

Title	Leasing of City of Cockburn Property for Community and/or Recreational Purposes (including Not-for-Profit)
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Policy Type

Council

Policy Purpose

The aim of the policy is 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, and to also promote the shared optimal use arrangement of City of Cockburn facilities.

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.

This policy does not relate to commercial type leasing arrangements.

Policy Statement

- (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:
1. Water;
 2. Electricity;
 3. Gas;
 4. Emergency Services Levy;
 5. Security;
 6. Rubbish charges;
 7. Cleaning;
 8. Tagging and Testing of electricals;
 9. Scheduled, structural and asset renewal maintenance will be undertaken by the City;
 10. Reactive (general) maintenance such as replacing fixture and fittings, regardless of 'fair wear and tear' will be a responsibility of the lessee, if the fixtures or fittings are owned by the lessee;
 11. The lease will include an approximate budget for outgoings and maintenance that can be used by the lessee for budget projections.
 12. 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 1 to 12.

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- (2) Any Government association/organisation are 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) To ensure transparency of property disposals/leasing to community organisations, when a community facility or land is available to lease, a new lease agreement will be offered via an Expression of Interest (EOI) process.
- (5) The City will use performance-based criteria to annually assess the provision of services by community groups who are granted peppercorn leases. This process will be managed jointly by Property Services and the relevant Community or Recreational Services departments as applicable.
- (6) Within the final 12 months of a lease term, peppercorn facilities or land will be advertised as available for lease, and community groups will be invited to submit an application via EOI. The above will not be undertaken in instances where:
 1. A facility is bespoke and can only function for a particular user group;
 2. A service is being provided in partnership with the City; or
 3. There is a limited permitted purpose for the use of the facility/land.
- (7) 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.
- (8) Except for associations/organisations which are paying rent [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;
 2. Fire equipment & emergency exit services;
 3. Tree removal and major tree pruning;
 4. External obligations e.g. car parks, roads, footpaths;
 5. Other maintenance undertakings as may be determined depending on community group specific needs. Elected Members will be given the opportunity to comment on these undertakings and the opportunity to report to Council if requested.

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(9) 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

(10) 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.

(11) All tenants will be required annually to provide information to the Property Services to assist with accurate records of office holder contact details, financial data, occupancy statics, copy of insurance certificate and receipt for tagging & testing. They will also be subject to annual facility inspections to ensure maintenance obligations are being met.

(12) 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.

Strategic Link:	Public Open Space Strategy, Land Management Strategy, Community, Sport & Recreation Facilities Plan & Community Development Strategy
Category	Planning – Land Administration
Lead Business Unit:	Property and Assets
Public Consultation: (Yes or No)	No
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