.