

Lease Approval - 180 George Street, Sydney

File No: X100664.001

Summary

This report seeks approval from Council to grant a new lease within the 180 George Street Plaza Building.

180 George Street is the newly developed Plaza Building adjacent to the Salesforce Tower. It is a signature two storey building opening to the George Street Plaza incorporating a sheltering canopy designed by Indigenous artist Daniel Boyd. The ground floor comprises 105sqm internal space and 125sqm outdoor seating via a balcony and the plaza. The first floor is currently operated by the City as a programmed community venue and venue for hire.

Details of the lease proposal are outlined in Confidential Attachment A and the essential lease terms and conditions are contained within Confidential Attachment B.

This report recommends that Council approve granting a new lease within the 180 George Street Plaza Building.

Recommendation

It is resolved that:

- (A) Council note the lease proposal information included in Confidential Attachment A to the subject report.
- (B) Council approve the granting of a new lease in accordance with the essential lease terms and conditions contained within Confidential Attachment B to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the terms of the lease, including in relation to the exercise of the option, in accordance with the essential terms and conditions contained within Confidential Attachment B to the subject report.

Attachments

Attachment A. Lease Proposal (Confidential)

Attachment B. Essential Lease Terms and Conditions (Confidential)

Background

1. The income derived from City's property portfolio is the second highest revenue source for the City and provides a vital role in contributing to the financial sustainability of Council, enabling the City to continue to support community-based organisations and infrastructure projects.
2. The 180 George Street Plaza Building and Plaza were dedicated to the City in January and March 2024 respectively. The property is a boutique retail and venue space development. The first floor is currently operated by the City as a programmed community venue and venue for hire.
3. 180 George Street retail has a total lettable area of 230m² and forms part of the City's Investment Property Portfolio. It is a key part of the George Street streetscape.
4. This report seeks approval from Council to grant a new lease for the retail component of 180 George Street.

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

5. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - Responsible governance and stewardship - specifically expanding revenue from commercial operations and the property portfolio.

Social / Cultural / Community

6. The first floor is currently operated by the City as a programmed community venue and venue for hire. The plaza provides additional space for the community to use in the northern part of Central Sydney, and will help activate this newly developed precinct on George Street.

Financial Implications

7. Financial implications are outlined in Confidential Attachment A.

Relevant Legislation

8. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business and if discussion of the information in an open meeting would, on balance be contrary to public interest.
9. Attachments A and B contain confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom the City is conducting (or proposes to conduct) business.

10. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the City's ability to negotiate fairly and commercially achieve the best outcome for ratepayers.

Critical Dates / Time Frames

11. Critical Dates are outlined in Confidential Attachment A.

Options

12. Should the Council not proceed with this proposal then the property would remain vacant depriving the City of income and a lack of activation of a newly developed precinct of George Street Sydney.

KIM WOODBURY

Chief Operating Officer

Howard Chapman, Property Portfolio Manager