

GO7 – Proposed Lease – Part Old Post Office – Cnr Argyle & Menangle Streets, Picton Pt Lot 11 DP 856694 – Vacant Land

GO7 **Proposed Lease – Part Old Post Office – Cnr Argyle & Menangle Streets, Picton Pt Lot 11 DP 856694 – Vacant Land**
10845 TRIM 9294

EXECUTIVE SUMMARY

- The purpose of this report is to obtain approval from Council to enter into negotiations in principle to Lease part of land known as Lot 11 DP 856694 Cnr Argyle and Menangle Streets, Picton - Old Picton Post Office.
- It is recommended that the General Manager and Mayor be authorised to execute all documentation in relation to the Lease including those requiring the Common Seal of Council.

REPORT

Further to reports submitted to Council in October and November 2016 (Res. No's 228/2016 and Res. No. 264/2016), it is proposed that consideration be given by Council to lease part of Lot 11 DP 856694 Cnr Argyle & Menangle Streets, Picton (Old Post Office).

The applicant has requested that Council consider a Lease over the three (3) metre strip of land as per map below. Final land area will be determined by survey and negotiations. The applicant has indicated that a smaller area may be required.

Heads of Agreement:

Term: 4x5 year lease = 20 years
Rent: \$61 per square metre, per annum, excluding GST
CPI: 3% per annum
Outgoing: The Lessor is responsible to pay all outgoings such as (but not limited to) rates, water, trade waste, electricity, gas, sewerage, taxes and/or levies against the property.

The timing and endorsement of the Lease will be subject to the applicant submitting a Development Application for redevelopment of their site known as Lot 1 DP 5635772 Menangle Street, Picton.

The lease will be conditional upon the applicant acknowledging:

- (a) That there is an encumbrance on title which provides "that the user not make alterations to ground surface levels".
- (b) Additional restrictions will be imposed on the lease as follows:
 - That no structure be built on the land (only lightweights structures will be permitted i.e; shade sail)

Governance

GO7 – Proposed Lease – Part Old Post Office – Cnr Argyle & Menangle Streets, Picton Pt Lot 11 DP 856694 – Vacant Land

- This condition is subject to owners consent and submission of detailed drawing and specification. It is the applicants' responsibility to ensure approval is granted from the relevant consent authorities.
- (c) That the land is to be used solely for outdoor dining/open space purposes.
- (d) That Council, its contractors and its representatives at all times be provided access to the sewer point for maintenance or any other infrastructure requiring maintenance.
- (e) That the applicant relies entirely upon its own enquiries and inspection in relation to entering into a lease agreement.
- (f) If the applicant receives a positive resolution from Council, it is proposed that a two (2) year period be provided for the option to be taken up. The two year period is suggested to allow time for the applicant to prepare plans, studies, surveys and lodgement of a Development Application. If the Development Application is successful then Council may continue to enter into a lease agreement.

The land is classified as "Operational Land" which allows Council to enter into these negotiations.

IMPACT ON REMAINING PROPERTY

The remaining property would mostly be limited to reducing extension options to the existing building in entering into this lease. Extension options are very limited on account of the heritage nature and construction type of the building. The benefit of increased pedestrian/customer activity on the land improves the commercial viability of the location.

GO7 – Proposed Lease – Part Old Post Office – Cnr Argyle & Menangle Streets, Picton Pt Lot 11 DP 856694 – Vacant Land



Governance

CONSULTATION

- Council's Valuer
- Property Assessment Panel
- Executive staff
- Manager Economic Development & Tourism
- Manager Governance.

FINANCIAL IMPLICATIONS

This matter has no financial impact on Council's adopted budget or forward estimates. The applicant has provided a written undertaking to pay all costs including disbursement to enter into the Lease.

ATTACHMENTS

Nil

Report of Governance to the Ordinary Meeting of Council held on Monday 20 February 2017

GO7 – Proposed Lease – Part Old Post Office – Cnr Argyle & Menangle Streets, Picton Pt Lot 11 DP 856694 – Vacant Land

RECOMMENDATION

1. That Council support in principle to enter into negotiations to Lease part of the land known as Lot 11 DP 856694 Cnr Argyle and Menangle Street, Picton (Old Post Office) subject to the applicant continuing with the application within a two (2) year period from the date of this report.
2. That the Mayor and General Manager be authorised to execute all documentation in relation to the lease of the land and those requiring the Common Seal of Council.
3. That the income received from the rent be secured in the reserve for the future maintenance of the Old Post Office.