



TOMPKINS PARK COMMUNITY & RECREATIONAL CLUB INC

TPCRA INC – LEASE AMENDMENT PROPOSAL

DEPUTATION TO CITY OF MELVILLE AGENDA BRIEFING MEETING – TUESDAY 10/9/24

LADY MAYOR and Councillors, on behalf of the TOMPKINS PARK COMMUNITY & RECREATIONAL CLUB INC we make the following deputation in support of the proposal to amend the TPCRA Lease with the City of Melville:

LEASE RENEGOTIATION / FINANCIAL IMPACT TPCRA:

- TPCRA has been the principal tenant of the Tompkins Park Community Facility since 1999 and 25 years all-up. Our initial 20-year lease expired on 31/12/2018 and then continued as on a casual lease basis until 1/1/2021 when a new 10-year lease with two further options of 10 years were granted with a lease termination of 31/12/2050 if the two lease options are exercised and the lease is not further extended.
- TPCRA 1999 lease included the whole of the building and its rental was a peppercorn with the TPCRA principal obligation to the City of Melville being repayment of \$36k per annum (P&I) of its self-supporting loans that have a loan maturity of 31/12/29.
- TPCRA self-supporting loans were in part applied to finance the cost of the floodlights on the Tompkins Park grounds and the floodlights have always fallen outside of the TPCRA leased areas.
- TPCRA lease was renewed from 1/1/21 and excluded 1). the FITNESS RESULTS GYM (that was sub-let by TPCRA from about 2004 and this rental income was included in the TPCRA/COM assessment of the TPCRA to meet its self-supporting loan and 2). the CANNING ROOM was also excised.
- TPCRA rental became 3.5% of GROSS REVENUE and the TPCRA paid a ROOM HIRE fee for the use of the CANNING ROOM that was excluded from the TPCRA CLUB LICENCED AREAS as it did not form part of the new lease.
- TPCRA rental and room hire expense rose from \$36k to some \$84k (+\$48k) in our FYE 31/3/24 and it is noted that the TPCRA no longer received the FITNESS RESULTS rental of some \$52k and therefore the collective impact was \$100k in total.
- TPCRA acknowledge that the lease dated 1/1/2021 was negotiated during the COVID 19 lockdowns followed by upgrades of the Tompkins Park facilities that was funded by the City.
- TPCRA endeavoured to reinvigorate the Tompkins Park venue that was confined mainly to the SPORTS BAR and to jointly manage the CANNING ROOM albeit the ROOM HIRE is limited to a maximum of \$100 per hour and the COM charge TPCRA a Room Hire of \$90 per hour plus GST with the ROOM HIRE collected by TPCRA being included in the GROSS RENTAL charge also.
- TPCRA has met all obligations to the City however this has impacted on the financial position of the association as the rent paid is being applied to the TPCRA Loan (interest, fees and principal) as opposed to a LEASE EXPENSE and, if shown as a LEASE EXPENSE, the TPCRA would have recorded losses each year from commencement of the new LEASE.

CURRENT REQUEST:

- TPCRA approached the COM in May 24 to renegotiate the leased area and the rental from 3.5% of the GROSS REVENUE to a fixed rental and continuation of the arrangement of sharing of the electricity charges until the S3B works are complete.
- TPCRA has met with Ms Pickering and other City executive and the proposal before council this evening encapsulates those modifications to the TPCRA Lease that will enable the TPCRA to enhance its ability to support its Membership vis a vis:
 1. Leased area to include the CANNING ROOM that can then be included within the CLUB LICENCED AREA.
 2. Fixed rental of \$36k per annum increasing by \$3k per annum from 1/1/2027 to \$48k per annum by 1/12/30 to the end of the initial 10-year lease with a rent review then to be completed "in good faith" with respect to the two Lease Options.
 3. Continuity of the splitting of the electricity utility and the City's maintenance of the lighting in the SPORTS BAR are also recognised.

COMMUNITY BENEFITS:

- TPCRA is a not-for profit un-incorporated organisation, and its membership includes its two AFFILIATE CLUBS (Melville Cricket Club Inc & Palmyra Rugby Club Inc) and five ASSOCIATED CLUBS (Perth Saints Soccer Club, St Christophers Netball, Murdoch Volleyball, Melville Touch & Fitness Results) and wider SOCIAL MEMBERSHIP from within the community. In total there are some 5,700 members registered with TPCRA.
- S3B works will substantially improve the Tompkins Park Venue and the TPCRA proposes that it will complete an upgrade of the kitchen facilities when the main building works are being completed under the S3B program. The kitchen upgrade to be funded by the TPCRA and will greatly assist with the ability of the TPCRA to generate greater usage of the CANNING ROOM as a venue.
- TPCRA employs 4 permanent staff and has 22 casuals who mainly reside within the City of Melville and for many of those aged 17-20, Tompkins Park has been their first employer.
- TPCRA is here to support our sporting clubs and our wider community, and we believe that the modifications to our Lease will greatly assist TPCRA to fulfill its objectives.

CLOSING REMARKS:

- TPCRA acknowledges the support of the City of Melville and its Officers who have a close working relationship with the TPCRA and its AFFILIATE and ASSOCIATE sporting clubs.

Respectfully.

Carl Greenwood

PRESIDENT
TPCRA INC
10/9/24

Don Galbraith

SECRETARY
TPCRA INC
10/9/24