

4. Candelo Town Hall Café Lease

Council has been asked to assist the Hall committee renew the lease for the Hall café. A single expression of interest has been received in response to the advertisements placed by Council during January 2009.

Group Manager, Infrastructure Waste & Water

BACKGROUND

The lessee of the Candelo Town Hall Café had notified the Candelo Town Hall Committee in November 2008 that they no longer wished to continue with the lease to operate the business at the Candelo Town Hall Café due to a serious decline in health.

10 In order to expedite the changeover of lessee the Candelo Town Hall Committee conducted a limited advertisement programme calling for expressions of interest to take over the lease, with the idea of re-assigning that lease.

Unfortunately the good intentions of the Candelo Town Hall Committee could not be actioned because the lease had actually expired and was replaced by a month to month occupation agreement between the café operator and the Hall committee. The committee then sought Council assistance to resolve the matter.

Re-assignment of the lease is only possible within the term of a current lease. Accordingly another call for expressions of interest was advertised. A single expression of interest was received in Council's tender box, from the same person who had
20 responded to the Candelo Town Hall Committee's earlier call.

ISSUES

Legal

A commercial premises lease is seen as the appropriate agreement, with a three year term recommended.

The kitchen equipment owned by the Candelo Town Hall Café is viewed as a liability, being the responsibility of the lessor to repair and maintain. The cost of this responsibility can erode any rent received, as has occurred in the past.

30 The equipment (a commercial 4 door fridge) has been discussed with the Candelo Town Hall Committee and they agree that these items be removed from the premises for disposal.

It is recommended that this item be sold by at Council's annual public auction of surplus plant and equipment as per **Policy 1.3.3(f)**.

Financial

The recently expired lease returned \$3,000 a year to the hall committee which has been used to assist in the ongoing maintenance costs of the hall.

Consultation

The facility is managed by a Council committee and the action is considered appropriate use of the asset.

CONCLUSION

40 Continuation of the operation of the Candelo Town Hall Café is viewed favourably by the Candelo residents and the Candelo Town Hall Committee. The applicant is the person who responded to the Candelo Town Hall Committee's call for Expressions of Interest and was interviewed prior to the committee recommending Mr Waterhouse as a suitable lessee to Council.

RECOMMENDATION

1. That Council resolve to lease the Candelo Town Hall Café to Mr Tinsley Waterhouse for \$3,000 per annum plus GST.
2. That Council resolve to dispose of the fridge from the Candelo Town Hall Café at public auction.

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