

## ASSETS AND SERVICES COMMITTEE

1 JUNE 2022

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### AGENDA ITEM D1

### PUBLIC EXCLUDED

## COUNCIL'S LEASE/LICENCE PROPERTY PORTFOLIO

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### **Purpose of Report**

To inform members of the Council's lease/licence property portfolio and income revenue.

### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Council's Lease/Licence Property Portfolio Report.*
2. *That this report and associated minutes stay in public excluded until the Chief Executive determines there are no longer any reasons to withhold the information under the Local Government Official Information and Meetings Act.*

## **1. Background**

South Wairarapa District Council holds a property portfolio consisting of parks, reserves, farms, residencies, community facilities and business properties that are managed on behalf of the community. These properties all have a primary purpose and reason for remaining within Council ownership, with all being held for the benefit of the communities Council serves. Most of the leases and licences Council enters into are community based, but there are opportunities for commercial leases/licences for campgrounds, properties that have a future purpose, and those properties and spaces that are primarily being held for investment.

## **2. Discussion**

### **2.1 Commercial Leases/Licences**

South Wairarapa District Council have 27 properties in the Property Portfolio classified as returning a commercial return, with 26 of those properties having a current lease/licence generating approximately \$487,900 plus GST in income, refer Appendix 1. The spreadsheet identifies where the revenue stream is being distributed. This income was accounted for when LTP budgets were set.

All leases/licences are current. The Tilsons Road Property in Greytown is not being leased as officers have put this aside for Papawai land swap negotiations. The Wards

Line (Hutchings Gravel Pit) lease will be transferred to the purchaser of that property on settlement. The sale is expected to go unconditional on the 2 June 2022.



## **2.2 Community Leases/Licences**

There are 40 community leases, licences to occupy, or properties managed within the Property Portfolio. The community leases and licenses generate roughly \$8,964 in income that is separate from venue hire revenue.

The vast majority of the community leases and licenses are sports clubs followed by wellbeing organisations such as the Menz Shed. A community lease or licence will always be not for profit and the organisation will have a community wellbeing focus.

The negotiated annual income rate is never set at a commercial rate for community leases and licenses, but on a rate that is considered fair and reasonable and in accordance with the Community Groups Use of and Access to Council Parks and Reserves Policy.

Work continues in the community lease and licence space to get these agreements up to date and to ensure that full property history information is up to date and on file. Given the lower level of income these properties generate, keeping commercial leases/licences current always takes precedent.

## **3. Conclusion**

The Council manages community assets on behalf of the community. Some community assets are able to be leased or licenced on a commercial basis and return income which can offset the cost of services. Other community assets are leased or licences issued to community groups for the wellbeing of the community and income is not the primary goal. Council officers will continue to manage all assets for the benefit of the community.

## **4. Appendices**

Appendix 1 – Property Portfolio Commercial Income (distributed separately)

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