

10.10.New Licence on Council Property - Lower Ground Floor, Neutral Bay Community Centre, 190-192 Military Road, Neutral Bay

AUTHOR	Alistair White, Commercial Property Specialist
ENDORSED BY	Luke Harvey, Director Corporate Services
ATTACHMENTS	Item 10.11 - Confidential Attachments
CSP LINK	3. Our Innovative City 3.1 Our commercial centres are prosperous and vibrant

PURPOSE:

The purpose of this report is to seek Council's endorsement to enter a proposed new licence over Lower Ground Floor, Neutral Bay Community Centre, 190-192 Military Road, Neutral Bay on the terms and conditions contained in this report.

EXECUTIVE SUMMARY:

- Council has received a licence proposal for the Lower Ground Floor, Neutral Bay Community Centre, 190-192 Military Road, Neutral Bay.
- 190-192 Military Road comprises four ground floor retail units, public WCs and the Neutral Bay Community Centre on Level 1, community hall and meeting room for hire on Level 2, and a vacant lower ground floor premises previously occupied by a not for profit, Mary's House. The four retail units are leased to provide income as part of Council's commercial property portfolio, and to diversify and spread the risk of Council's revenue streams. The other areas of the building are used for community purposes to support community groups, classes and activities and to accommodate not-for-profit/charitable organisations providing community services.
- The confidential attachments include monetary information relating to property income, as well as leasing transactions. Should Council wish to discuss this report it is noted that the attached confidential document includes information that would, if disclosed, confer a commercial advantage on a competitor of the Council. Further, release of the information would, on balance, be contrary to the public interest as it would affect Council's ability to obtain value for money services.
- If Council wishes to discuss the report, the meeting should be closed to the public to do in accordance with Section 10A(2)(a) of the Local Government Act (LGA).

RECOMMENDATION:

1. THAT Council resolves to enter the proposed lease over Lower Ground Floor, Neutral Bay Community Centre, 190-192 Military Road, Neutral Bay on the terms and conditions detailed in the confidential report.

2. THAT Council authorise the Chief Executive Officer (or their delegate) to sign all necessary legal documents in relation to this matter.

3. THAT Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under Section 10A (2) of the Local Government Act:

(d) commercial information of a confidential nature that would, if disclosed

(ii) confer a commercial advantage on a competitor of the Council. It is further noted that the release of this information would, on balance, be contrary to the public interest as it would affect Council's ability to obtain value for money services.

Background

Council has a significant portfolio of commercial properties, with a total replacement cost in the order of \$53.7m. The portfolio comprises office space, retail, food premises, outdoor dining spaces, and community and childcare centres.

Report

Council's Property Portfolio incorporates a diversified portfolio, consisting of office, retail, community centres, outdoor seating arrangements, and other assets.

Council's Property Managing Agents, Colliers International, are responsible for the commercial lease negotiations and management of Council's properties under lease.

Council officers manage the Community Centres directly.

Proposed Lease Transaction

Proposed Transaction	Subject Property & Lessee/ Tenant	Term	Permitted Use	Lettable Area
New Licence	Address: - Lower Ground Floor, Neutral Bay Community Centre, 190-192 Military Road, Neutral Bay Lessee: Neutral Bay Senior Citizens Club Incorporated	Period: Date of signing of the licence Term: 6 months Option: Nil	The provision of community services	64.8 sqm

Consultation requirements

Community engagement is not required.

Financial/Resource Implications

Council's property portfolio generates an annual income of \$6.35 million from leases of commercial property (retail and office), recreational facilities, community centres, public land, roads, private residential properties, and outdoor dining licences.

The subject premises has been vacant since end of November 2024. This licence proposal will enable the Neutral Bay Community Centre to utilise the premises for community programs.

Legislation

The management of leases within Council's Property Portfolio is governed by the provisions of the Retail Leases Act 1994 and the Local Government Act 1993. These legislations set out the legal framework and requirements for handling retail leases and property management in Local Government, NSW.