

10. 141 Wigram Road - Canterbury Agricultural and Pastoral Association lease

Reference / Te Tohutoro: 24/156968

Report of / Te Pou Bruce Rendall, Head of City Growth and Property

Matua: Andrew Rutledge, Acting General Manager Citizens and Community

Senior Manager /
Pouwhakarae: Andrew Rutledge, Acting General Manager Citizens and Community
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Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
Plain English Reason:	Information contained in this report contains financial disclosures that may prejudice the Association's financial position.
Report can be reviewed for potential release:	Upon the establishment of the charitable investment Trust.

1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 This report asks Council to consider a proposal to support the surrender, for value, of the Canterbury Agricultural and Pastoral Association's lease of 141 Wigram Road.
- 1.2 This report is staff initiated in response to approaches by the Canterbury Agricultural and Pastoral Association who hold the lease and run the Show.
- 1.3 The Canterbury Agricultural and Pastoral Association (**CAPA**) lease 5.08 hectares of land from the Council at 141 Wigram Road. The land forms part of the larger Nga Puna Wai and Canterbury Agricultural Park Land holdings. Specifically, the land is the large triangular section that sits between the Christchurch Southern Motorway and Wigram Road, Known as Nga Puna Wai North.
- 1.4 The land is subject to a 100-year lease, from 2015 through to 2115 (i.e. it has 91 years remaining). Under the lease, the Association pays a nominal rental for the first 35 years of the tenure, followed by a market rate for the balance. It is proposed that if the Association agree to forego its lease, the Council will provide compensation through both a cash payment and the creation of a protected investment fund that will be used to generate ongoing revenue to support the Show.
- 1.5 Surrendering the lease allows the land to be used as a site to deliver key long-term goals associated to the draft Sports Field Network Plan. Consultation and engagement with sports codes for the network plan is complete and it is anticipated this will be adopted by Council before June 30, 2024. Residual land can be rezoned and sold.

- 1.6 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by the location, current use of the land, future use options for the land and the popularity of the annual Show.

2. Officer Recommendations Ngā Tūtohu

That the Council:

1. Approve the purchase of the remaining 91 years of the 100-year lease over the land at 141 Wigram Road from the Canterbury Agricultural and Pastoral Association.
2. Approve the establishment of a charitable investment Trust to enable sustainable ongoing revenue to support the Agricultural and Pastoral Show in accordance with principles in **Attachment B** to this report.
3. Approve the payment of a capped total of \$5 million to achieve the objectives set out in Resolutions 1 and 2, noting that:
 - a. the payment will be structured as \$1 million to the Canterbury Agricultural and Pastoral Association and \$4 million into the charitable investment Trust.
 - b. any agreement to surrender the lease and establish a Trust will be subject to acceptance by the Canterbury Agricultural and Pastoral Association.
4. Delegate to the Acting General Manager Citizens and Community the authority to take all necessary actions to implement this decision.

3. Reason for Report Recommendations Ngā Take mō te Whakatau

- 3.1 The Council has entered into discussion with CAPA with the aim of finding a sustainable funding mechanism for the Show. The recommendations in this report achieve ongoing support for the Show through creation of a protected investment fund that will generate an ongoing revenue stream. This revenue will be used to support the Show with a key objective being to reduce other ongoing support such as the current annual grants from Christchurch New Zealand.
- 3.2 The structuring of the proposal also allows for a payment of \$1 million directly to CAPA. This payment forms direct compensation for the remaining value of the lease. CAPA will use these funds to pay back the existing loan with Council.
- 3.3 The proposal also provides an affordable solution for the provision of additional Sports fields in the South West, where there is increasing demand associated to increased residential development. This recommendation is considered to be the best outcome for the use of the land at 141 Wigram Road and the Show over the long-term.

4. Alternative Options Considered Ētahi atu Kōwhiringa

- 4.1 **Status quo** – This option would retain the current arrangements for supporting the Show through business-as-usual funding avenues. The property at 141 Wigram Road would continue to be leased to CAPA. This is not a preferred option, primarily because the land is not available for alternative purposes due to the 100-year lease. CAPA has also faced financial challenges in recent years and are not in a position to use the leased land to support the Show.
- 4.2 **Rezone and Sell** – following approaches by CAPA to the Council, officers have been exploring rezoning the land and selling it on the open market. This option has been previously discussed with Councillors.

- 4.2.1 The sale of the land would give the Council a greater financial return than the current 100-year lease. Some of the returns could be invested in a protected investment fund that generates an ongoing revenue stream to support the Show, with the remainder being returned to consolidated funds for Council purposes.
- 4.2.2 This option would not be completed until 2025, with the first investment returns to support the Show unlikely to be available until 2026. Additionally, this option does not allow for the Council to meet the alternative objectives for the land (parks depot; sports fields).
- 4.2.3 Given the time required to generate revenue and the emerging alternative needs, this option is no longer considered a viable option.
- 4.2.4 The Council could still decide to divest the balance of the land once the space for sports fields and a depot was determined.

5. Detail Te Whakamahuki

History

- 5.1 The CAPA was established in 1863, following the success of the first annual Show (the Show) the previous year.
- 5.2 The Association is governed by the Canterbury Agricultural and Pastoral Association Empowering Act 1982. It is administered by a General Committee which comprises members of the Association who are elected by the membership each year. It also has a separate Board of Directors (the Board) which administers the commercial activities of the Association.
- 5.3 In the 1990s, the Association sold its Addington Showgrounds site to the Council and purchased the current site in Wigram, known as the Canterbury Agricultural Park (the **Park**). The move to the Park was completed in 1997 and the Addington site is now the Council-owned Apollo Projects Stadium at 95 Jack Hinton Drive.
- 5.4 By 2000, the Association was in financial difficulty and Council investigated options for supporting the Association, including purchasing of part of the Park.
- 5.5 On 22 February 2001, the Council agreed to purchase the majority of the Park owned by the Association in exchange for long term leases that ensured the Show could run each year. This purchase resulted in the Council taking ownership of most of the Park with perpetual leases back to the Association.
- 5.6 When purchased by the Council, the Park included a designation for a new motorway across the northern boundary. By 2010, the land effected by the designation had been acquired by the New Zealand Transport Agency for construction of the Southern Motorway (SH76), leaving a residual parcel of Council owned and managed land between the Motorway and Wigram Road as shown in **Attachment A** (the **Land**).
- 5.7 On 23 September 2010, the Council agreed to a new master plan for the Park and neighbouring Council reserve which authorised development of the Ngā Puna Wai Sports Centre. The master plan also indicated that except for approximately one hectare of land covering the Ngā Puna Wai and Canterbury Agricultural Park motorway underpass access road from Wigram Road and the Haytons Stream swale, most of the area between the Motorway and the Wigram Road was to be sold off for potential business development.
- 5.8 In 2015, the Association approached the Council with a request to lease the Land from the Council for 100 years to be used as a location for new administration offices for the Show and a

future Agribusiness centre. This was to compensate the Show for loss of grazing and parking space because of the Ngā Puna Wai Sports Centre, as well as to ease financial pressures.

- 5.9 On 29 October 2015, the Council agreed to a 100-year lease of the Land by the Association based on this proposal. At the same time, the Council also agreed to end the \$100,000 annual grant to the Association for running the Show. To date, the Land has only been used for grazing and overflow grass parking during the Show.
- 5.10 In 2020, the Show was cancelled due to the Covid-19 pandemic. On 12 August 2021, the Council agreed to lend the Board \$1,000,000 to provide working capital in the event of another Show cancellation in November 2021. If drawn down, the loan would have a ten-year term.
- 5.11 In October 2021, the Board cancelled the Show due to that year's Covid-19 lockdown in Canterbury. Subsequently, the board drew down the full \$1,000,000 loan. To date, the Association has maintained interest payments but not paid down any of the principal.

Recent Proposals

- 5.12 In late 2021 CAPA approached the Council with a proposal that included:
- 5.12.1 The Council agree to gift the Land to the Association and rezone it as industrial;
 - 5.12.2 The Association undertake to subdivide and sell the land as industrial sections;
 - 5.12.3 Proceeds from this sale would establish an investment trust to provide ongoing income to the Association; and
 - 5.12.4 The Council's existing \$1,000,000 loan would be repaid.
- 5.13 Officers' advice to Councillors was that this proposal was not in the Council's interest, however, there was merit in exploring alternative variations. Councillors provided guidance that they wanted officers to explore variations in detail before formally coming back to the Council for a decision.
- 5.14 Officers negotiated with CAPA and by late 2023 has developed a proposal that included:
- 5.14.1 The Council rezones the land to Industrial (General);
 - 5.14.2 CAPA relinquishes the 100-year lease;
 - 5.14.3 CAPA relinquishes offer back rights (if any) for the Addington Stadium site;
 - 5.14.4 The land is sold on the open market;
 - 5.14.5 An independent charitable trust is set up to invest a portion of the revenue from the sale, with the investment returns used to support the Show (and/or other appropriate events should the Show be discontinued);
 - 5.14.6 The Trust would have Trustees appointed by both the Council and CAPA;
 - 5.14.7 The sale revenue is split 50:50 between the Trust and the Council;
 - 5.14.8 Sale costs will be deducted from the gross revenue;
 - 5.14.9 The first call of the net revenue will be used to repay CAPA's outstanding \$1million loan balance to the Council, including any interest incurred;
 - 5.14.10 The Council will then re-coup any costs incurred in relation to the process of re-zoning the land;
 - 5.14.11 The remainder of the revenue proceeds will be split 50/50 between the Council and the Trust; and

- 5.14.12 The agreement will be conditional on Council's final decision whether to dispose of the land, which will only occur after statutory required public consultation.
- 5.15 This proposal is the "Rezone and Sell" option.
- 5.16 During talks CAPA raised matters of concern (see **Attachment C**). Following discussion with Councillors, officers paused negotiations and sought information about the impacts of the implementation timeframe of the Rezone and Sell option on the Show. CAPA indicated that an option that allowed earlier access to investment revenue would be beneficial.
- 5.17 During the discussions officers also identified alternative uses of the land and a mechanism that could help better meet CAPAs needs.

Future use of the land – Sports Park

- 5.18 The draft 2024-34 Long Term Plan includes a proposal for increased investment in sports field infrastructure over a 10-year period. This is to meet changes in demand from the sporting community. Notwithstanding that the plan is still a draft the demand for sports fields in the south west of the city is very high. This is due to the high level of residential development in the south west in recent years as well as more coming on stream. The parcel of land subject to this report is a particularly strategic parcel that forms part of the wider Nga Puna Wai sports precinct.
- 5.19 The Council's Parks Unit have been looking for a site to build additional sports fields but have struggled to identify appropriate affordable locations. The best site would be Council-owned, adequately sized and located an appropriate distance from residential properties to reduce any negative effects on neighbours. The site at 141 Wigram Road meets this criteria, other than being leased to the Association until 2115.
- 5.20 Rather than proceed with all of the proposal outlined in 0 above, the Council could retain the land and use budgeted funds for land purchases to meet the costs of CAPA's lease surrender. The cost of purchasing the lease from the Association is estimated to cost less than purchasing an equivalent property and will not require additional funding from Council.
- 5.21 Part of the land is also to used be for one of two depots for Council's new in-house parks maintenance team as it is ideally located, again avoiding the cost of acquiring or leasing property for this purpose.
- 5.22 Additionally, there may be a surplus part of the Land which remains unused after Council use. The Council may be able to further recover additional costs by rezoning and disposing of any surplus sections of the Land for industrial uses once a plan has been completed, although this will be dependent on design, construction and zoning timeframes.

Surrender Lease Now Option

5.23 In consideration of the emerging Council use a modified option of the Rezone and Sell option has been developed:

- 5.23.1 The Council buys the lease off the Association because while the lease exists, there is no other use for the Land except that for which the Association is permitted to undertake in accordance with the 2015 decision;
- 5.23.2 The proceeds from the purchase of the lease be transferred into a new investment trust (Trust), less the \$1,000,000 loan which will be repaid to the Council;
- 5.23.3 The Trust be established with three independent trustees to distribute the interest from the principal each year, with one trustee appointed by the Board, one trustee appointed by the Council and the Chair be jointly appointed; and

- 5.23.4 The Trust be capital protected to ensure an annual income for the Show from the interest.
- 5.24 The Show is still subject to variances because of weather, economic conditions and other factors which could affect its future viability. For this reason, CAPA would still like to be able to apply for additional funding for Council. Any application would consider the improved financial position of the Association because of the Trust. This is the Council's existing process for assessing any application and may reduce the likelihood of a grant being recommended.
- 5.25 Should a future situation arise following this proposal, then the Council would need to carefully consider whether further financial investment in the Association is the best way to support continuation of the Show, or whether there may be a better model for organising an annual Show.

Proposed objectives

- 5.26 In undertaking the work, officers have been guided by the following objectives:
- 5.26.1 Support the ongoing existence of the Show, as an iconic event for the people Christchurch and Canterbury;
 - 5.26.2 Reduce ongoing ratepayer subsidies for the Show and avoid future calls from CAPA for financial assistance;
 - 5.26.3 Where possible provide for other Council outcomes (e.g. the potential sports field and depot use); and
 - 5.26.4 Release capital from this underperforming asset to assist the Council to achieve its other aims.

Analysis

- 5.27 **Attachment C** presents the three options against the objectives, as well as financial and risk considerations.
- 5.28 The analysis concludes that an approach that has CAPA surrendering the lease now, with a payment of \$5 million and the establishment of an investment Trust, best meets the Council's objectives in the short and long term at the lowest risk. It creates a mechanism for ongoing financial support for the Show, returns land to Council management that can be better used for sports field and parks depot purposes, and allows for some property sales to fund the transaction.
- 5.29 The option does have risks and downsides. This option requires ratepayer funding up front, and this may not be recovered from the sale of the balance of land. There is also reputational risk associated with the payment of significant sums to support one event when the Council is also making tough financial decisions that will impact on ratepayers and other institutions. The Council will have to clearly communicate the broader benefits of the option including the chance to improve sporting outcomes and avoided costs associated with not having to find additional land.
- 5.30 Council can still achieve some or all its objectives with the other options, but not as quickly as through the preferred option.
- 5.31 The decision affects the following wards/Community Board areas:
- 5.31.1 The land is in the Waipuna Halswell-Hornby-Riccarton Community Board area.
 - 5.31.2 The land is zoned as 'Open Space Metropolitan Facilities' and therefore affects the whole District.

6. Policy Framework Implications Ngā Hiraunga ā- Kaupapa here

Strategic Alignment Te Rautaki Tīaroaro

6.1 The decisions in this report support the Strategic Priorities, in particular:

- 6.1.1 Champion Ōtautahi–Christchurch and collaborate to build our role as a leading New Zealand city; and
- 6.1.2 Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.
 - This report supports the [Council's Long Term Plan \(2021 - 2031\)](#):
 - Parks, heritage and coastal environment
 - Activity: Parks and Foreshore
 - Level of Service: 6.8.5 Satisfaction with the overall availability of recreation facilities within the city's parks and foreshore network. - Resident satisfaction with the availability of recreation facilities across the parks and foreshore network: >= 70%.
 - Level of Service: 6.8.1.6 Overall Regional Sports Organisation satisfaction with the standard of the city's Council provided sports surfaces - Satisfaction >=75%

Policy Consistency Te Whai Kaupapa here

6.2 The decision is consistent with the Council's Plans and Policies.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 6.3 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture and traditions.
- 6.4 The decision does not involve a matter of interest to Mana Whenua and will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 6.5 The decision to buy out the lease and set up a Trust will not have an impact on mana whenua. If the land is used for the Sports Centre, the Council will consider any impacts on mana whenua and engage, as appropriate.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

- 6.6 The decision to buy out the lease at 141 Wigram Road and set up a Trust for the remainder of Canterbury Agricultural Park are unlikely to contribute significantly to adaptation to the impacts of climate change or emissions reductions.
- 6.7 If the land is used for the community sports facilities, the Council will consider any climate change impacts as part of that development.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

- 6.8 The decision to buy out the lease and set up a Trust for the remainder of Canterbury Agricultural Park does not have any accessibility considerations. The land at 141 Wigram Road is currently being grazed and is not publicly accessible under the lease.
- 6.9 If the land is used for community sports facilities, the Council will consider any accessibility impacts as part of that development.

7. Resource Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

- 7.1 Cost to Implement – The recommended option will require \$5 million to implement. This sum is currently budgeted in the Parks Land Acquisition Budgets.
- 7.2 Maintenance/Ongoing costs – For the decisions in this report there will be ongoing costs associated with the Trust (e.g. appointing a Council Trustee, monitoring performance). These costs will be minimal and can be absorbed within existing budgets.
- 7.3 Funding Source – existing Capital budget (Parks).

Other He mea anō

- 7.4 Not applicable.

8. Legal Implications Ngā Hīraunga ā-Ture

Statutory power to undertake proposals in the report Te Manatū Whakahaere Kaupapa

- 8.1 The decision to buy out the lease is an operational decision and can be negotiated with the Association by the Chief Executive, or delegate.
- 8.2 The terms of the Trust Deed will be agreed between the parties, and there have been discussions between legal advisors as to the appropriate terms. Staff consider that there should be true independence in the Trustees, i.e., the CAPA appointed Trustee should not be a member of its Board and the Council appointed Trustee should not be a Councillor or member of staff. The two Trustees will then jointly appoint the third Trustee. Due to the investment nature and proposed distribution of funds from the Trust, none of the Trustees will be required to have specialist knowledge of or expertise in the rural sector. A draft Trust Deed (which requires amendment) has been prepared and meets the criteria to be considered as a charitable trust.

Other Legal Implications Ētahi atu Hīraunga-ā-Ture

- 8.3 There are considerations around ensuring that the Trust is not inadvertently considered to be a Council Controlled Organisation, de-risking any issues that may arise now or in the near future around solvency, and the transfer of land under the Canterbury and Agricultural and Pastoral Empowering Act 1982. These issues are already under consideration and discussion between the parties.

9. Risk Management Implications Ngā Hīraunga Tūraru

- 9.1 There is a risk that the Association could continue to suffer from financial difficulties. To mitigate this, the Board is proposing to make cost saving changes to the way the Show is delivered each year, starting in 2024. The Association would still be able to continue to make applications for additional funding for Council, although any application will also consider the improved financial position of the Association because of the Trust, which would be considered on a case-by-case basis.

10. Next Steps Ngā Mahinga ā-muri

- 10.1 Should the Council agree to the establishment of the Trust and endorse the proposal, then Council staff will execute the transaction, subject to agreement from the Association.
- 10.2 The Council will also receive repayment of the \$1,000,000 loan and forgo any outstanding interest for the current financial year.
- 10.3 Once the transaction is completed, the Council will be asked to appoint an independent trustee to the Trust and receive annual updates on the Trust's financial position.

10.4 Land use- The parks unit will initiate a full design process for the land once the decision is confirmed.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Attachment A - 141 Wigram Road Lease Plan	24/174186	14
B	Attachment B - Investment Trust Principles	24/174354	15
C	Attachment C - Options Analysis	24/174149	16

In addition to the attached documents, the following background information is available:

Document Name - Location / File Link
Not applicable

Confirmation of Statutory Compliance Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

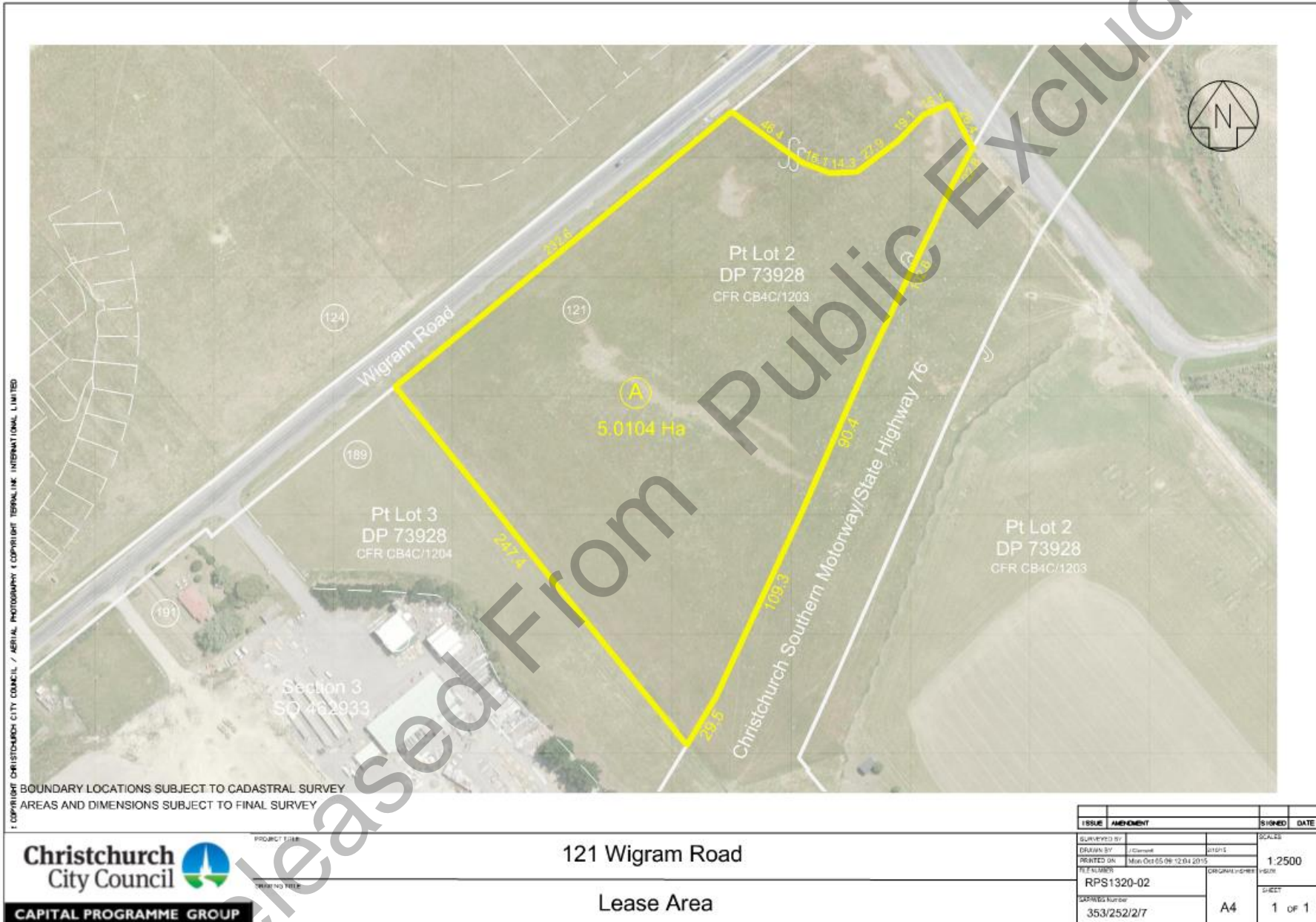
(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories Ngā Kaiwaitohu

Authors	Libby Elvidge - Principal Advisor Citizens & Community Bruce Rendall - Head of City Growth & Property Boyd Becker - Principal Mayoral Advisor Elizabeth Neazor - Manager Legal Service Delivery, Commercial & Property Nigel Cox - Head of Recreation, Sports & Events John Filsell - Head of Community Support and Partnerships
Approved By	Andrew Rutledge - Acting General Manager Citizens and Community



Attachment 2 - Principles for Investment Trust

Trust Purpose: To independently invest and manage funds and distribute the interest annually to support the New Zealand Agricultural Show or other approved events should the Show cease

Trustees: three independent appropriately qualified and experienced trustees with one trustee appointed by the Board, one trustee appointed by the Council and the Chair be jointly appointed

Other matters:

Charitable Trust

The Trust be capital protected (ie the Trustees are not allowed to draw down the capital and can only use the interest for distributions).

Released From Public Excluded

Item 10

Attachment B

Confidential Attachment C - Option Analysis

This attachment is withheld under Clause 7 (2) (b) (ii) of the Local Government Official Information and Meetings Act 1987. This analysis is based on information about CAPAs financial position and disclosure of it may prejudice their commercial position

Option	Objective 1 – Support the Show	Objective 2 – Reduce ongoing support / avoid future requests for support	Objective 3 – Provide for other Council outcomes	Objective 4 – Financial Return	Financial Impact	Risks	Overall Comment
Status Quo – 100 year lease; \$130 k per annum subsidy through CNZ	Based on information provided from CAPA, it is not certain that this option will achieve this objective. CAPA have indicated that while they are solvent at present, without certainty on ongoing revenue they may not be able to hold the Show.	Does not achieve this objective. It is likely that even if CAPA were able to hold the Show, they would be seeking further support from the Council.	Does not achieve this objective directly. If CAPA becomes insolvent the lease is cancelled and Council can use the land for different purposes	Does not achieve this objective. If CAPA becomes insolvent the lease is cancelled and Council can use the land for different purposes and this may allow Council to achieve a financial return	Council will receive rent after 35 years. Expectation of ongoing support from ChristchurchNZ There is a risk that CAPA cannot pay back the \$1 million loan	Without change there is a real possibility that CAPA would become insolvent with it likely that the Show does not take place in 2024. The Show may be possible in future years if another organisation arranges it. In that case, ongoing Council support may be requested. Council may have some reputational risk if the Show is cancelled because of perceived Council inaction.	This is an unattractive option. Council may be able to achieve some of its objectives, but only at the expense of CAPA's insolvency and the cancellation of the 2024 Show.
Option 2 - Rezone and Sale	Achieves this objective albeit not until 2026. In the short term, the Show would need to be extensively altered and significant cuts will be need to CAPA's finances.	Achieves this objective, from 2026 onwards. Note that CAPA have indicated a desire to be able to apply for funding on the same basis as other groups.	Does not achieve this objective. The land would be rezoned industrial and sold	Achieves this objective. It is anticipated that Council would receive \$4 to 5 million from this option	The estimated return from the sale of rezoned land is \$11 million. After repayment of the loan and other costs, the anticipated investment fund is ~ \$4.5 million, with a similar amount for Council	The timeframe required to generate revenues increase the risk that there will be no Show in 2024. Council may have some reputational risk if the Show is cancelled even though the Council has acted.	This option partially meets Council's objectives. It does allow for the achievement of Council's other objectives (sports fields and depot), and risks cancellation of the 2024 Show.
Option 3 Surrender Lease Now	Achieves this option. Changes to the Show should still be considered and implemented to help move it to a more sustainable footing. Changes to CAPAs finances are also advisable.	Achieves this option immediately. Note that CAPA have indicated a desire to be able to apply for funding on the same basis as other groups	Achieves this objective. Parts of the land would be made available for sports fields and parks depot use. The balance of the Land any other property in the vicinity could still be rezoned and sold	Provides opportunities to achieve this objective, albeit at a likely lower level than Option 2. There will be a balance of land left as well as land originally not included in the proposal that would be available for possible disposal.	Council will pay a sum of \$5 million for the surrender of the lease. \$1 million of this will be returned to Council to pay back the loan, while the remainder will be invested in a fund to generate an ongoing revenue stream to support the Show. The Council payment can be covered by funding set aside for sports filed purchases. Some of Council's costs can be recovered through the sale of surplus land, however, a valuation estimate for this has not been obtained.	Council may have some reputational risk given the current financial pressures it and other institutions are facing.	This option best meets the Council's objectives in the short term, albeit at a cost to Council and some risk.