

ITEM 4. GRANTS AND SPONSORSHIP - ROUND ONE 2017/18 - ACCOMMODATION GRANTS PROGRAM - BANGA COMMUNITY SHED, BENLEDI HOUSE, EAST SYDNEY COMMUNITY AND ARTS CENTRE

FILE NO: S117676

SUMMARY

The Accommodation Grant Program (the Program) is one of 16 programs adopted as part of the City's Grants and Sponsorship Policy. The Program supports community, cultural and sustainability focused organisations by providing accommodation in City-owned buildings within the community property portfolio at nil or below market rent.

Accommodation Grants are provided to organisations that provide services that meet the needs identified in *Sustainable Sydney 2030*, and the City's strategic plans and policies. Grants are available to non-profit organisations, and to for-profit organisations where they demonstrate a public benefit. Currently, there are 77 leases held by 71 organisations located across 49 City properties managed under the Program. Recipients of grants enter into leases or licences with the City for a fixed term, usually five years.

On 8 February 2017, the City called for applications for four tenancies across three properties:

Banga Community Shed, 3 Joynton Avenue, Zetland, 2017

One eligible application was received and the applicant is recommended to occupy the property under the Program.

Benledi House, 186 Glebe Point Road Glebe, 2037

Applications were sought for two tenancies within the building, Suite 1 and Suite 5. Five eligible applications were received and two applicants are recommended to occupy the tenancies under the Program.

Further, as one recommended applicant (Screen Culture Association Inc) is already part of the Accommodation Grants Program and occupies Suite 2 at Benledi House, their existing tenancy will become vacated as a result of adopting the associated recommendation. Accordingly, an additional third recommendation is made to fill this soon to be vacated premises with the next suitably assessed applicant.

East Sydney Community and Arts Centre, 225 Palmer Street, Darlinghurst, 2010

Three eligible applications were received and one applicant is recommended to occupy the premises under the Program with a second applicant to be placed on an eligibility list.

All properties were advertised with a five year lease term.

All figures in this report and its attachments are exclusive of GST. All market rental value in this report is calculated with an annual increase of three per cent per annum and excludes GST.

RECOMMENDATION

It is resolved that:

- (A) Council approve the following Accommodation Grant Program recommendation pertaining to Banga Community Shed, 3 Joynton Avenue, Zetland 2017:

Organisation	Market Rental Value	Recommended Grant Amount and Subsidy	Conditions
The Bower Re-use And Repair Centre Co-operative	\$17,763 per annum	\$17,763 on a 100 per cent subsidy in the first year. \$18,296 on a 100 per cent subsidy in the second year. \$18,845 on a 100 per cent subsidy in the third year. \$19,410 on a 100 per cent subsidy in the fourth year. \$19,992 on a 100 per cent subsidy in the fifth year.	Applicant to provide an updated Plan of Management, Community Engagement Plan and revised Budget. Applicant to work with City Spaces Manager South on program development and implementation.

- (B) Council approve the following Accommodation Grant Program recommendation pertaining to Suite 1, Benledi House, 186 Glebe Point Road Glebe 2037:

Organisation	Market Rental Value	Recommended Grant Amount and Subsidy	Conditions
Babana Aboriginal Men's Group Incorporated	\$13,103 per annum	\$9,172 on a 70 per cent subsidy in the first year. \$8,098 on a 60 per cent subsidy in the second year. \$6,950 on a 50 per cent subsidy in the third year. \$5,011 on a 35 per cent subsidy in the fourth year. \$3,687 on a 25 per cent subsidy in the fifth year.	Nil

- (C) Council approve the following Accommodation Grant Program recommendation pertaining to Suite 5, Benledi House, 186 Glebe Point Road Glebe 2037:

Organisation	Market Rental Value	Recommended Grant Amount and Subsidy	Conditions
Screen Culture Association Inc	\$16,610 per annum	\$12,458 on a 75 per cent subsidy in the first year. \$12,831 on a 75 per cent subsidy in the second year. \$13,216 on a 75 per cent subsidy in the third year. \$13,613 on a 75 per cent subsidy in the fourth year. \$14,021 on a 75 per cent subsidy in the fifth year.	Nil

- (D) Council approve the following Accommodation Grant Program recommendation pertaining to Suite 2, Benledi House, 186 Glebe Point Road Glebe 2037:

Organisation	Market Rental Value	Recommended Grant Amount and Subsidy	Conditions
Feminist Legal Clinic Incorporated	\$8,851 per annum	\$8,851 on a 100 per cent subsidy in the first year. \$9,117 on a 100 per cent subsidy in the second year. \$9,390 on a 100 per cent subsidy in the third year. \$9,672 on a 100 per cent subsidy in the fourth year. \$9,962 on a 100 per cent subsidy in the fifth year.	Tenant occupying Suite 2 Benledi House vacates tenancy by 30 July 2018.

- (E) Council approve the following Accommodation Grant Program recommendation pertaining to East Sydney Community and Arts Centre, 225 Palmer Street, Darlinghurst 2010:

Organisation	Market Rental Value	Recommended Grant Amount and Subsidy	Conditions
Brand X Productions Incorporated	\$60,000 per annum	\$60,000 on a 100 per cent subsidy in the first year. \$58,710 on a 95 per cent subsidy in the second year. \$57,289 on a 90 per cent subsidy in the third year.	A 2 year option term will be available to the tenant subject to satisfactory performance against agreed Key Performance Indicators at the following subsidy: \$52,451 on a 80 per cent subsidy in the fourth year \$47,271 on a 70 per cent subsidy in the fifth year.

- (F) Council approve the following Accommodation Grant Program waitlist recommendation in the event that Brand X Productions Incorporated is unable to execute the grant pertaining to East Sydney Community and Arts Centre, 225 Palmer Street, Darlinghurst 2010 or exits the Accommodation Grants Program within 12 months:

Organisation	Market Rental Value	Recommended Subsidy and Grant Amount	Conditions
Darlinghurst Theatre Limited	\$60,000 per annum	\$40,200 on a 67 per cent subsidy in the first year. \$37,080 on a 60 per cent subsidy in the second year. \$33,737 on a 53 per cent subsidy in the third year.	A 2 year option term will be available to the tenant subject to satisfactory performance against agreed Key Performance Indicators at the following subsidy: \$34,749 on a 53 per cent subsidy in the fourth year \$35,791 on a 53 per cent subsidy in the fifth year.

- (G) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for an Accommodation Grant on terms consistent with this resolution and in accordance with the Grants and Sponsorship Policy.

ATTACHMENTS

- Attachment A:** Recommended 2017/18 Accommodation Grants Program for Banga Community Shed
- Attachment B:** Recommended 2017/18 Accommodation Grants Program for Benledi House – Suites 1, 2 and 5
- Attachment C:** Not Recommended 2017/18 Accommodation Grants Program for Benledi House – Suites 1 and 5
- Attachment D:** Recommended 2017/18 Accommodation Grants Program for East Sydney Community and Arts Centre
- Attachment E:** Not Recommended 2017/18 Accommodation Grants Program for East Sydney Community and Arts Centre

BACKGROUND

1. The Accommodation Grant Program (the Program) presently makes available spaces for 77 leases held by 71 organisations in 49 buildings. The total cost of the Program in revenue forgone for the 2016/17 financial year is estimated as \$4.31 million.
2. On 8 February 2017, the City called for applications for four tenancies across three properties:
 - (a) Banga Community Shed;
 - (b) Benledi House; and
 - (c) East Sydney Community and Arts Centre.
3. Applications closed at 5pm on Monday 13 March and nine eligible applications were received.
4. Information about these grant programs (such as application dates, guidelines, eligibility criteria and sample applications) was made available on the City's website. The City actively promoted the programs through Facebook, Twitter and Instagram as well as email campaigns to target interested parties who have applied previously for grants at the City or who have expressed an interest in the City's programs or the accommodation grants program specifically.
5. Whilst the Accommodation Grant Program is open to for-profit entities, no recommended applicants in this report are for-profit organisations.
6. The assessment process included advice and recommendations from key stakeholders on the assessment panels (details for each property below), depending upon the nature of each submission. The integrity of the proposed budget, project plan, contributions and partnerships are assessed, scored and ranked against defined criteria. Once recommended applications are approved by Council, a lease or licence is prepared, which includes performance criteria that must be adhered to and acquitted against.
7. In assessing the grant applications, the assessment panels as outlined below included in their considerations and recommendations:
 - (a) Sustainable Sydney 2030;
 - (b) The City of Sydney Operational Plan;
 - (c) Creative City Cultural Policy and Action Plan;
 - (d) Cultural Diversity Strategy;
 - (e) Social Sustainability Policy and associated plans.
 - (f) OPEN Sydney Strategy and Action Plan;
 - (g) Safe City Strategy;

- (h) Homelessness Strategy; and
 - (i) Inclusion (Disability) Action Plan.
8. The panel considered the applicant's ability to pay rent when determining the level of subsidy per year. As part of the application process, applicants provide details of the level of rent they can afford to pay and the subsidy level they wish to receive. The panel considers this information and how the organisation ranked against the Program criteria.
 9. In assessing the grant application, the assessment panels also considered the proposed vision, operational model, relevant experience and corporate responsibility of the application proposed.
 10. All grants are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant.
 11. The terms and conditions of the agreement between the tenant and the City are detailed in each lease or licence, which sets out specific Key Performance Indicators and performance measures for each tenant.
 12. The Accommodation Grant Program is highly competitive. Applications that are not recommended did not score as highly against the assessment criteria as the recommended organisation.
 13. Tenants within the Accommodation Grants Program are required to pay all outgoings for their tenancy including power, water, garbage removal, public liability and maintenance and repair costs.

Banga Community Shed

14. The Banga Community Shed is part of the new Green Square Community Cultural Precinct located in the former South Sydney Hospital at 3 Joynton Avenue, Zetland 2017. This hub forms part of the series of new community facilities for the growing population of Green Square along with the Library and Aquatic Centre and is opposite the new Joynton Avenue Creative Centre.
15. The City commissioned two community facility needs analyses to identify the range of community facilities for Green Square. In addition to library, recreation and creative spaces the consultants identified a need for more men's or community sheds. The City currently has only one men's shed and, as these are community run endeavours, they are ideally suited to the Accommodation Grants Program.
16. "Banga" is an Aboriginal word meaning "to make" or "do". The Banga Community Shed is based on the Men's Shed movement – a movement built around supporting men, often retirees, to achieve better health and well-being outcomes through participation in a range of practical activities, including a range of activities traditionally carried out in backyard sheds such as; woodwork, carpentry, metal work, repairs and so on. The Banga Community Shed will also be open to women's groups who are interested in using the space for similar activities.
17. The panel assessing the submitted applications was comprised of the Manager City Spaces, Area Manager – South, and the Community Facility Development Coordinator with specialist advice from a City Solicitor and Business Analyst.

18. The Bower Re-use and Repair Centre Co-operative (The Bower) is a not-for-profit and a registered environmental charity providing an education and resource centre for environmentally sustainable living. The Bower proposes to establish a Men's and Women Shed at the Banga Community Shed and provide a regular free electronic repair café for members of the local communities. The Bower further proposes to concentrate all their electronic appliances reuse and repair programs and services at the premises.
19. The panel noted The Bower's demonstrated ability in providing programs that increase recycling, decrease waste to landfill and increase social participation. The panel further noted the proposal for the space is appropriate to the surrounding area, particularly given the large number of people living in vertical communities who will benefit from the repair café sessions and access to the shed.
20. The assessment panel concluded that the project proposed aligned with both the Program's requirements and the needs of the organisation. The Bower's proposed activation of the Banga Community Shed is expected to break-even at the recommended subsidy level of 100 per cent.
21. The assessment panel further concluded the grant to include the following conditions:
 - (a) applicant to provide an updated Plan of Management, Community Engagement Plan and revised Budget; and
 - (b) applicant to work with City Spaces Manager South.
22. It is recommended that The Bower Re-use And Repair Centre Co-operative be awarded an Accommodation Grant for Banga Community Shed, 3 Joynton Ave, Zetland for five years on the following rental subsidy:
 - (a) Year 1 - 100% currently valued at \$17,763
 - (b) Year 2 - 100% currently valued at \$18,296
 - (c) Year 3 - 100% currently valued at \$18,845
 - (d) Year 4 - 100% currently valued at \$19,410
 - (e) Year 5 - 100% currently valued at \$19,992

Benledi House

23. The City invited applications from organisations or individuals servicing the community and/or creative sector who are able to act as a tenant at Benledi House, Glebe. The heritage building is adjoined to the City of Sydney Library and Customer Services Offices. It sits within a unique community which has a strong mix of creative and culturally diverse members.
24. Other Accommodation Grant Program tenants in Benledi House include the Gay and Lesbian Rights Lobby, the Pride History Group, the Glebe Chamber of Commerce and the Screen Culture Association who run the Antenna Film Festival.
25. Open to applications were Suite 1 and Suite 5.

26. The panel assessing the submitted applications was comprised of the Manager Culture and Creativity, Acting Cultural Projects Manager and Strategy Advisor - Culture with specialist advice from the Community Engagement Co-ordinator and Strategy Advisor - Live Music & Performance.

Benledi House – Suite 1

27. Since March 2006, Babana Aboriginal Men's Group Incorporated are involved in a variety of activities and programs that address a range of issues ranging from men's health, through to family relationships, anti-violence, anti-drug and alcohol campaigns and post release programs. The organisation seeks to facilitate campaigns and programs to unite and affirm the positive values of traditional Aboriginal culture, focusing on healing together to create a safe and hopeful community. The term Babana means "brother" in the Dharuk language.
28. It is recommended that Babana Aboriginal Men's Group Incorporated be awarded an Accommodation Grant for Suite 1, Benledi House, 186 Glebe Point Road Glebe NSW 2037:
- (a) Year 1 - 70% currently valued at \$9,172
 - (b) Year 2 - 60% currently valued at \$7,862
 - (c) Year 3 - 50% currently valued at \$6,551
 - (d) Year 4 - 35% currently valued at \$4,586
 - (e) Year 5 - 25% currently valued at \$3,276
29. This grant is recommended with the following conditions:
- (a) Applicant to provide an updated Plan of Management, Community Engagement Plan and revised Budget.
 - (b) Applicant to work with City Spaces Manager South.
30. The tenant will enter into an Accommodation Grants Program (AGP) lease for a 5 year term, based on regular review of performance. The intended start date for this tenancy is 1 August 2017.

Benledi House – Suite 5

31. Since moving into Benledi House in 2015, Screen Culture Association Inc's Antenna Festival has grown substantially requiring the additional space. In 2016, Antenna Festival received a development fund from Screen Australia to develop a business plan for 2018-2021. As part of this business plan, new initiatives have been identified including the employment of development team and potential year-round activities, which will increase the demands of the space yet further.
32. It is recommended that Screen Culture Association Inc be awarded an Accommodation Grant for Suite 5, Benledi House, 186 Glebe Point Road Glebe NSW 2037:
- (a) Year 1 - 75% - \$12,458

- (b) Year 2 - 75% - \$12,831
 - (c) Year 3 - 75% - \$13,216
 - (d) Year 4 - 75% - \$13,613
 - (e) Year 5 - 75% - \$14,021
33. This grant is recommended without any additional conditions.
34. The tenant will enter into an Accommodation Grants Program (AGP) lease for a five year term, based on regular review of performance. The intended start date for this tenancy is 1 August 2017.

Benledi House – Suite 2

35. As a result of the above recommendation towards Screen Culture Association Inc, their current premises will be vacated at Suite 2 Benledi House (32 square meters) as the organisation moves from a suite in which they currently share, to occupy a suite in the same building on their own, Suite 5 Benledi House.
36. Feminist Legal Clinic does not currently have a permanent secure premises in which to conduct its work and is seeking a suitable space for volunteer administrative staff to conduct the organisation's expanding business. The applicant advises they have a number of substantive court matters currently in progress as well as regular work towards supporting organisational clients and associated administration systems.
37. This creates a unique opportunity to fill this soon to be vacated space with the next competitive application as ascertained through the current accommodation grants assessment process.
38. Accordingly, Feminist Legal Clinic Incorporated is recommended to occupy Suite 2 under the Program.
39. It is recommended that Feminist Legal Clinic Incorporated be awarded an Accommodation Grant for Suite 2, Benledi House, 186 Glebe Point Road Glebe NSW 2037:
- (a) Year 1 - 100% - \$8,851
 - (b) Year 2 - 100% - \$9,117
 - (c) Year 3 - 100% - \$9,390
 - (d) Year 4 - 100% - \$9,672
 - (e) Year 5 - 100% - \$9,962
40. This grant is recommended with the condition that Screen Culture Association Inc takes up the recommendation to move to Suite 5 thus vacating this suite.
41. The tenant will enter into an Accommodation Grants Program (AGP) lease for a five year term, based on regular review of performance. The intended start date for this tenancy is 1 August 2017.

East Sydney Community and Arts Centre

42. The East Sydney Community and Arts Centre is a two storey public building located on the corner of Burton and Palmer Streets in Darlinghurst, Sydney. The building has a long history as a community hall, rehearsal venue, meeting space and an after school children's service.
43. The Centre has recently undergone significant renovations to allow it to continue to service the local and cultural community's needs. Renovations include the upgrading of entries in to the building, the installation of a large public artwork within the Centre, upgrading the lower floors facilities and improving access to the reserve beneath.
44. Substantial renovations occurred to the upper floor of the building to ensure its suitability for use as a rehearsal, small-scale performance and creative workshop space. This included upgrading the hall with a new sprung floor, acoustic treatment and lighting, and upgrading the upper floors support facilities including the office space, breakout room, kitchenette, storage, amenities and lobby area.
45. The City recently called for applications from organisations that would make hall and breakout space on the upper floor available for affordable rehearsal, small-scale performance and workshops for the cultural and creative sector. Three eligible applications were received.
46. The panel assessing the submitted applications was comprised of the Project Manager, Creative Spaces, Acting Manager Cultural Projects and Cultural Projects Coordinator.
47. Assessments were made against the Programs application selection criteria and alignment with the City's Cultural Policy and Action Plan 2014-2024.

Brand X Productions Incorporated – Recommended applicant

48. Brand X is a not for profit cultural organisation that makes space available to Sydney's performing, recording and visual arts communities to practice their craft. Operating since 2005, Brand X's primary concern is to activate space and provide resources and programs for the small to medium arts sector which are most at need.
49. Brand X have significant experience operating multiple venues across Sydney including making the hall within the East Sydney Community and Arts Centre available to the performing arts sector and the local community between 2011-2014, prior to the Centre's renovations.
50. Brand X's application presented a strong vision for the Centre including a considered operational plan and business model. Their application proposes to provide an open-access and subsidised space for hire that will enable performing artists to create new work and the local community to develop their creative practice.
51. Their application demonstrated a shared and balanced approach to providing opportunities for a wide range of artists across disciplines, activity type, booking periods and career levels. They will also support a well-rounded local ecology by providing additional opportunities such as artist-in-residencies and thinker-in-residencies.

52. Their application best meets the outcomes of the Program and aligns with the strategic vision for the Centre.
53. Brand X Productions Incorporated is recommended to occupy the Centre on the following terms:
 - (a) A lease term of three years on the following rental subsidy:
 - (i) \$60,000 on a 100 per cent subsidy in the first year.
 - (ii) \$58,710 on a 95 per cent subsidy in the second year.
 - (iii) \$57,289 on a 90 per cent subsidy in the third year.
 - (b) A 2 year option term will be made available to the Brand X based on assessment against agreed Key Performance Indicators at the following rental subsidy:
 - (i) \$52,451 on a 80 per cent subsidy in the fourth year.
 - (ii) \$47,271 on a 70 per cent subsidy in the fifth year.

Darlinghurst Theatre Limited – Waitlisted applicant

54. Should the recommended tenant be unable to execute their grant or exit the Program within a 12 month period, it is recommended that the grant for the East Sydney Community and Arts Centre be awarded to the following waitlisted organisation, Darlinghurst Theatre Company.
55. Darlinghurst Theatre Company's application met the outcomes of the program, and aligns with the vision for the Centre. It is recommended that the lease would be offered to this waitlisted organisation on the following terms:
 - (a) A lease term of three years on the following rental subsidy:
 - (i) \$40,200 on a 67 per cent subsidy in the first year.
 - (ii) \$37,080 on a 60 per cent subsidy in the second year.
 - (iii) \$33,737 on a 53 per cent subsidy in the third year.
 - (b) A 2 year option term will be available to the tenant subject to satisfactory performance against agreed Key Performance Indicators at the following subsidy:
 - (i) \$34,749 on a 53 per cent subsidy in the fourth year.
 - (ii) \$35,791 on a 53 per cent subsidy in the fifth year.

KEY IMPLICATIONS

Strategic Alignment – Sustainable Sydney 2030

56. *Sustainable Sydney 2030* is a vision for the sustainable development of the city to 2030 and beyond. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant program is aligned with the following strategic directions and objectives:
- (a) Direction 6 - Vibrant local communities and economies – the provision of accommodation to a varied group of community and cultural organisations contributes to the diverse range of services and support that the City provides for our community. The diversity of these groups contributes to the vibrancy of the city's villages and the communities within them.
 - (b) Direction 7 - A cultural and creative city – approximately one third of the Accommodation Grant Program tenants are cultural/arts organisations. These organisations support cultural development through the support of artists, and the delivery of culturally stimulating activities that engage our communities.

Cultural / Economic / Environment / Social

57. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, economic, environmental and social initiatives from the communities, and community organisations, within the local area.

BUDGET IMPLICATIONS

58. Based on the current budget of the Accommodation Grant Program, the total grant value of the Program is estimated to be \$4.81 million in revenue forgone for the 2017/18 financial year.
59. The total grant value recommended in this report is \$516,075 based on five year lease terms. \$108,244 of this will be reported in the 2017/18 financial year and the remaining \$407,832 (including annual increase of 3%) will be reported in 2018/19-2021/22 financial years.

RELEVANT LEGISLATION

60. Section 356 of the *Local Government Act 1993*. The requirements of section 356(3) of the *Local Government Act 1993* have been satisfied.

CRITICAL DATES / TIME FRAMES

61. The intended start dates for the new tenants are:
- (a) Banga Community Shed – The intended start date is currently 1 September 2017 and is dependent on the finalisation of construction and the issuance of an occupancy certificate.
 - (b) Benledi House Suite 1 - The intended start date is currently 1 August 2017.
 - (c) Benledi House Suite 2 - The intended start date is currently 1 August 2017 and is dependent on Screen Culture Inc vacating their current premises by 30 June 2018.

- (d) Benledi House Suite 5 - The intended start date is currently 1 August 2017.
- (e) East Sydney Community and Arts Centre – The intended start date is currently 1 August 2017.
- (f) The end date for all leases/licences will be 30 June 2021.

PUBLIC CONSULTATION

62. The properties were all open for inspection by registration throughout the application period of 8 February 2017 to 13 March 2017. Forty-seven organisations represented by 103 people registered to attend the property inspections.

ANN HOBAN

Director City Life

Jeremy Kelshaw, Acting Manager Grants