

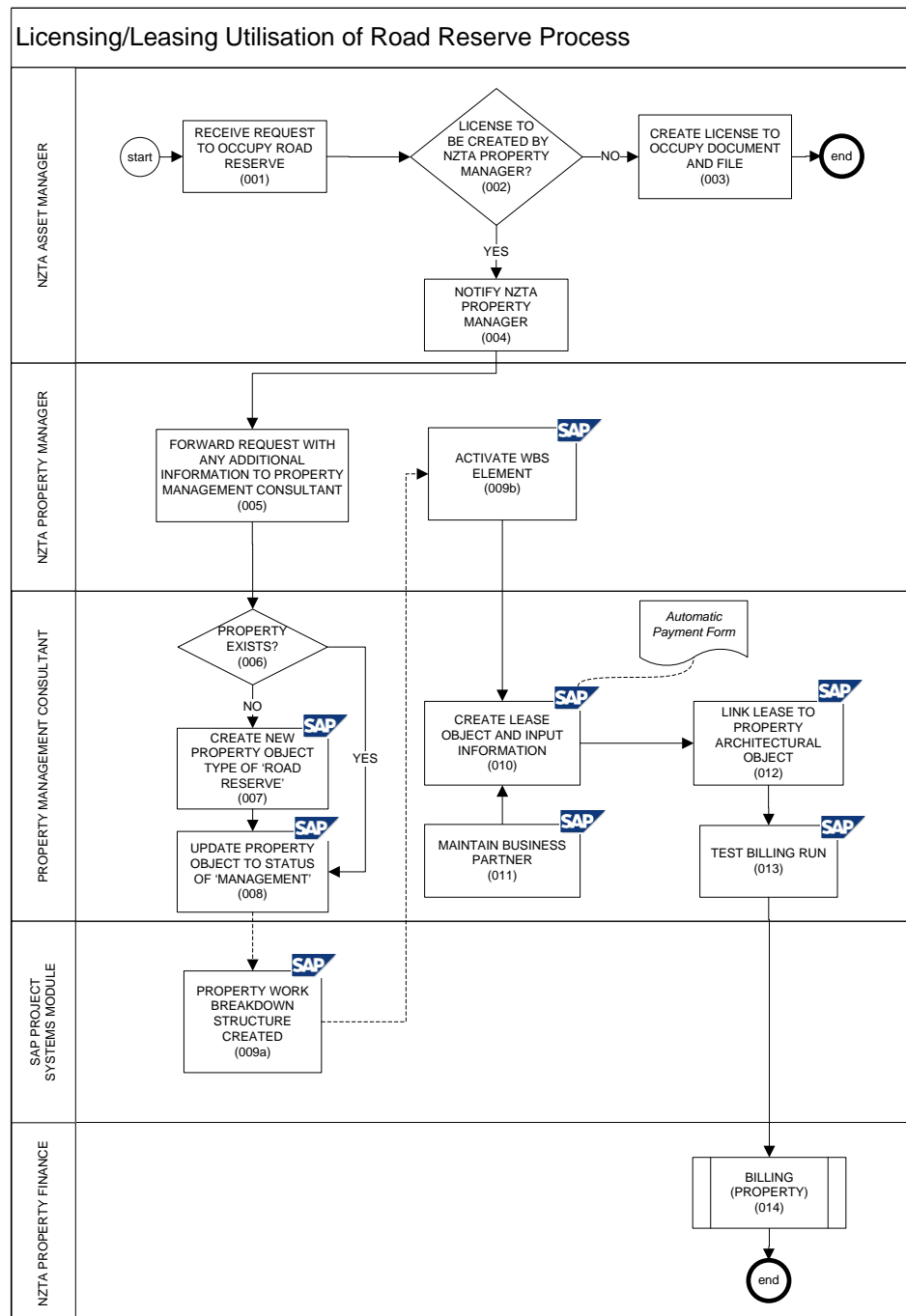
## Licensing/Leasing Utilisation of Road Reserve (PM7.2)

This process details the steps required to create a licence for a third party to use an NZTA Road Reserve.

**Note:** Road Reserve land information is contained within the Network Asset Management Database called RAMM. For Property Management, a lease or licence must be associated to a Road Reserve Real Estate Object. This process differs from Licensing or Leasing other property because this property type requires approval from the Network Manager and frequently requires the creation of a property object in SAP.

### Process flow diagram

The process flow is shown below.



## Process steps

The steps for this process are detailed below. All steps are completed by a Property Management Consultant (PMC) unless otherwise indicated.

Step	Action
1.	The NZTA Asset Manager receives a request to occupy road reserve from an individual, a business (etc.).
2.	The NZTA Asset Manager determines whether the license/lease includes payments to NZTA as part of the terms and conditions of the License Lease. If payments are: <ul style="list-style-type: none"> <li>required, the Asset Manager forwards the request to the NZTA Property Manager, go to step 3.</li> <li>not required, go to step 4.</li> </ul>
3.	The NZTA Asset Manager creates a 'License to Occupy' document for both parties to sign. Once signed this is filed. No recording within the system is performed.
4.	The NZTA Asset Manager notifies the NZTA Property Manager of a request from an external party to occupy Road Reserve or advises that an external party is encroaching on Road Reserve.
5.	The NZTA Property Manager forwards the request with additional information, rules and restrictions to assist the Property Management Consultant to negotiate and develop the license.
6.	Determine if an existing Road Reserve Property Object exists that is relevant to the lease being created. If: <ul style="list-style-type: none"> <li>yes, go to step 8.</li> <li>no, go to step 7.</li> </ul>
7.	Follow the <a href="#">PM5.2 Create Property Record - Purchase Approved</a> business process to create a new 'Road Reserve' property object.
8.	Update the Property Object to the Status of 'Management' in transaction RE80. Refer to the <a href="#">RE80 (Maintain Management Property)</a> transaction guide for more detail.
9.	When the property was first entered, SAP automatically created a corresponding Work Breakdown Structure element (WBS) for the property. This allows income and expenditure to be forecasted and for the actuals to be coded to the property.  The NZTA Property Manager changes the status of the WBS element so that actual costs can be charged against it using transaction CJ20N. Refer to the <a href="#">CJ20N Activate WBS Elements</a> transaction guide for more detail.
10.	Once the Lease Agreement is signed by both parties, input key Lease Agreement information into the system using transaction RE80. Refer to the <a href="#">RE80 (Create Lease Contract for a Road Reserve)</a> for more detail. Key information includes: <ul style="list-style-type: none"> <li>Start date of occupation.</li> <li>Term.</li> <li>End date of occupation.</li> <li>Regional Area.</li> <li>Agreed amount of License/lease.</li> <li>Company Entity (if applicable).</li> <li>Property lease is associated to.</li> </ul> <p>An electronic copy of physical signed lease document is uploaded to the system via a URL within SAP using transaction RE80. Refer to the <a href="#">RE80 (Create Lease Contract for a Road Reserve)</a> for more detail.</p>

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Step	Action
11.	<p>The Professional Services Consultant creates a new Business Partner with a role type of 'Tenant' using transaction RE80. Refer to the <a href="#">RE80 (Create Business Partner)</a> transaction guide for more detail.</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• The tenant is associated to the lease at this point. This process is an input to step 10 (create Lease) and artefacts such as the automatic payment form cannot be created until this step is completed.</li> <li>• In order for the financial documents to post relating to the lease, a Contract Account must be created relating to the Tenant Business Partner using transaction CAA1. Refer to the <a href="#">CAA1 (Create Contract Account)</a> transaction guide for more detail.</li> </ul>
12.	Link the newly created Lease to a Property Architectural Object using transaction RE80. Refer to the <a href="#">RE80 (Create Lease Contract for a Road Reserve)</a> for more detail.
13.	Run a dummy billing run based on the Lease information to ensure that SAP creates the billing as expected. This can be done using the Simulation function in the Lease contract object using transaction RE80. Refer to the <a href="#">RE80 (Maintain Lease Information)</a> transaction guide for more detail.
14.	Creating both the lease and a Business Partner type of Tenant kicks off the setup of billing for the lease or tenancy. This is automatically generated by the system and NZTA HNO Property Finance do the posting within the system. Refer to the <a href="#">AR07 Billing (Property)</a> business process for more detail.

## Business rules

No SAP processes have been documented for any operational lease/lifecycle activities other than commencement and termination. As such it is assumed that for the following activities no letters or other correspondence are generated from SAP and that these processes are managed manually by the Property Management Consultant and not automated by SAP (derivation of rent reviews for example):

- rent reviews
- inspections, or
- any others excepting billing and invoicing which are covered under the Accounts Receivable processes.

These requirements are considered a function of AR under the [AR07 Billing \(Property\)](#) process.

When a 'lessee/tenant' is created the following rules will apply:

- Where lessee/tenant is associated to a commercial lease, electronic (printable) rent invoices will be created. Where lessee/tenant is associated to a residential lease, electronic (printable) rent invoices will not be created.
- All other invoices, such as charge backs and one-off costs, will be electronically (printable) created.