

Item 3.

Grants and Sponsorship - Accommodation Grants Program - Harry Jensen Centre and Abraham Mott Community Space

File No: S117676

Summary

The Accommodation Grant Program supports community, cultural, economic and sustainability focused organisations by providing accommodation in City owned buildings within the property portfolio at below market or nil rent. Accommodation Grant recipients are organisations that provide services that meet the needs identified in Sustainable Sydney 2030–2050 Continuing the Vision and the City’s strategic plans and policies.

Recipients of Accommodation grants enter into leases or licenses with the City for a five-year lease term and can apply for up to 100 per cent rental subsidy. Recipients are subject to an annual performance review.

The Millers Point Community Centre in Argyle Street, Millers Point comprises the Harry Jensen Centre, Abraham Mott Hall and Abraham Mott Community Space. The facilities sit on Crown land managed by the City of Sydney and governed under the Millers Point Precinct Plan of Management. The City of Sydney works closely with the community in Millers Point and has done so through changes to community demographics, including the NSW Government’s sell-off of social housing in 2016.

Informed by community feedback, meetings and consultation, the City of Sydney offered the Harry Jensen Centre and Abraham Mott Community Space for community use through the Accommodation Grant Program (AGP), providing opportunities for local community organisations to lease the facilities for up to five years at up to 100 per cent rent abatement. The Abraham Mott Hall will remain a community venue for hire, managed by the City of Sydney.

This report seeks Council approval to enter into two leases with the preferred applicants from the expression of interest process and approval for issue of the leases for the Harry Jensen Centre and Abraham Mott Community Space, both at 2 Watson Road, Millers Point.

Recommendation

It is resolved that:

- (A) Council approve a lease for Wildflower, Gardens for Good Limited at the Harry Jensen Centre, 2 Watson Road, Millers Point from 1 January 2025 to 30 June 2029 on the following rental subsidy:

	Market Rental Value	Rental Subsidy	Rental Subsidy Value	Rent Payable
Year 1 1 January 2025 - 31 December 2025	\$145,000	100%	\$145,000	\$0
Year 2 1 January 2026 - 31 December 2026	\$149,350	100%	\$149,350	\$0
Year 3 1 January 2027 - 31 December 2027	\$153,831	100%	\$153,831	\$0
Year 4 1 January 2028 - 31 December 2028	\$158,446	100%	\$158,446	\$0
Year 5 1 January 2029 - 30 June 2029	\$80,929	100%	\$80,929	\$0

- (B) Council approve a lease for City North Men's Shed Inc for Abraham Mott Community Space, 2 Watson Road, Millers Point from 1 January 2025 to 30 June 2029 on the following rental subsidy:

	Market Rental Value	Rental Subsidy	Rental Subsidy Value	Rent Payable
Year 1 1 January 2025 - 31 December 2025	\$150,000	100%	\$150,000	\$0
Year 2 1 January 2026 - 31 December 2026	\$154,500	100%	\$154,500	\$0
Year 3 1 January 2027 - 31 December 2027	\$159,135	100%	\$159,135	\$0
Year 4 1 January 2028 - 31 December 2028	\$163,909	100%	\$163,909	\$0
Year 5 1 January 2029 - 30 June 2029	\$83,719	100%	\$83,719	\$0

- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the lease agreements with Wildflower, Gardens for Good Limited at Harry Jensen Centre and City North Men's Shed Inc at Abraham Mott Community Space, both located at 2 Watson Road, Millers Point on terms consistent with this resolution and in accordance with the Grants and Sponsorship Policy; and
- (D) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

Attachment A. Recommended for Support - Accommodation Grant Program

Attachment B. Not Recommended for Support - Accommodation Grant Program

Background

1. The Millers Point Community Centre in Argyle Street, Millers Point comprises the Harry Jensen Centre, Abraham Mott Hall and Abraham Mott Community Space. The facilities sit on Crown land managed by the City of Sydney and governed under the Millers Point Precinct Plan of Management. The City of Sydney works closely with the community in Millers Point and has done so through changes to community demographics, including the NSW Government's sell-off of social housing in 2016.
2. Informed by community feedback, meetings and consultation, the City of Sydney offered the Harry Jensen Centre and Abraham Mott Community Space for community use through the Accommodation Grant Program (AGP), providing opportunities for local community organisations to lease the facilities for up to five years at up to 100 per cent rent abatement. The Abraham Mott Hall will remain a community venue for hire, managed by the City of Sydney.
3. On 30 July 2024, the City commenced an expression of interest process for the Harry Jensen Centre and Abraham Mott Community Space at 2 Watson Road, Millers Point, through the Accommodation Grant Program.
4. Applicants were asked to indicate their preference for the following:
 - (a) Option 1 - leasing the Harry Jensen Centre;
 - (b) Option 2 - leasing the Abraham Mott Community Space; or
 - (c) Option 3 - leasing both Harry Jensen Centre and Abraham Mott Community Space.
5. Information about this grant program was made available on the City of Sydney's website. Email and LinkedIn campaigns were used to target interested parties who have previously expressed an interest in the City of Sydney's Grants and Sponsorship and Accommodation Grant programs.
6. Two site inspections of the properties were held on Monday 12 August 2024 and Friday 23 August 2024, with 25 attendees in total.
7. Expression of Interest applications closed at 5pm on 27 August 2024. Two eligible applications were received for the Harry Jensen Centre, two eligible applications were received for the Abraham Mott Community Space, and one eligible application was received for tenancy of both spaces.
8. The assessment panel consisted of City of Sydney staff from the City Properties, Strategy and Urban Analytics and City Spaces teams.
9. Applications were assessed against the following criteria:
 - (a) the need for the tenancy and proposed results;
 - (b) tenant capacity and experience;
 - (c) connection and benefit to the local area and communities;
 - (d) diversity, inclusion and equity in the planning and development of the project;

- (e) how the proposal aligns with the funding priorities;
 - (f) the relevance of the proposal to meet the needs of the local community. Priority areas are detailed in the Millers Point Precinct Crown Reserves Plan of Management;
 - (g) viability of the proposed model to maximise use of the space; and
 - (h) evidence of the project or program having direct engagement with our diverse communities, including Aboriginal and Torres Strait Islander peoples, people experiencing or at risk of homelessness, young people, older people, people with disability, international students, culturally and linguistically diverse communities, women, LGBTIQ+ communities and low-income earners.
10. All grants are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant.
11. This report recommends that Council approve the subsidy level and grant value of the tenants listed with annual increases of three percent in grant value and rent to be paid year-on-year from over the course of the lease.

Harry Jensen Centre

12. The Harry Jensen Centre is a large (264 square metres), street level, north-facing property comprising eight separate, multi-purpose spaces. Some spaces offer floor to ceiling windows and skylight, allowing ample natural light.
13. The following organisation is the recommended applicant for this space:
- Wildflower, Gardens For Good Limited
14. Wildflower, Gardens For Good Limited is an Aboriginal led, not for profit, social enterprise founded in Redfern. They are Indigenous land care experts that provide caring for Country services through ecological restoration projects, landscaping and facility garden maintenance contracts, as well as community workshops and employment opportunities for young Aboriginal and Torres Strait Islander people.
15. Wildflower, Gardens For Good Ltd proposed the use of Harry Jensen Centre to establish a new hub for programs that promote health, sustainability, culture, pathways to employment and community cohesion for Aboriginal young people, Elders, and families and local residents. In addition, it will be staged as a centre for education and knowledge sharing for local native plant species and promote the importance of caring for Country in the Sydney Basin. The schedule of programs will be developed by Wildflower in consultation with local community groups to enable their continued access to the space.
16. There was strong support for the vision of this proposal from a number of Aboriginal and Torres Strait Islander organisations, a Member of Parliament, and local community groups and organisations currently using the space.

Abraham Mott community space

17. The Abraham Mott Community Space is located towards the back of the site away from street access. This property comprises four lockable spaces. The main activity space is 189 square metres, and there is an office plus two adjoining tandem rooms (43 square metres and 18 square metres), which can only be accessed through the main activity space.
18. The following organisation is the recommended applicant for this space:
 - City North Men's Shed Inc
19. City North Men's Shed Inc is a member of the Australian Men's Shed Association which is a national organisation, funded by the Australian Government through the department of Health and Aged Care.
20. City North Men's Shed has hired the Abraham Mott Community Space for the past 18 months to create a space where men and women can participate in meaningful activities to relieve social isolation, and contribute through charitable activities that benefit the community.
21. City North Men's Shed intends to expand its current scope of activities, and operating hours beyond three days per week and into the two tandem rooms, which are not currently used.
22. City North Men's Shed has detailed its proposed use of the space and addressed limitations to permitted use under planning controls. They have plans to implement internal fit outs which will enable for increased volume of work, noting that this is subject to City of Sydney consent.
23. There was strong support from Members of Parliament, local community groups, residents, and current users of the adjacent Harry Jensen Centre for the application by City North Men's Shed. The group was acknowledged in NSW Parliament in 2024 and at the City of Sydney Council meeting of September 2023 for their contributions to community wellbeing.

Key Implications**Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision**

24. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
 - (a) Direction 6 - An equitable and inclusive city - Everyone feels welcome and can afford to live here if they choose. Everyone can participate, prosper and reach their full potential in a city that is fair and just.
 - (b) Direction 7 - Resilient and diverse communities - Our city and its public places and infrastructure can withstand impacts from a changing climate and emergency situations. We work with communities, businesses and other organisations to strengthen connections and networks, to prepare our city and be able to recover from most situations.

- (c) Direction 8 - A thriving cultural and creative life - We are proud of our city. We are all able to participate in, contribute to and benefit from its cultural life.

Social / Cultural / Community

25. The City's Grants and Sponsorship Program provides the City with a platform to support cultural and social initiatives from the communities and business within the local area.
26. The organisations within the Accommodation Grants Program make an invaluable contribution to our communities through the development and management of services, activities and programs.

Financial Implications

27. The total value of the recommended subsidy for the duration of both recommended five-year leases is 100 per cent. This represents forgone market rental revenue of:
- (a) \$687,556 for Wildflower, Gardens For Good Limited; and
- (b) \$711,263 for City North Men's Shed Inc.
28. A nominal rental contribution of \$1.00 per annum was nominated by City North Men's Shed Inc, however, the assessment panel determined that a recommendation of 100 per cent subsidy would be appropriate.
29. City of Sydney income from community hire of the Harry Jensen Centre and Abraham Mott Community Space in the past twelve months was \$20,366. This represents minimal net financial impact.
30. The total current budget for the Accommodation Grant Program (AGP) revenue and offsetting expense for the 2024/25 financial year is \$9.69 million. Increases in the current year AGP income and expenditure due to these two new sites added to the portfolio will be incorporated into the 2024/25 operating forecasts and included in future operating budgets accordingly.

Relevant Legislation

31. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
32. Section 47 and 47A of the Local Government Act 1993 requires the City to communicate its intention to grant leases on community land, with successful applicants identified on our website, advised by mail to local residents, and on display at the proposed lease spaces.

Public Consultation

33. City of Sydney staff have consulted with the Millers Point community on use of the Millers Point community facilities for some years, and meet regularly with community groups, including the Millers Point Community Resident Action Group (MPCRAG).
34. Development application D/2024/19 was lodged 30 January 2024 to update and align existing and future uses for the spaces of the Harry Jensen Centre and Abraham Mott Community Space for community use. The application was on public exhibition from 6 February to 6 March 2024, with the Notice of Determination issued by the Local Planning Panel on 3 July 2024.
35. Residents were advised through mail and letterbox drops in early 2024 of the Development Application and the City of Sydney's intention to offer the Harry Jensen Centre and Abraham Mott Community Space through the Accommodation Grants Program. Meetings with the Millers Point Community Resident Action Group executive were held by Senior City of Sydney staff to respond to questions and ensure alignment.
36. Expressions of interest for the two spaces through the City of Sydney's Accommodation Grant Program opened to the public from 30 July to 27 August 2024.

Critical Dates / Time Frames

37. Commencement date for the leases recommended in this report are from 1 January 2025.

EMMA RIGNEY

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