

8.5 Transfer of Land Agreement for 90 Market Street

REPORT BY THE DIRECTOR COMMUNITY
TO 20 FEBRUARY 2019 ORDINARY MEETING
GOV400067, REC800039

RECOMMENDATION

That Council:

1. **receive the report by the Director Community on the Transfer of Land Agreement for 90 Market Street;**
2. **enter into the *Deed of Agreement For Transfer of Land* with Property NSW to purchase Allotment 113 DP48439 for \$1.00 (excluding GST);**
3. **authorise the General Manager and Mayor to sign all documentation, where necessary, in relation to the purchase of Allotment 113 DP48439; and**
4. **authorise the Common Seal of Council to be affixed to all documentation, where necessary, in relation to the purchase of Allotment 113 DP48439.**

Executive summary

This report seeks Council's formal agreement to accept the offer of the building at 90 Market Street, Mudgee from the State Government for the purposes of establishing an art gallery. The announcement on this was made in May by the Government. The final transfer deed of agreement has not been provided by Property NSW.

Disclosure of Interest

Nil.

Detailed report

The property at 90 Market Street (Lot 113 DP 48439) has been offered to Council by the State Government. This comes after many years of discussions over the future of the building and requests from the community for the establishment of an art gallery in the region.

The building itself has a long association with local government in the area, originally built as the Cudgegong Shire Council Chambers. When State Government agencies vacated the building a few years ago, it was identified by a number of prominent locals as a potential site for a gallery. This transfer of land agreement comes that end of a long road of negotiations.

It should be noted that the transfer comes with restrictions on its use, including that the primary purpose of the building for the next fifteen years should be as a gallery. Also, in agreeing to the transfer of ownership, Council also needs to accept that there will be ongoing costs for maintenance and asset management.

A gallery for the region is an important piece of cultural and community infrastructure and will assist in meeting a key community objective as established by numerous surveys and plans over many years.

Community Plan implications

Theme	Looking After Our Community
Goal	Effective and efficient delivery of infrastructure
Strategy	Provide infrastructure and services to cater for the current and future needs of our community

Strategic implications

Council Strategies

Community Strategic Plan

Council Policies

Land Acquisition and Disposal Policy

Legislation

Local Government Act 1993

Financial implications

While there are limited financial implications in the transfer of ownership itself, there will still be some costs associated with this. However, the ongoing management of this additional asset will affect Council’s operational budgets and the intended use as a gallery will also have a significant impact in terms of initial building work to transform the building into a gallery with other associated uses. This will include capital expenditure on the existing building and any extensions to this as well as the ongoing maintenance and operation of the building.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2018/19	✘	-	✘
Future Years	✘	-	✘

Associated Risks

There is a risk in accepting the transfer of ownership if it is not the intent of Council to then establish an art gallery on the site.

SIMON JONES
DIRECTOR COMMUNITY

11 February 2019

Attachments: 1. Deed of agreement for the transfer of land, 90 Market Street and attachments. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER