

ATTACHMENT C

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**COUNCIL STRATUM LEASES –
REVISED POLICY AND RENT
DETERMINATION 28 MARCH 1994**

RESOLUTION OF COUNCIL



28 MARCH 1994

COUNCIL STRATUM LEASES - REVISED POLICY AND RENT DETERMINATION (A03-00393)

I.

That notwithstanding Resolution of Council dated 23 May 1983 and arising from consideration of a report by the Manager Property Strategy to the Properties Committee on 28 February 1994, and a further report to the Properties Committee on 21 March 1994 approval be given to:-

- (A) the adoption of the following guidelines for the assessment of the initial rental and reassessment of rentals in respect of leases granted pursuant to Section 149 of the Roads Act 1993 namely:-

At the beginning of each two (2) year period for the duration of the lease the annual rental may be assessed by Council on the basis of:-

- (i) the commercial benefit (if any) derived by the lessee(s) directly from the structure within the stratum;
- (ii) the benefit accruing to any adjacent or nearby land or property owned or controlled by the lessee(s) or a subsidiary company as a result of the presence of the structure;
- (iii) the benefits derived by the lessee(s) or an associated company in respect of any business or commercial undertaking carried on in an adjacent or nearby property as a result of the presence of the structure;
- (iv) the current cost of establishing the structure. For renewal of a stratum lease or for a new lease of a stratum where a structure exists, then the cost of the structure is to be disregarded and not be a matter for consideration in determining the rental at the commencement of the lease or for subsequent rental reviews.

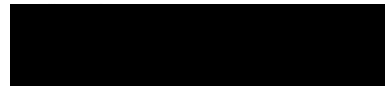
The annual rental for the second year of each two year period shall be adjusted at the beginning of that year in accordance with the Consumer Price Index (Sydney), or whatever statistical system it is replaced by, by reference to any change in the CPI from the then latest published quarter at the beginning of the CPI rental review year when referenced to the published CPI for the same quarter in the year preceding each respective rental review year.

- (B) Where possible, all stratum leases granted pursuant to Section 149 of the Roads Act 1993 having as lessee/s the owner/s or lessee/s of both adjoining sites.

- (C) The lease term of stratum being for a maximum period of 40 years unless exceptional circumstances apply.
- (D) For stratum leases where Council considers that the rental is not significant nor will become significant in the short to medium term and hence biennial reviews would not be cost effective then Council may decide that the period between rental reviews be at five (5) year intervals. In such cases the annual rental for the second, third, fourth and fifth year of each five year period shall be adjusted at the beginning of each year in accordance with the Consumer Price Index (Sydney), or whatever statistical system it is replaced by, by reference to any change in the CPI from the then latest published quarter at the beginning of the CPI rental review year when referenced to the published CPI for the same quarter in the year preceding each respective rental review year.
- (E) All new leases should incorporate a clause that prevents the rental assessed under the review provisions being less than the rental for the previous year.

Carried.

Referred for appropriate action please



Senior Committee Secretary
5 April 1994

Manager Property Strategy