



DIRECTOR CORPORATE SERVICES REPORT

9th August 2005

DCS3	EXPRESSIONS OF INTEREST FOR OPERATION OF COUNCIL OWNED CARAVAN PARKS AND GOOLAWAH RESERVE
	FILE: * SJR

SUMMARY:

Updating on progress in calling for expressions of interest for the operation of Council owned Caravan Parks and the Goolawah Reserve.



At Council's meeting of 12th July 2005 it was resolved:

"That a report be brought to the next Council meeting on the Council owned Caravan Parks and Goolawah Camping Grounds and expressions of interest for operation from July 2006".

Council resolved at the April 2005 meeting to invite expressions of interest for the operation and development of caravan parks at Grassy Head, Stuarts Point, Hat Head and Crescent Head together with the primitive camping ground at Goolawah from 1 July 2006.

Meetings to formulate the expression of interest have been held with:

- Mr John Tilton from Australian Tourist Park Management
- Mr Peter Marshall from Marshall Project Management
- Ken Buckley Brokers

John Tilton and Australian Tourist Park Management provide services to the tourist park industry including contract management, preparation of management contracts, tourist park redevelopment and industry training. John has previously tendered for the management rights for our caravan parks and is expected to express an interest in this process as well.

Marshall Project Management were referred to us by Derek Sinclair from Integrated Ste Design Pty Ltd who prepared the Caravan Park Management plans for Council. Marshall Project Management has provided a quote to prepare a draft EOI document, along with principal agreement to lease and lease terms, assessment criteria & weightings.

Ken Buckley Brokers has provided an assessment of the parks and an opinion on premiums for leasehold sale and annual rentals. A lease period of no less than 25 years is suggested. Ken Buckley has based his opinions on major capital injections to the parks and the placement of 20 – 30 cabins in the more popular parks, along with construction of new amenities blocks, office upgrades, camp kitchens and resort style swimming pools. Funding for these improvements could be a condition of a development lease to ensure that all upgrading and improvements are done without cost to Council. Ken Buckley anticipates no interest for Goolawah Reserve due to its numerous limitations and low income levels. The Goolawah reserve should be included with all of the parks as a package, or with Crescent Head if the parks are operated as separate entities.

REPORT IMPLICATIONS:

- ***Environmental***

No implications.

- ***Social***

Council need to decide if the type of development potential investors are seeking is warranted in our holiday parks and acceptable to the community and park users.

- ***Economic (Financial)***

Marshall Project Management has quoted \$18,722 to assist in the process.

For a negotiated sale of a lease over the parks Ken Buckley would charge Council 5% + GST as a commission.

- ***Policy or Statutory***

The consent of the department of Lands would be required to enter into a development lease if that option was pursued.

- ***Directors Review***

This matter should be referred to the Caravan Park Committee for detailed consideration.

RECOMMENDATION:

That the options for developing the expressions of interest for the Caravan Parks be referred to the Caravan Park Committee for determination of a proposal.

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G B Snape
DIRECTOR CORPORATE SERVICES