



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

11th December 2007

DCCS6	USE OF FORMER SES HEADQUARTERS		
	FILE: LA2767	TAB	{Folio No. *}

SUMMARY:

Reporting on Expressions of Interest (EOI) received from community based groups for the rent or lease of the premises formerly used as the SES Headquarters.

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DESCRIPTION:

Following the relocation of the SES to the newly constructed premises on the corner of North & River Streets the former premises were put to Expression of Interest to seek a new tenant.

Details of the premises offered follow:

KSC CROWN RESERVE'S, 79148, 78022, 556600.
132 RIVER STREET WEST KEMPSEY.

Improvements consist of a fibro and weatherboard house containing six (6) small rooms, one large domestic kitchen area, large garaging facilities, shower and toilets and off street parking.

The premises require significant maintenance which includes the following:-

1. New Floor Coverings
2. Painting of the interior
3. Cleaning of the gutters and exterior walls
4. Repairs to the toilets

A local Estate Agent provided an opinion of value for Commercial Lease for the premises at \$300 to \$350 a week

Much interest was shown in the proposed lease of the River Street, Kempsey, building and many groups inspected the premises; however Macleay Valley Community Projects (MVCP) were the only group that lodged an EOI within the required time. A copy of their submission is attached at [\(Appendix D – Page J16 - 17\)](#).

After the close of the EOI Council received a proposal from H&H Accredited Training Australasia Inc (H&H) wishing to hire the premises for a period of twelve (12) months (see [\(Appendix E – Page J18 - 19\)](#)).

Although Council is not required to accept any EOI, Council has proceeded to negotiate with MVCP.

Council commenced negotiations with MVCP for a lease for 3 years in which an annual rental figure would cover Council rates and charges (say \$1,600 pa) and a minor annual rental profit (say \$500 pa) to Council. The MVCP would meet all operating and usage costs.

MVCP were reluctant to finalise any agreement, feeling the condition of the building, the length of the lease period and weekly lease fees were a concern.

MVCP are a long standing community based organisation who seek the opportunity to establish premises within Kempsey whereby they could continue the furthering of community based projects and have the ability to incubate smaller community based projects in the one building sharing common resources and clerical/administrative support services.

MVCP wish to invest funds into the premises but feel the lease period (3 years) would restrict their chances of receiving ongoing funding from the Area Consultative Committee.

MVCP is very interested in taking up a head lease as a Community Company that has special interests in developing and finalising projects they could develop a very important link to organizations that are starting out or those that need a helping hand.

REPORT IMPLICATIONS:

- ***Environmental***

Nil

- ***Social***

MVCP is a well respected community organisation who has supported numerous projects for the betterment of the Macleay Valley. Their dedicated group of committee members will continue to oversee new projects to enhance the spirit of community within the Shire.

- ***Economic (Financial)***

Council has previously been responsible for the operating expenses of the site when it was utilised as the premise of the SES. The following costs have historically been borne by Council and with the granting of a new lease these costs will pass to the incoming lessee.

• <i>Ordinary rates</i>	<i>\$ 650</i>
• <i>Water Access</i>	<i>\$ 275</i>
• <i>Sewer Access</i>	<i>\$ 495</i>
• <i>Garbage</i>	<i>\$ <u>168</u></i>
	<i>\$1,588</i>

- *Electricity* \$2,300 per quarter
- *Telephone* \$ 100 per month
- *Insurance costs* \$?

There is a requirement for significant repairs and maintenance and to date accurate estimates of future costs have not been gathered. MVCP are negotiating a rental figure based on the repairs needed to the building as it currently stands.

- *Policy or Statutory*

Nil

- *Director's Review*

The recommendation is supported.

The MVCP intend to be the "head" Lessee and use the building for the accommodation and development of other community service organisations.

RECOMMENDATION:

That Council offer Macleay Valley Community Projects a lease of the premises at 132 River Street, Kempsey, on the following basis;

- i) five (5) year term**
- ii) rental of \$2,100 pa**
- iii) Lessor to pay Council rates and charges (excl. consumption charges)**
- iv) Lessee to pay for minor maintenance and all operational costs.**

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G B Snape
DIRECTOR CORPORATE AND COMMUNITY SERVICES