

Lease agreements for Council properties

Policy scope

This policy applies to circumstances where both a lease and a development application (DA) are required for Council owned or managed property and/or where additional budget is required for City funded capital works. Such properties are categorised as either:

1. Investment properties.
2. Community properties.

This policy does not apply to City infrastructure or public assets.

Policy statement

This policy aims to ensure that Council have full control over the use of its property and land, and are provided with an opportunity to withdraw from lease negotiations with prospective tenants at key decision points before the final lease is legally executed.

After Council has identified its preferred tenant and accepted the key lease terms, Officers will work with the preferred tenant to finalise a lease based on the key terms and performance criteria set by Council.

However, leases will not be legally executed until:

1. Council support the associated development application (DA). The DA should be submitted through the normal process that may include community engagement. If the DA is approved by Council, the project progresses and lease negotiations are finalised based on the key terms and performance criteria set by Council. If the DA is not supported and Council are unwilling to consider a revised application, lease negotiations are terminated and Council re-starts the process to identify a preferred tenant. And;
2. Expenditure for capital works to be undertaken and funded by Council is approved. This may be through the annual budget process. If unforeseen costs for Council arise at a late stage in the project that are outside of the scope of the approved budget, a Council decision is required to approve additional expenditure and/or revised lease terms that will aim to reduce the up-front budget expense for Council. If Council do not support the necessary budget and/or revised lease terms, lease negotiations are terminated and Council re-starts the process to identify a preferred tenant.

Definitions and abbreviations

Nil

Responsibility and review information	
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