

15 DEFERRED MATTERS

15.1 NOTICE OF MOTION - TALUS STREET (R73306) RESERVE TRUST

RESPONSIBLE OFFICER:	NICK TOBIN – GENERAL MANAGER
AUTHOR:	NICK TOBIN – GENERAL MANAGER
CITY STRATEGY LINK:	6.1.1 A COUNCIL THAT IS OPEN, ACCOUNTABLE AND REPRESENTS ITS CONSTITUENTS
MEETING DATE:	9 DECEMBER 2013

Purpose of Report

Councillor J Hooper has indicated his intention to move the following Notice of Motion:

"That notwithstanding the legality or otherwise of the NORTHERN SUBURBS TENNIS ASSN Inc. ("NSTA") 's capacity to sublease the Talus Street Reserve tennis complex to a commercial entity, namely LOVE 'N DEUCE PTY LTD, ACN 001500018, ABN 56001500018 ("**Love'n Deuce**"), the following questions need to be answered in a comprehensive report to Willoughby City Council by the General Manager:-

1. Is Council currently receiving \$24,000.00 rent for the Talus Street Reserve tennis complex? (an area of 15,300 square metres).
2. Is the Humpty Dumpty Foundation ("**Humpty Dumpty**"), which has raised at least \$1.2M for badly needed equipment in the emergency department of the RNSH and is currently occupying an office of approx 20 square metres paying approximately \$40,000 in rent to Love'n Deuce? (i.e. \$16,000.00 more than Willoughby City Council is receiving for the entire Talus Street tennis complex!)
3. Is there a Clause in the lease from Willoughby City Council to the NSTA that provides for free office accommodation to Humpty Dumpty, in line with community expectations for Council's support for this worthy charitable organization? (see, 1999 Willoughby City Council reports and advices from Mr. Nick Tobin)
4. Is there a Clause in the lease from Willoughby City Council to the NSTA that imposes a financial penalty on NSTA if Humpty Dumpty is forced to pay rent? (see, 1999 Willoughby City Council reports and advices from Mr. Nick Tobin)
5. Is the NSTA in a very strong financial position and, according to its published 2013 Annual Report, has \$5,555,773.00 in assets, \$1,027,225 in retained profits and \$234,089 cash in bank, receives \$448,669 in income including over \$85,000 annually from Love'n Deuce courtesy of Willoughby City Council's extraordinary benevolence?
6. Is the estimate of additional rent payable to Willoughby City Council, in view of the questions 3 and 4 above, approximately \$160,100.70 plus interest being in excess of \$200,000.00? (see table below):

	Period		Year		Paid	Estimate Due
Rent Period	Apr-98	Apr-99	Yr 1	rent free	\$ -	\$20,000.00
Rent Period	Apr-99	Apr-00	Yr 2	rent free	\$ -	\$20,000.00
Rent	Apr-00	Apr-01	Yr 3	rent free	\$ -	\$20,000.00

Period						
Rent Period	Apr-01	Apr-02	Yr 4	base set at 14k	\$14,000.00	\$20,000.00
Rent Period	Apr-02	Apr-03	Yr 5	CPI	\$14,000.00	\$20,000.00
Rent Period	Apr-03	Apr-04	Yr 6	market review	\$16,170.00	\$23,100.00
Rent Period	Apr-04	Apr-05	Yr 7	CPI	\$16,500.00	\$23,571.43
Rent Period	Apr-05	Apr-06	Yr 8	CPI	\$16,864.14	\$24,091.63
Rent Period	Apr-06	Apr-07	Yr 9	CPI	\$17,319.31	\$24,741.87
Rent Period	Apr-07	Apr-08	Yr 10	CPI	\$17,706.21	\$25,294.59
Rent Period	Apr-08	Apr-09	Yr 11	market review	\$18,400.35	\$26,286.21
Rent Period	Apr-09	Apr-10	Yr 12	CPI	\$18,844.14	\$26,920.20
Rent Period	Apr-10	Apr-11	Yr 13	CPI	\$19,401.73	\$27,716.76
Rent Period	Apr-11	Apr-12	Yr 14	CPI	\$20,016.21	\$28,594.59
Rent Period	Apr-12	Apr-13	Yr 15	CPI	\$20,346.21	\$29,066.01
Rent Period	Apr-13	Apr-14	Yr 16	market review	\$24,000.00	\$34,285.71
				TOTAL RENT	\$233,568.30	\$393,669.00

NOTE: The difference between Paid and Estimate Due is the amount Willoughby City Council / its ratepayers have not received but for the representation to Council that Humpty Dumpty would / is not paying rent at Talus Street is \$160,100.70 plus interest being in excess of \$200,000.00.

7. Why has Willoughby City Council's management:-
 - a. Been silent about the exorbitant rent being paid by Humpty Dumpty for many years; and
 - b. Failed to collect the outstanding rent owed to Willoughby City Council, because Humpty Dumpty has not been provided with modest office accommodation rent free on the Talus Street Reserve tennis complex, as promised in the lease with NSTA?
 - c. The report also include capital expenditure and maintenance costs made by the lessees during the term of the lease. And details of discounts on rent given in return work carried out on site.
8. This report needs to be provided as soon as possible to Willoughby City Council, as there is considerable community disquiet over the entire issue."

RESOLUTION

That a report be brought back to Council, answering the following questions:

1. Is Council currently receiving \$24,000.00 rent for the Talus Street Reserve tennis complex? (an area of 15,300 square metres).
2. Is the Humpty Dumpty Foundation ("*Humpty Dumpty*"), which has raised at least \$1.2M for badly needed equipment in the emergency department of the RNSH and is currently occupying an office of approx 20 square metres paying approximately \$40,000 in rent to Love'n Deuce? (i.e. \$16,000.00 more than Willoughby City Council is receiving for the entire Talus Street tennis complex!)
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MOVED COUNCILLOR HOOPER

SECONDED COUNCILLOR RUTHERFORD

CARRIED

Voting

For the Amendment: Councillors Coppock, Eriksson, Hooper, Mustaca, Rutherford, Saville and Wright.

Against the Amendment: Councillors Norton, Sloane and Rozos.

Absent: Councillor Giles-Gidney

Councillor G Giles-Gidney declared a significant, non-pecuniary interest in the above matter and withdrew from the Chamber taking no part in the discussion or voting on the matter.

Councillors J Rutherford, J Hooper, H Eriksson, S Coppock, L Saville, N Wright and T Mustaca, declared a non-significant, non-pecuniary interest in the above matter.

The General Manager declared a non-significant, non-pecuniary interest in the above matter.