

# CONSTRUCTION ON COUNCIL LAND POLICY

## **Policy Manual Number 19-5**

Council Minutes Ref: Council Meeting 16<sup>th</sup> August 2010 (Item 14) *(Please note: this policy has not been endorsed until the Council Minute or CMT reference has been documented)*

File Ref: Council Policies – City Assets

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Department: City Assets

## **Background**

Historically Council have allowed community groups and sporting clubs to construct clubrooms, kiosks, lights etc on Council land where the structures are owned and maintained by the club and the land on which the facility is located is leased from Council.

While suited to a number of organisations, this action has created some issues where the occupant wishes to expand, borrow funds against the asset or dispose of the facility to other bodies.

In developing the Leases and Licences Report Council requested the consultants to review the current position and provide objectives for staff to follow.

The key components provided included

- Organisations should be provided with incentives for user groups to contribute to the maintenance and development of facilities.
- Rent free facilities in return for contribution.
- Facilities revert to Council ownership after first term of lease.
- Council's contribution can be amortised over the occupant's period of tenure.

This policy now reflects that position.

## **Policy Statement**

1. Facilities provided by a club on Council land will revert to Council ownership after the first term of the lease (maximum 10 years).
2. Capital contributions by clubs and community organisations to facilities on Council land will be offset as a rent reduction over the first term of the lease (maximum 10 years).
3. Council contributions to facilities will be considered as a capital or operational bid annually.
4. Council's financial contribution to facilities will be calculated to amortise the capital cost over the occupant's period of tenure.
5. Occupant improvements to facilities are not to be subject to rent increases during the first term of the lease after the improvements are completed.
6. Where the occupant funds the facility development that organisation is responsible for maintenance during the first term of the lease (maximum 10 years).
7. Lessees are responsible for Council rates and other services authorities' (water, sewerage, communications, power) charges.

8. Council as landowner will be responsible for annual inspections and statutory requirements (eg Essential maintenance certificates, Place of Assembly etc).
9. On completion of the rent free period, Council's valuers will determine the ongoing rental based on the recommendations of the Leases and Licence Policy.
10. A standard lease/licence will be applied to all tenants on Council land.
11. Costs for Development applications and building approvals are to be the applicant's responsibility.
12. Existing structures on Council land can be transferred to Council subject to compliance with the relevant Australian Standards, an asset condition report and agreement to ongoing operational costs being the responsibility of the user.

**This policy rescinds**

Nil – new policy

**Review (3 years)**

***Status:***

***Current***

# POLICY DOCUMENT CONTROL SHEET

**Policy Name:** Construction on Council Land

**Policy No:** 19-5

**Department:** City Assets

**Date Policy Approved by Council:** 16<sup>th</sup> August 2010

<b>Reviewed by</b> (Name and Job Title of officer)	<b>Nature of Amendment</b> (List changes made to Policy)	<b>Date Council Endorsed Amendment</b>