



## LATE AGENDA ITEM

### 12.2 MALANDA FALLS CARAVAN PARK – EXPRESSION OF INTEREST FOR FREEHOLD LAND

**REPORT AUTHOR:** Manager Strategic Assets

**DEPARTMENT:** Infrastructure & Environment

#### EXECUTIVE SUMMARY

The Tablelands Regional Council (TRC) called for closed tender for the lease and operation of Malanda Falls Caravan Park (T-TRC2022-04) on Friday, 6 May 2022. TRC received one tender response.

In October 2022 Council deferred consideration of tender T-TRC2022-04 and extended the current temporary management contract for a six-month period, expiring 13 May 2023, to allow for the continued tender negotiations.

On Thursday, 23 March 2023, Council resolved, *“That the final date for the submission of the above Tender (T-TRC2022-04) be close of business Thursday, 6 April 2023 and a report is presented to the April Ordinary Meeting.”*

At close of business on Thursday, 6 April 2023 no submission was received. On Friday, 7 April 2023, the tenderer advised they were formally withdrawing their previous submission to lease the park.

This report serves as the next step to understand public interest on an alternate solution for the disposal of the Malanda Falls Caravan Park including land.

Chapter 6 of the Local Government Regulation 2012 (“the Regulation”) provides for the requirements for Contracting requirements relating to the disposal of non-current assets. A non-current asset contract is defined to include the disposal of land or an interest in land.

Generally, s 227 of the Regulation, requires Council to offer non-current assets for disposal by way of tender or auction. Section 228 of the Regulation sets out the requirements for a tender process.

In this case it is considered to be in the public interest to seek expressions of interest prior to selling lots by way of auction or tender. In accordance with s 228 (3) (5) of the Regulation, Council is required to resolve to seek Expressions of Interest (EOI) prior to seeking tenders for the sale of the freehold land. Council is not bound to run a closed tender and may still decide to proceed with an open tender process.



## OFFICER'S RECOMMENDATION

"That Council:

1. Resolve to seek Expressions of Interest for the sale of proposed freehold land and associated assets identified in Attachment 1, in accordance with s 228 (3) (5) Local Government Regulation.
2. Resolve it is in the public interest to first seek expressions of interest in relation to the sale of the freehold land and associated assets, as it allows Councils to narrow down proponents to a class of competent submitters without putting those persons to the expense of preparing a full tender, and without the expenditure of Council resources which is necessary to properly assess a full tender.
3. Delegate the power to the Chief Executive Officer to do all things and prepare all documents to facilitate the Expression of Interest process".

### BACKGROUND

Malanda Falls Caravan Park is a 6.26 hectare, freehold parcel of land located on Lot 22 on SP182452 at Park Avenue Malanda. The facility is set on the fringe of the Malanda central business district, with direct access to the Malanda Falls via internal stairs. It is a popular destination for families, business travellers and visitors to the region.

Malanda Falls Caravan Park comprises of the following:

- Powered and unpowered camping, including grass and slab sites
- Accommodation facilities, including bedroom only lodge accommodation (4), self-contained cabins (3) and motel style accommodation (4)
- 3 x amenities blocks
- 1 x laundry facility
- 1 x camp kitchen
- 1 x two-bedroom managers quarters with private with attached reception area.



## PROJECT OBJECTIVE AND SCOPE

Council and the community have an interest in ensuring that any proposed developments compliment the town centre. Council is proposing a two-stage approach for the proposed sale of freehold land and associated assets as follows.

### Stage 1- Expression of Interest (EOI).

Where TRC considered that it would be in the public interest to first seek expressions of interest, TRC is required to resolve to seek EOI prior to seeking Tender in accordance with s 228 (3) (5) Local Government Regulation. This stage will include:

- Proponents submitting their proposal.
- TRC and the appointed Real Estate Agent assessing each proposal using a weighted multi-criterion analysis.
- A shortlist can then be established and presented to Council for approval.

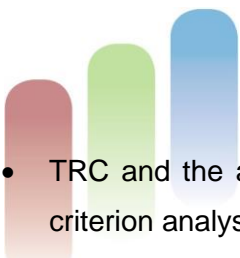
TRC may then decide whether they wish to invite tenders from a selection of proponents (closed tender) or alternatively proceed to an open tender process.

The appointment of the Real Estate Agent will be determined through a request for quotation process that is disseminated to the local agencies for consideration.

### Stage 2 – Request for Tender (RFT).

If TRC resolves to invite a shortlist of proponents from Stage 1, proponents will be issued the RFT documents.

- Proponents submit their proposal.

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- TRC and the appointed Real Estate Agent assess each proposal using a weighted multi-criterion analysis.
  - Recommendations are presented to TRC for approval.
  - Award a Contract to the successful proponent.

Conditions will be included in the RFT documents which provides Council with the discretion not to accept the highest or any tender.

## **LINK TO CORPORATE PLAN**

### Our Organisation

- Model leadership and good governance
- Collaborate and build partnerships to plan and deliver quality services
- Grow a high-performance culture that delivers excellent outcomes and financial sustainability.

### Our Infrastructure

- Plan and deliver contemporary infrastructure and spaces for community need

### Our Economy

- Support economic and business development
- Assist in developing business capacity, growth, diversification and resilience

## **LINK TO STRATEGIES, POLICIES AND PLANS**

Tablelands Regional Council Community Facility Strategy 2019-29

Corporate Plan 2021-2026

Tablelands 2030+Community Plan

Strategic Assets Management Plan

Asset Disposal Policy

Council Land Use and Tenure Policy

Tablelands Regional Council Procurement Policy

## **CONSULTATION**

### ***Internal***

Office of the CEO



Infrastructure & Environment

Strategic Assets

***External***

N/A

**LEGAL IMPLICATIONS**

*Local Government Regulation 2012 (Qld)*

*Land Act 1994 (Qld)*

*Land Regulation 2009 (Qld)*

**POLICY IMPLICATIONS**

There are no policy implications identified.

**FINANCIAL & RESOURCE IMPLICATIONS**

***Capital***

If the recommendation is adopted and a successful tender awarded TRC will have no further asset renewal costs associated with the various assets.

The associated asset values would be written down at time of disposal, which will impact TRC's Nett Result.

***Operating***

The annual operation and maintenance cost will reduce.

This will also reduce the annual revenue.

***Is the expenditure included in the current annual budget?***


No

**COST BENEFIT ANALYSIS**

Asset disposal results in the removal of a long-term asset from TRC's balance sheet.

**RISK/SUSTAINABILITY ASSESSMENT**

The risk associated with proceeding with an EOI prior to seeking tender is low. The main considerations include the amount of time it will take to advertise and complete the tender process



and maximising the return for Council. By inviting EOIs, it provides Council with an opportunity to gauge the market sentiment.

There is a risk that there is limited interest expressed by the market and Council could lose time as a result, however directly proceeding with an open tender or auction, could impact on the quality of the submissions or result in opportunity loss.

### **IMPLEMENTATION/COMMUNICATION**

All contracts and tenders are to be notified to Council's Procurement Officer in accordance with the Tenders and Contracts Guidelines.

### **CHANGE MANAGEMENT**

N/A

### **ATTACHMENTS**

1. Attachment 1 – Malanda Falls Caravan Park Survey Plan

***Date Prepared:*** 20/04/2023



ATTACHMENT 1

