

## 10.5. 2nd QR 21/22 Property Portfolio Report

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**ENDORSED BY:** Duncan Mitchell, Director Engineering and Property Services

**ATTACHMENTS:** Nil

### **PURPOSE:**

This report provides Council with an update of the Property Portfolios performance for the 2<sup>nd</sup> quarter of 2021/2022 (Period commencing 1 October 2021 and ending 31 December 2021).

### **EXECUTIVE SUMMARY:**

Outlined in this report is detail information on all aspects of Councils Property portfolio performance. The detail financial information relating to the Leasing Transactions and Arrears data is reported in the accompanying Confidential Report.

This report covers the following information in relation to Councils Property Portfolio.

- Overview of Council's Property Portfolio
- Council's Encroachment Management Policy
- Updates to the National Code of Conduct in relation to COVID-19 Pandemic and Councils commercial tenant rent relief agreements
- Consolidated summary of income received through the Property Portfolio
- Property Portfolio Vacancy Rates
- Leasing Transactions for the quarter
- Acquisitions and Disposals for the quarter
- *Outdoor Dining update*
- Pandemic Facilities and measures at Councils Premises - Update
- Major Property Projects (Maintenance and Capital works) for the quarter

### **FINANCIAL IMPLICATIONS:**

The total annual revenue budget for the Property Portfolio for the 21/22 financial year was forecast at \$5,581,528. This figure was revised down in the 2nd QR of 21/22 to \$5,241,530 as a result of the ongoing impacts that the COVID-19 Pandemic is having on Councils Property Portfolio.

The 2nd Quarter YTD revenue forecast was \$2,512,706.

The Year-to-Date total actual revenue for the 2<sup>nd</sup> quarter of 21/22 which was received on a cash basis through Colliers International was \$2,673,451 as at 31 December 2021, which is \$160,745 more than the forecasted budget of \$2,512,706 for the quarter.

The quarterly income which was received on an accrual basis is for 2<sup>nd</sup> QR of 21/22 \$1,247,453 as at 31 December 2021.

The total Year-to-Date income which is received on an accrual basis for Q1 and Q2 is \$2,684,003 as at 31 December 2021.

**Note:** For the last Financial Year (2020/21) the total property revenue received on a Cash basis was \$5,824,204 and on an Accrual was \$6,477,771. Councils' property portfolio revenue for the 2020/21 Financial year was significantly impacted by COVID -19 with most of Councils tenants and outdoor dining licence holders paying Council reduced rents or no rent with "Rent Relief" agreements or licence waivers in place.

This trend has carried through into this financial year (2021/22) with the Property Portfolio still being impacted by COVID -19 with most of Councils tenants and outdoor dining licence holders still paying Council reduced rents or no rent via waivers.

The Rent Relief Agreements that Council currently has in place will continue throughout the remainder of this financial year and also carry over into the 2023-24 Financial year as the agreements have a 24-month payment deferment option embedded within them.

In quarter 1 of 2021/22 Council had 24 x Rent Relief Agreements in place in its Commercial Leasing Portfolio. The Rent Relief that Council offers its tenants is a combination of rent waiver and deferred payment of rent.

The agreements noted in this report for Rent Relief in quarter 2 is not complete as more applications are coming continuously in February and March 2022.

The total amount of Rent Relief (Rent Waiver and Deferred Payment) that Council has agreed to within these 24 x agreements to date is  $\$365,878 + \$45,776 = \$411,654$ . The amount of deferred payment (\$45,776 from Q1) is due to be paid back to Council over a 24-month period or until the expiry of the current lease.

The Rent Relief Agreements that Council has in place are outlined in detail in Table 7 and 8 of the Confidential Report.

In addition to the Rent Relief agreements that Councils has in place, Council has also waived all fees payable by current outdoor Dining Licence Holders as at 1 July 2021. The revenue foregone to Council through waiving Outdoor Dining Licence fees was reported to Council in the Quarterly Property Portfolio Report of August 2021 as being estimated to be \$52,020 per month. The total actual revenue foregone over a 7-month period from 1 July 2021 to 31 January 2022 amounts to \$461,927 which equates to \$65,989 per month.

The total projected rent relief waiver including outdoor dining licenses for Q1 and Q2 of this financial year is \$588,034. Refer to Table 2 of this Report.

As part of North Sydney Councils response to assist businesses through the COVID-19 pandemic (Delta Strain), Council resolved to waive all Outdoor Dining Licence Fees payable from 1 July 2021. This waiver applied to 171 Outdoor Dining Licences that were active at the time and was to be in place until such time as the NSW Government lifts the Public Health Orders in force preventing outdoor dining.

Council at its 27 September 2021 meeting also resolved to extend the period of waiver for Outdoor Dining Licences to 30 January 2022 while also introducing a new “Temporary Outdoor Licence” initiative.

On the 10 February 2022 the NSW Government lifted all restrictions for outdoor dining and advised that no density limits would apply.

After the expiry of the 27 September 2021 resolution whereby it was resolved to extend the waiver of outdoor dining licence fees to 30 January 2022, a report was brought to Council recommending that all existing Outdoor Dining Licences and temporary outdoor licence fees continue to be waived until 31 March 2022 and after that date normal fees and charges would apply.

As resolved on by Council this report provides Council with the cost implications of extending the fee waiving period of Outdoor Dining Licences to June 30 -2022.

The total Revenue foregone for Council by extending the waving of both the Outdoor Dining Licences and “Temporary outdoor licence” fees and charges from 1 April to 30 June 2022 (3-month period) combined is \$197,000 + \$17,340= \$214,340.

**RECOMMENDATION:**

**1. THAT** the Quarterly Property Portfolio Report for the 2<sup>nd</sup> Quarters of 21/22 (October 2021 to December 2021), be received.

## LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

### 2. Our Built Infrastructure

#### 2.1 Infrastructure and assets meet community needs

## BACKGROUND

This Quarterly Property Portfolio report comprises information on the property portfolio for 2<sup>nd</sup> quarter of 2021/2022 (Period commencing 1 October 2021 and ending 31 December 2021). The report and the accompanying Confidential Report is designed to give Council and the Community a detailed overview of the Property Portfolio as a whole, its financial performance and the impact of the State Governments COVID-19 restrictions on the portfolio for this financial year.

Council should note that on 10 February 2022 the NSW Government lifted all restrictions for outdoor dining and no density limits apply.

## CONSULTATION REQUIREMENTS

Community engagement is not required.

## DETAIL

North Sydney Council has a large and varied Property Portfolio comprising leases and licences in the following categories:

**Table 1. Property Portfolio Breakdown as at Q2 – 2021/22**

Category	No. of Leases/Licences
Commercial & Retail	61
Community Centres	22
Community Housing	24
Licences	12
Public Land	5
Recreational	8
Residential	8
Roads – includes airspace leases	12
Outdoor Dining Licences	161
<b>Total</b>	<b>313</b>

These properties and licences are being managed by Council's Property Managing Agents, Colliers International.

## **Encroachment Management Policy**

Councils' initial encroachment management policy was adopted in 2013 and amended in 2018.

Since the adoption of this policy in 2013, Council has formalised, and/or is in the process of formalising approximately fifteen **(15)** Deeds of Agreement for minor encroachments and seven **(7)** major encroachments. The major encroachments are primarily air-space leases which require a stratum subdivision to be effected.

## **Updates to the national code of conduct COVID-19**

The ongoing restrictions that have been introduced by the State Government since March 2020 in relation to stopping the spread of COVID-19 has had a significant impact on the financial performance of Council's property portfolio.

Since the commencement of the COVID-19 pandemic in March 2020 Council has put in place a number of initiatives to assist its commercial and retail tenants as well as Outdoor Dining Licence Holders by initially introducing Councils 'Waiving charges during Novel Coronavirus (COVID-19) Policy which was introduced on 25 March 2020. However, this policy was phased out in November 2020 when Council adopted the "National Cabinets Mandatory Code of Conduct-small to medium (SME) commercial leasing principles during Covid 19" and the NSW Governments "Retail and other commercial leases (COVID-19) Regulation 2020".

In June 2021 the new Delta strain of the COVID-19 virus was creating another Pandemic Crisis and the Government announced a lockdown to the whole of the Sydney metropolitan area from 26 June 2021.

This followed the gazettal of the "Retail and other Commercial leases (COVID-19), Amendment Regulation 2021" on 13 August 2021, and was effective from 13 July 2021 to 13 January 2022 (a period of six (6) months).

The Regulation provided that an "Impacted Lessee" would have to suffer a drop in turnover of more than 30% during the lockdown period, compared to a corresponding period in 2019 or similar period during pre-lockdown, to qualify for the rental relief.

However, due to the continued impact of the restrictions on businesses because of the Omicron variant of Covid-19, the Government re-introduced the "Retail and other Commercial Leases (COVID-19) Regulation 2022 (NSW) (updated regulations), commencing 13 January 2022 and ending on 13 March 2022.

In addition to the Governments assistance to businesses, North Sydney Council resolved to waive all Outdoor Dining Licence Fees payable from 1 July 2021 (Q1 2021/22). This waiver applied to 171 Outdoor Dining Licences that were active at the time and was to be in place until such time as the NSW Government lifts the Public Health Orders in force preventing

outdoor dining. This waiver was extended by Council at the February 28 meeting for a further 3 months to June 30, 2022.

North Sydney Council’s response is consistent with Lane Cove, Mosman and Willoughby Councils waiver of Outdoor Dining Licence Fees for the duration of the existing Orders. The City of Sydney has waived all Outdoor Dining Fees until 30 June 2022.

On the 10 February 2022 the NSW Government lifted all restrictions for outdoor dining and no density limits apply.

As at 16 February 2022 Council has 161 Active Licences excluding the nine (9) “Temporary Outdoor Licences” that have been taken up since September 2021.

**COVID-19 Rent Abatement update- Rent Relief Agreements with Commercial Tenants**

Outlined below in Tables 2 is the quantum of rent relief and deferrals allocated to tenants who have met the criteria outlined in Councils Rent Relief agreements including all requisite financial information such as recent BAS statements.

The Rent Relief that Council provides to its Commercial Leasing Tenants is in accordance with the National Cabinet - Mandatory Code of Conduct enacted by the Federal Government in May 2020.

These Rent Relief Agreements that Council has entered into all require final approval from the General Manager after they have been reviewed by Councils Senior Property Officer – Manager of Property and Director of Engineering and Property Services.

**Table 2: Summary Table - COVID-19 Rent Relief to Commercial Tenants as at Q2**

<b>Commercial &amp; Retail Leases</b>	<b>No. of Applications</b>	<b>Total Rent Relief Waiver (including Outdoor Dining) as at Q2</b>	<b>Total Rent Deferred as at Q2</b>
21/22 FY (Q1)	31	Projected: \$371,247 Actual Awarded: \$365,878	Actual/ Projected Awarded: \$45,776
21/22 FY (Q2)	7	Projected: \$216,787 Actual Awarded: \$206,190	Projected: \$14,604 Actual awarded: \$1,120
<b>Total</b>	<b>54</b>	<b>Total Projected Waiver: \$588,034</b>	<b>Total Projected rent deferred: \$60,380</b>

**Note:** The Total Rent Relief that was approved and awarded to those tenants that submitted applications in the 2020/21 financial year was \$188,426.61.

**Note:** The accompanying Confidential Report outlines those lease holders that have applied to Council for rent relief to date.

## Consolidated summary of income received through the Property Portfolio

The following information is a consolidated summary of North Sydney Council's Property Portfolio financial performance for Q2 commencing 30 October 2021 and ending 31 December 2021.

The total annual revenue budget for the Property Portfolio for the 21/22 financial year was forecast at \$5,581,528. This figure was revised down in the 2nd QR of 21/22 to \$5,241,530 as a result of the ongoing impacts that the COVID-19 Pandemic is having on Council's Property Portfolio.

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The quarterly income which was received on an accrual basis is for 2nd QR of 21/22 \$1,247,453 as at 31 December 2021.

The total Year-to-Date income which is received on an accrual basis for Q1 and Q2 is \$2,684,003 as at 31 December 2021.

The total arrears for Council's Property Portfolio for this quarter forms part of the Confidential Memorandum.

## Vacancy Position of the North Sydney Council's Property Portfolio

The following Properties are currently listed as vacant in North Sydney Council's Property Portfolio. Council's Property Managing Agents, Colliers International manage all of Council's leasing transactions and are responsible for all aspects of lease negotiations and management of Council's Properties that are under lease.

Overall, the vacancy rate of Council's Property Portfolio is 6.74%.

**Table 3. Current Vacancies within the North Sydney Council Property Portfolio**

<u>Building</u>	<u>Unit</u>	<u>Area (m2)</u>	<u>Comments</u>
Hume Street, 36 Crows Nest	Shop 3	76.5	Tenant vacated due to COVID 19, Colliers marketing.
James Place, 1 North Sydney	Suite 5.01	273.2	Short term licence to the Electoral Commission, extended to 28/01/22.

			Update: Tenant has now vacated the premises.
Miller Street, 242 North Sydney	Shop	90	Solicitors instructed, Owners Consent given for DA re-lodgement
Miller Street 246, North Sydney	Shop & Residential	63	Currently premises not on market due to structural repairs required. Previously leased to community pop up art shop with a zero rental.
Miller Street 283A, North Sydney	Level 1/ Suite 2, McCartney Stand	320.7	Tenant vacated 30/9/21, Colliers marketing.
Munro Street, Shed McMahons Point	Shed	21.2	Community facility for the use of community groups only. Difficulties in locating a tenant due to size and no water connection or bathroom facilities.
Pacific Highway, 80 North Sydney	Shop 8	43.3	Colliers marketing property for lease.
Ridge Street, 35 North Sydney	Shop	41	Tenant vacated 31/12/21, Colliers marketing.
Ridge Street, 43 North Sydney	GF & 1.02	155.7	Tenant vacated 22/11/21, Colliers marketing.
Ridge Street, 45-51 North Sydney	Whole	765.7	Signed HOA and deposit received from Cameragal Montessori School

**Table 3(a): Summary of Vacancies as an overall area (m<sup>2</sup>) and % of the total property portfolio**

<b>MONTH</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Comments</b>
<b>Total Vacant Areas (m2)</b>	890.40	1,815.30	1,856.30	A large portion of the vacancy is 45-51 Ridge where we already have a signed HOA and deposit with a new tenant.
<b>Portfolio NLA (m2)</b>	23,778	23,778	23,778	
<b>Vacancy % of Portfolio NLA</b>	3.74%	7.63%	7.81%	Commercial vacancy rates in



				North Sydney are just below 30% so this is a good result in the current climate.
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**Table 3(b): Parking Spaces for lease in the Property portfolio**

<b>MONTH</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>Comments</b>
<b>Total Vacant Parking Spaces</b>	6	6	6	Many licensees have cancelled as they are now working from home. Colliers working to find new licensees.
<b>Total Parking Spaces under Portfolio</b>	11.00	11.00	11.00	Most parking spaces are at 52 Alfred Street.

## Leasing Transactions for the Quarter

The following information is provided to Council in relation to the leasing transactions for Council's owned and leased properties for the period commencing 1 July 2021 to 31 December 2021.

**Table 4: Leasing Transactions**

<b>Proposed Transaction</b>	<b>Subject Property &amp; Lessee/Tenant</b>	<b>Term</b>	<b>Permitted Use</b>	<b>Lettable Area</b>	<b>Terms of Lease/Remarks</b>
New Lease	<b>Address:</b> Shop 1, 36 Hume Street, Crows Nest	<b>Period:</b> 13/09/2021 – 12/03/2023  <b>Term:</b> One (1) year and six (6) months  <b>Option:</b> N/A	Office Space	83.8m <sup>2</sup>	The tenant is responsible for the payment of all costs associated with the lease.
New Lease (existing operator but new Lessee entity)	<b>Address:</b> 240 Miller Street, North Sydney	<b>Period:</b> 01/06/2021 – 31/05/2026  <b>Term:</b> Five (5) years  <b>Option:</b> Five (5) years	Cafe	24.9m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for the cost of the registration of the lease.
Renewal Lease	<b>Address:</b> 3 Cunningham Street, North Sydney	<b>Period:</b> 01/09/2021 – 31/08/2026  <b>Term:</b> Five (5) years  <b>Option:</b> N/A	Child Care & pre-school.	327 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease.
Renewal Lease	<b>Address:</b> Corner Hume	<b>Period:</b> 1/09/2021 to	Childcare centre	500 m <sup>2</sup>	The lessor will be responsible

	and Clarke Street, Crows Nest	31/12/2022  <b>Term:</b> One (1) year and four (4) months  <b>Option: Nil</b>			for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease.
Renewal Lease	<b>Address:</b> 165 Blues Point Road, McMahons Point	<b>Period:</b> 01/05/2021 – 30/04/2026  <b>Term:</b> Five (5) years  <b>Option:</b> N/A	Child Care & pre-school	183.7 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease.
Renewal Lease	<b>Address:</b> Shop 2, 192 Military Road, Neutral Bay	<b>Period:</b> 01/04/2021 – 31/03/2025  <b>Term:</b> Four (4) years  <b>Option:</b> Four (4) years	Jewellery and watch repairs	24.6 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for the cost of the registration of the lease.
Renewal Lease	<b>Address:</b> Kiosk, 1 James Place, North Sydney	<b>Period:</b> 01/10/2020 – 01/01/2024  <b>Term:</b> Three (3) years and three (3) months  <b>Option:</b> N/A	Coffee Kiosk	12 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for

					the cost of the registration of the lease.
New Lease	<b>Address:</b> 3 Westleigh Street, Neutral Bay	<b>Period:</b> 01/09/2021 – 31/08/2026  <b>Term:</b> Five (5) years  <b>Option:</b> N/A	To provide temporary shade structures and outdoor recreational activities in keeping with the Tenant's use of the adjoining land.	50 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease.
New Lease (existing operator but new Lessee entity)	<b>Address:</b> Shop 5, 34-48 Alexander Street, Crows Nest	<b>Period:</b> 07/06/2021-06/06/2026  <b>Term:</b> Five (5) years  <b>Option:</b> Five (5) years	Retail sales including the sale of alcoholic liquors and beverages and ancillary items	127 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for the cost of the registration of the lease.
Renewal Lease	<b>Address:</b> Café/165 Blues Point Road, McMahons Point	<b>Period:</b> 01/05/2021-30/04/2026  <b>Term:</b> Five (5) years  <b>Option:</b> Five (5) years	Café/restaurant	142.7 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for the cost of the registration of the lease.
Renewal Lease	<b>Address:</b> Shop 2, 34-48 Alexander	<b>Period:</b> 25/05/2021-24/05/2026	Retail – Asian Grocery Store	59m <sup>2</sup>	The lessor will be responsible

	Street, Crows Nest	<b>Term:</b> Five (5) years <b>Option:</b> Five (5) years			for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for the cost of the registration of the lease.
Renewal Lease	<b>Address:</b> Shop 4, 34-48 Alexander Street, Crows Nest	<b>Period:</b> 07/06/2021-06/06/2026 <b>Term:</b> Five (5) years <b>Option:</b> N/A	The retail sale of bulk wholefoods, health foods, cooking ingredients, confectionary, from time to time.	93.9 m <sup>2</sup>	The lessor will be responsible for the preparation of the lease documentation. Each party is responsible for their own costs to review the lease. The Lessee is responsible for the cost of the registration of the lease.
New Lease	<b>Address:</b> 1 Elizabeth Plaza, North Sydney <b>Lessee:</b> Nesova Pty Ltd	<b>Period:</b> 18/01/2022-17/01/2032 <b>Term:</b> Twenty (20) years <b>Option:</b> Two (2) periods of Ten (10) years each	Construction of a building façade over the splay corner and cladding	Approximately 102.6m <sup>2</sup>	The tenant is responsible for the payment of all costs associated with the lease.
New Lease	<b>Address:</b> Shop 2, 36 Hume Street, Crows Nest	<b>Period:</b> 01/12/2021-30/11/2023 <b>Term:</b> Two (2) years <b>Option:</b> N/A	Commercial Office	83.1 m <sup>2</sup>	The Lessee will be responsible for the Lessor's costs

New Lease	<b>Address:</b> 232A Miller Street, North Sydney	<b>Period:</b> 01/08/2020-31/07/2021  <b>Term:</b> Two (2) years  <b>Option:</b> N/A	Remedial Massage	Unknown	The Lessee will be responsible for the Lessor's costs
Renewal Lease	<b>Address:</b> Part Lot Y in Deposited Plan 390140	<b>Period:</b> 01/12/2021-30/11/2026  <b>Term:</b> Five (5) years  <b>Option:</b> N/A	Timber decking and landscaping.	27.36 m <sup>2</sup>	The Lessee will be responsible for the Lessor's costs
Renewal Lease	<b>Address:</b> Parking Space Adjoining 12 Moodie Lane, Cammeray	<b>Period:</b> 01/12/2021-30/11/2026  <b>Term:</b> Five (5) years  <b>Option:</b> N/A	Parking Space over road reserve	13.75 m <sup>2</sup>	The Lessee will be responsible for the Lessor's costs
New Lease	<b>Address:</b> 2A Montpelier Street, Neutral Bay	<b>Period:</b> 01/12/2021-30/11/2023  <b>Term:</b> Two (2) years  <b>Option:</b> N/A	Community Use	83.1 m <sup>2</sup>	Each party is responsible for their own costs.
Renewal Lease	<b>Address:</b> 2B Montpelier Street, Neutral Bay	<b>Period:</b> 01/01/2022-31/12/2026  <b>Term:</b> Five (5) years  <b>Option:</b> N/A	Kindergarten or Preschool	1,331 m <sup>2</sup>	Each party is responsible for their own costs.
New Lease	<b>Address:</b> Pt.43 & 45-51 Ridge Street, North Sydney	<b>Period:</b> 01/01/2023-31/12/2032  <b>Term:</b> Ten (10) years  <b>Option:</b> Ten (10) years	School	765.7 m <sup>2</sup>	The Lessee will be responsible for all associated costs.

## **Outdoor Dining Licences**

As part of North Sydney Councils response to assist businesses through the COVID-19 pandemic, Council resolved to waive all Outdoor Dining Licence Fees payable from 1 July 2021 (Q1 2021/22). This waiver applied to 171 Outdoor Dining Licences that were active at the time and was to be in place until such time as the NSW Government lifts the Public Health Orders in force preventing outdoor dining.

North Sydney Council's response is consistent with Lane Cove, Mosman and Willoughby Councils waiver of Outdoor Dining Licence Fees for the duration of the existing Orders. The City of Sydney has waived all Outdoor Dining Fees until 30 June 2022.

Furthermore, at its meeting of 27 September 2021 Council also resolved to extend the period of waiver for Outdoor Dining Licences to 30 January 2022 while also introducing a new "Temporary Outdoor Licence" initiative.

On the 10 February 2022 the NSW Government lifted all restrictions for outdoor dining and no density limits apply.

As at 16 February 2022 Council has 161 Active Licences excluding the nine (9) "Temporary Outdoor Licences" that have been taken up since September 2021.

The revenue foregone to Council through waiving Outdoor Dining Licence fees was reported to Council in the Quarterly Property Portfolio Report of August 2021 as being estimated to be \$52,020 per month. The total actual revenue foregone over a 7-month period from 1 July 2021 to 31 January 2022 amounts to \$461,927 which equates to \$65,989 per month.

### **Temporary Outdoor Dining Licence – update Q2**

As mentioned in this report on 27 September 2021 Council resolved to extend the period of waiver for Outdoor Dining Licences to 30 January 2022 while also introducing a new "Temporary Outdoor Licence" initiative.

To date nine (9) food businesses have taken up the offer of the Temporary licence. These businesses are as follows:

- Mount Street Terrace
- Coco-Chocolate
- Waterview Café
- Flying-Bear-Café
- Rag & Famish
- Johnny Bird
- Coal Loader Café
- Oishi Billi

- Ainoya Japanese Restaurant

As resolved on by Council at its 28 February meeting this report provides Council with the cost implications of extending the fee waiving period of Outdoor Dining Licences to June 30, 2022.

The total Revenue foregone for Council by extending the waving of both the Outdoor Dining Licences and “Temporary outdoor licence” fees and charges from 1 April to 30 June 2022 (3-month period) combined is \$197,000 + \$17,340= \$214,340.

**Table 5: Acquisitions and Disposals within the North Sydney Council Property Portfolio for Q1 & 2 - 21/22**

	Address	Reason	Date	Remarks
<b>Acquisition</b>	Nil			

	Address	Reason	Date	Remarks
<b>Disposal</b>	Nil			

### **Pandemic Facilities Update**

#### **COVID-19 hygiene measures and associated costs**

Council has engaged the services of a specialist cleaning contractor, (Olinga Services) to undertake COVID-19 cleaning of its premises. These services include treating common touchpoints at all Council sites that Council is responsible for cleaning, with a new TGA approved Antimicrobial Surface Spray Disinfectant that remains active for 30 days (ARTG-365890). This treatment carried out monthly, in addition to established cleaning regimes and represents an annual saving of \$172,664 per year when compared to the expense of the extra daily touchpoint cleaning at these sites that was put in place at the beginning of the pandemic.

Further impacts of the dollar value that this has had on Council, is outlined in the accompanying Confidential Report.

#### **Indoor Air Quality Assessment of Council Chambers**

In November 2021 Healthy Buildings International (HBI) were commissioned to perform and Indoor Air Quality Assessment of the Council Chambers. The work presented in the final report that was submitted in December 2021 was carried out in accordance with the HBI Quality Assurance System which is based on Australian Standard / NZS ISO 9001.



Based upon the observations and results of the assessment, HBI's report shows that the indoor air quality in the building was acceptable as it met Australian Standards, with common indoor air pollutants either not detected or present at acceptably low concentrations.

### **Summary of report findings**

1. Measurement of airborne respirable particles in the occupied areas returned concentrations below the upper limit of 50 ug/m<sup>3</sup>, which is satisfactory.
2. Monitoring of carbon dioxide at the various locations indicated that ventilation was satisfactory at the time of the test, with the exception of Comms and Events Level 1 where a slight exceedance was noted for a couple of hours during the 12-hour monitoring period.
3. Carbon monoxide readings taken throughout the building were below the recommended acceptable concentration of 9 ppm, reflecting prevailing outdoor conditions.
4. Temperature measurements taken throughout the building showed temperature to be mostly within the range recommended to satisfy the majority of building occupants.
5. Sampling and analysis of the building air for formaldehyde gas returned results that were below both the SWA guideline of 1 ppm and the HBI adopted criterion of 0.1 ppm. They are therefore considered to be satisfactory.
6. Real-time monitoring was carried out for TVOCs, which includes a range of volatile organic compounds (VOCs) that are sometimes present in the air in buildings. The concentrations of TVOC were all below the adopted assessment guideline of 0.5 mg/m<sup>3</sup> and assessment of specific VOCs was not considered justified.

### **List of Property Projects for the Quarter (Major Periodic maintenance and Upgrades)**

Apart from routine maintenance for Council properties, the Property Asset Management Plan has identified major periodic maintenance and capital works upgrades for properties throughout Council's Property portfolio. These essential works need to be carried out in each financial year.

These works are funded from the annual Property Capital Works program which is essential to avoid asset deterioration that would result in operational and functional degradation of the buildings.

### **Table 6: Major Maintenance and Capital Works to Council Properties for the 1<sup>st</sup> & 2<sup>nd</sup> quarters 2021/22**

<b>Property</b>	<b>Project Description</b>	<b>Commencement Date</b>	<b>Completion Date</b>
Council Chambers Wyllie Wing	Solar PV system replacement – including installation of 3x Tesla Powerwall batteries	5/07/2021	28/01/2022
Ward Street Car Park	Carpark level signage P2, P3 and P4	18/10/2021	30/12/2021
240-248 Miller Street	Awning structure re-painting	22/11/2021	10/12/2021
Neutral Bay Community Centre	Internal repainting and building renovation	12/07/2021	21/01/2022
Alexander Street Car Park	Ground floor toilets refurbishment	20/09/2021	14/01/2022

### **Council Chambers Wyllie Wing solar PV panels**



**Solar Inverters**

**Tesla Batteries**



**Ward Street Car Park Level signs**



**240-248 Miller St awning structure repainting**



**Neutral Bay Community Centre refurbishment**



## Senior's Room



Small meeting room



Automatic door



Alexander Street Car Park toilet refurbishment



