

# **Late Items**

# **BUSINESS PAPER**

Ordinary Council Meeting

To be held on

Thursday,

15 August 2024

The bottom of the page features two decorative curved lines. The upper one is a thick, brownish-gold arc that starts from the left edge and tapers to the right. The lower one is a thick, dark green arc that starts from the left edge and tapers to the right, positioned below the brownish-gold arc.





Notice is herewith given of an

# ORDINARY MEETING

That will be held at the Glen Innes Severn Learning Centre,  
William Gardner Conference Room, Grey Street, Glen Innes on:  
Thursday, 15 August 2024 at 9:00 AM

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## ORDER OF BUSINESS

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L.1 EXPRESSIONS OF INTEREST - COUNCIL DEPOT COOL ROOMS..... 2

Bernard Smith  
General Manager

## L MATTERS OF AN URGENT NATURE

**REPORT TITLE: L.1 EXPRESSIONS OF INTEREST - COUNCIL DEPOT COOL ROOMS**

**REPORT FROM: Infrastructure Services**

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### PURPOSE

The purpose of this report is to seek Council's approval to enter into an agreement for the use of cool room areas at Council's Depot.

### RECOMMENDATION

*That Council authorises the General Manager to enter into an agreement for the use of the Council Depot cool room area with the original interested party in the event that the Expression of Interest process reveals no other interest, noting any agreement is subject to the expected reclassification of the land as Operational land.*

### REPORT

#### (a) Background

Council has some substantial cool rooms located at its main Depot at 105 Lang Street, Glen Innes. The cool rooms are currently used as ad hoc storage for various Council departments. Records show that part of the area was under lease until the beginning of 2014 where Council advised the lessee's that the cool rooms were no longer available for lease. At that time one of the cool rooms was operational.

Council has been approached by a local business wishing to lease the cool rooms. To facilitate any proposed negotiations, a public Expression of Interest has been released to gather interest from additional parties. This is in line with Council's Corporate Property Guidelines.

#### (b) Discussion

As per Council's Corporate Property Guidelines, the key principles in Council's management of commercial and residential leases, and in the setting of licence agreements, are:

- Community land will only be leased or licensed if it is specifically provided for in the relevant Plan of Management, and
- Any lease / licence of facilities / land will be negotiated to achieve a maximum commercial / residential market rental unless Council has specifically resolved to allocate a weighting for other benefits within the tender process.

Contrary to information provided in the report to the July Council meeting, the land at Council's Depot at 105 Lang Street is not yet Operational land but is in the current process to be classified as Operational land. A lease may not be entered into until this process is completed.

The Corporate Property Policy Guidelines provide the following procedure:

1. Report to Council requesting approval to lease the asset and to call for Expressions of Interest for the identified property,
2. Call for Expressions of Interest for the identified asset by advertising in the appropriate media and on Council's web page for a minimum of 28 days,
3. Review any Expressions of Interest received,
4. Submit a report to Council outlining Expressions received and provide a recommended action,
5. Organise Council's Solicitor as required to prepare any necessary paperwork to finalise the process,
6. Notify the Debtor's Officer of the lessee's name, address, amount to be paid and whether an invoice is to be sent monthly or annually.

The original applicant has advised that while the site is not physically required in the short term, the decision as to whether they will be the successful applicant is urgently required as this will impact broader decisions that need to be made within their business. Given the importance of the business to the local economy and the urgent requirement of the applicant it is recommended that if no other expressions are received, that the General Manager be delegated to enter into an early agreement that provides some confidence to the local business, noting that the final execution of the lease and take up of the offer will take some months and will be subject to reclassification of the land.

## **KEY CONSIDERATIONS**

### **(a) Financial/Asset Management**

The amount of rental return will be determined with reference to an independent external assessment by a registered property valuer.

### **(b) Policy/Legislation**

Council's Corporate Property Guidelines provides the principles and procedure when identifying Council assets for lease and the subsequent call for Expressions of Interest. The recommendation is a departure from the policy for the reasons stated.

(c) **Risk**

Nil.

(d) **Consultation**

Nil.

**LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN**

This report links to Council’s Delivery Program Infrastructure Management Principal Activity IM 3.6.2: Implement the Corporate Property Policy.

**CONCLUSION**

The cool rooms located at Council’s Depot are not currently used to their maximum potential and an Expression of Interest has been issued for their use. It is recommended that the General Manager be authorised to negotiate and execute an agreement following the EOI process if there is no interest other than from the original interested party.

**ECM INDEXES**

Subject Index: COUNCIL PROPERTIES: Usage  
Customer Index: Glen Innes Severn Council  
Property Index: 105 Lang Street, Glen Innes

**ATTACHMENTS**

There are no annexures to this report.