

4 LEASE TO PAKENHAM AUTO CLUB - 21 KEY LANE

FILE REFERENCE INT1922433

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RECOMMENDATION

That Council enters into a lease of 21 Key Lane Pakenham to the Pakenham Auto Club Incorporated.

The principal terms of the lease to be:

- Term 20 years
- Further term 20 years
- Rental \$104 pa
- Rental increase Annual by 3%
- Maintenance Responsibility of the tenant
- Special conditions Tenant to construct all facility subject to Council approval

Attachments

Nil

EXECUTIVE SUMMARY

To resolve to enter into a lease of Council's property at 21 Key Lane with the Pakenham Auto Club.

BACKGROUND

Council at its meeting held on 18 February 2019 resolved to

1. commences the statutory procedures under Sections 190 and 223 of the Local Government Act 1989 (the Act) by giving public notice in the local paper circulating in the area of Pakenham advising of the proposal to lease 21 Key Lane Pakenham to the Pakenham Auto Club Incorporated.
2. In the event of submissions being received, a committee comprising Ward Councillors be appointed and the Chief Executive Officer be authorised to set the day, time and place for the hearing of such submissions.
3. Following the public notice process the matter will be reported to Council to consider a proposal to lease 21 Key Lane Pakenham.

The requisite public notice appeared in the Pakenham Gazette on 20 February 2019 and no submissions have been received.

Council is therefore in a position to resolve on this matter.

POLICY IMPLICATIONS

The leasing of this property in accordance with Council's Leasing Policy however the period of the lease is in excess of that generally provided in the Leasing Policy (5 years), however section 4.3.4 of the Policy allows for longer lease terms as provided:

'...Council will consider a longer term Lease in circumstances where the Tenant has substantially invested in the Council Facility or there will be community benefits derived by a longer Lease term

RELEVANCE TO COUNCIL PLAN

The relevant Council Plan objective is to provide a variety of recreation and leisure opportunities particularly to

- provide active and passive recreation facilities to meet the needs of residents, and
- Increase opportunities for residents to participate in a range of sport, recreation and leisure activities.

CONSULTATION/COMMUNICATION

Consultation has been undertaken with all relevant parties and public notice has been given of the proposal to lease the land.

FINANCIAL AND RESOURCE IMPLICATIONS

The Club have agreed to fund the development of the facility that they require and the Club will be responsible for all ongoing maintenance and replacements of the Premises. A peppercorn rental is proposed and there is no expected contribution required by Council.

CONCLUSION

As the statutory procedures involved in Section 190 and 223 of the Local Government Act 1989 have been completed in regard to the proposal to lease the land to the Pakenham Auto Club and no submissions have been received Council is in a position to proceed with the lease of the property.