



## Property Lease and Licence Policy.

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#### 1. Scope

This Policy shall apply to Council owned or managed Property.

This Policy excludes the use of Council Property for street activities (such as outdoor dining), temporary rock anchors, short and casual hire agreements or other property functions which have a specific Policy.

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#### 2. Purpose

Council has Property in the Local Government Area available for short and long term use under an agreement.

The purpose of this Policy is to ensure that when Council considers an agreement for a Property, that it applies an appropriate and thorough review process to ensure that the most suitable use, tenant and value for money outcome is achieved.

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#### 3. Policy

- 3.1 Council will administer its Property portfolio in accordance with the Local Government Act 1993, the Roads Act 1993 and the Crown Land Act 1989 when dealing with community land, operational land, roads and land under care, control & management.
- 3.2 Leasing and licencing of a Property will be carried out under equitable, effective and efficient management practices, in an open, accountable and transparent process to meet the current and future needs of Council and the community.
- 3.3 Council will apply the following Assessment Criteria to assess a property Agreement outcome.
  - a) Asset management objectives - alignment with any management plan, legislative and planning controls, lifecycle strategy, condition and ongoing maintenance requirements.

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- b) Commercial and financial - the most appropriate value for money being either Market Rent for a commercial business or subsidised Market Rent for Community Groups. See **Attachment 1** for Market Rent subsidy.
- c) User and Tenant demand:
  - i. Address identified community demand and Council's operational needs;
  - ii. ensure the Property is being effectively utilised; and
  - iii. ensure the duration of the Agreement allows Council to respond to changing operational and community demand and needs.
- d) Compliance – performance and compliance history of the Tenant.

### 3.4 As a general principle:

- a) The Tenant will be responsible for the fit out and the general day to day routine maintenance; and
- b) Council will be responsible for renewal of the base building components.

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## 4. Procedure

Council will use the Property Lease and Licence Procedure (D05080427) to support the implementation of this Policy.

Agreement Administration will be managed by Council staff.

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## 5. Definitions

### **Agreement:**

A Lease or Licence over a Property.

### **Agreement Administration:**

Includes compliance with general terms and conditions, assignments, options and any sub-letting requests, etc.

### **Assessment Criteria:**

A list of assessment items for consideration to review or to determine the use or tenancy of a Property.

### **Assessment Team:**

The panel of Council staff nominated by the Asset Manager.

### **Asset Manager:**

The manager responsible for the preparation and delivery of an Asset Plan that supports the Asset Management Strategy, as defined in the Asset Management Policy.

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# CITY OF PARRAMATTA

**Community Group:**

A group that is an incorporated not-for-profit organisation, or can provide evidence of an auspice arrangement with an incorporated not-for-profit organisation and is located within the boundaries of the City of Parramatta local government area and/or principally services the City of Parramatta local government area and can demonstrate a local benefit.

**Council:**

City of Parramatta Council.

**Lease:**

An agreement between Council and another party offering an exclusive use.

**Licence:**

An agreement between Council and another party offering a non-exclusive use.

**Major Agreement:**

- a) An Agreement with a financial value greater than \$300,000; or
- b) An Agreement with a duration in excess of 24 months, or
- c) A proposed change in Use.

**Notes:**

- 1) \$300,000 is the total value of the Agreement including any associated option periods or continued occupancy period.
- 2) A duration in excess of 24 months includes option periods or continuous periods of occupation.

**Market Rent:**

Rent based upon valuation advice by a suitably qualified Valuer and/or market estimates from real estate agents.

**Minor Agreement:**

All other Agreements that are not a Major Agreement.

**Property:**

Any land or building owned or under the care, control and management of Council that could be leased or licenced to a Tenant under an Agreement.

**Tenant:**

A person or entity that occupies a Property under an Agreement.

**Use:**

The primary use of the Property, for example, future development, community use, etc.

**Associated documents**

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Property Lease and Licence Procedure (D05080427)

**Attachment 1 – Community Group subsidy based on draft Operational Plan**

% of Market Rent payable	Eligibility
60% of Market Rent, exclusive of GST. (40% subsidy)	<ul style="list-style-type: none"> <li>• Small businesses</li> </ul>
50% of Market Rent, exclusive of GST. (50% subsidy)	<ul style="list-style-type: none"> <li>• Not for profit organisations that receive Commonwealth and/or NSW Government funding;</li> <li>• Not for profit organisations that predominantly operate businesses</li> </ul>
25% of Market Rent, exclusive of GST. (75% subsidy)	<ul style="list-style-type: none"> <li>• Not for profit organisations that do not receive Commonwealth and/or NSW Government funding;</li> <li>• Self-help groups</li> </ul>

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