

<b>POL</b>	<b>PROCESS FOR LEASING &amp; LICENCING - CITY OF COCKBURN OWNED OR CONTROLLED PROPERTY FOR RECREATIONAL OR COMMUNITY PURPOSES</b>	<b>APD85</b>
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<b>POLICY CODE:</b>	APD85
<b>DIRECTORATE:</b>	Planning and Development
<b>BUSINESS UNIT:</b>	Strategic Planning
<b>SERVICE UNIT:</b>	Land & Lease Administration
<b>RESPONSIBLE OFFICER:</b>	Manager Strategic Planning
<b>FILE NO.:</b>	182/001
<b>DATE FIRST ADOPTED:</b>	10 March 2016
<b>DATE LAST REVIEWED:</b>	
<b>ATTACHMENTS:</b>	N/A
<b>DELEGATED AUTHORITY REF.:</b>	AFCS2
<b>VERSION NO.</b>	1

<b>Dates of Amendments / Reviews:</b>	
DAPPS Meeting:	25 February 2016
OCM:	

## **BACKGROUND:**

City of Cockburn owned or controlled land and facilities are leased and licenced to various associations/organisations, including not-for-profit groups and Government organisations providing recreational, education, community and health services. These arrangements are broadly considered non-commercial type relationships with the City, and are dealt with generally under the banner of recreational or community purpose type leases.

## **PURPOSE:**

To set a consistent policy framework for the leasing and licensing of City of Cockburn owned or controlled property to community, recreation and Government associations/organisations. To also promote the shared optimal use arrangement of City of Cockburn facilities.

This policy does not relate to commercial type leasing arrangements, which are dealt with under the auspices of the Local Government Act 1995.

## **POLICY:**

- (1) Not-for- Profit Associations/organisations leasing land or a facility will generally be charged a peppercorn rent on the proviso that the lessee will be responsible for the facility's outgoings and internal (non-structural) maintenance as per the following:

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1. Water;
2. Electricity;
3. Gas;
4. Emergency Services Levy;
5. Security;
6. Rubbish charges;
7. Cleaning;
8. Costs of maintaining and replacing fixtures and fittings, regardless of 'fair wear and tear', up to an amount of \$1,000 per single item verified by a City of Cockburn sourced quotation [i.e. no cumulative addition of items to exceed this threshold whatsoever – see (5) below];
9. Internal painting;
10. Damage caused by the negligence of the lessee's invitees, guests, members or persons associated with the use and/or hiring of the facility by the tenant (and associated security costs).

Where there are common areas within a shared facility, associations / organisations which exist within the facility will equally contribute to the costs of these common areas per the schedule of items a) to j).

- (2) Any Government association / organisation is generally expected to pay a market rent. However, subject to a Council decision, there is discretion to consider circumstances where it may be appropriate to reduce or remove the requirement to pay rent. Such circumstances may include:
  1. Where there is a facility objective to create a community hub with allied support services;
  2. Where there is a demonstrable community need to attract and retain the allied support service to the area, such as Child Health Clinics.
- (3) Certain forms of not-for-profit associations / organisations, which are deemed to have the capacity to pay rent by virtue of their funding model and/or income stream, may also be required to pay a form of rent and/or rates. Any discussions in respect of charging rent, rates etc. may occur at the commencement of a new lease, or at the subsequent renewal of the lease agreement, at the discretion of the City of Cockburn.
- (4) All leases and licences will be subject to annual rent reviews based on CPI increases and/or market rent reviews. Note this is primarily relevant to those under (2) and (3) above.
- (5) Except for associations/organisations which are paying rent [i.e. those falling under provisions (2) and (3) above], the City of Cockburn will generally be responsible for the following maintenance:
  1. Structural maintenance e.g. cracks in walls, leaks in roofs, ceilings;

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2. Costs of maintaining and replacing fixtures and fittings over the value of \$1,000 per single item;
  3. Fire equipment & emergency exit services;
  4. Tree removal and major tree pruning;
  5. External obligations e.g. car parks, roads, footpaths;
  6. Other duties as may be determined, however these terms will be outlined in the report for the Elected Members Newsletter, or Ordinary Council if required.
- (6) New tenants may receive a total term of up to 5 years, including any options to renew (i.e. 2 year + 3 years). Renewing tenants may receive a total length of term of up to 10 years, based upon their performance as a tenant. A tenant will only be given a longer term lease (ie. 10 years + 10 years) if they are able to demonstrate a genuine reason for their request, subject to a Council decision. Reasoning may include:
1. If they are contributing large sums of money to upgrade/renovate the facility; or
  2. If they are applying for a grant or funding which requires longer tenure
- (7) All tenants will be required to arrange:
1. public liability insurance to a minimum value of \$20,000,000.00,
  2. contents insurance of assets owned by them; and
  3. workers compensation insurance
- Generally, the City will take out and maintain building insurance, however the City retains the discretion to pass on the costs of building insurance to the tenant.
- (8) All tenants will be required annually to provide information to the Leasing & Licensing Officer to assist with accurate records of office holder contact details, financial data, and occupancy statics. They will also be subject to annual facility inspections to ensure maintenance obligations are being met.
- (9) All community facilities undertaken by the City of Cockburn are generally to be based upon a shared-use model. This will require careful thought about areas within facilities which are common areas (such as toilets, kitchens, parking and lobby areas) versus areas which will be exclusive to the associations / organisations at the facility.