



Australian Government

Sydney Harbour Federation Trust

Leasing of Land and Building Policy

Approved 23 June 2003

Policy

Leasing of Land and Buildings

1. The Trust's Objectives

The Sydney Harbour Federation Trust was established by the Australian Parliament to manage the former Military lands fronting Sydney Harbour. The objectives of the Trust are set out in the Sydney Harbour Federation Trust Act 2001 and include:

- to ensure the management of Trust land contributes to enhancing the amenity of the Sydney Harbour region
- to protect, conserve and interpret the environmental and heritage value of the Trust land
- to maximise public access to the land
- to establish and manage suitable Trust land as a park on behalf of the Commonwealth
- to co-operate with Commonwealth, State, affected Councils, and the community in achieving these objectives

To assist in meeting these objectives the Trust will utilise its buildings and facilities. The sympathetic use of buildings will assist in their preservation and enhance their availability to the community. The funds provided from leasing will enable the Trust to meet some of the costs associated with the preservation and enhancement of the lands.

The Trust is not permitted to sell any of the land, with the exception of a small area at Markham Close in Mosman.

This policy sets out the guidelines for the leasing of land and buildings owned by the Trust.

2. Building Use Goals

The key building use goals of the Trust are as follows:

- To establish tenants and programs which preserve the natural, historic, scenic, cultural and recreational resources of the lands and buildings.
- To provide recreational and educational opportunities
- To enhance the economic viability of the Trust

3. Leasing objectives to be met by the Trust

In leasing properties the Trust must meet the following objectives:

- It must identify tenants whose core business and programs are consistent with the Sydney Harbour Federation Trust Act
- It must identify tenants whose core business and general programs are consistent with the Management Plans for the Trust lands
- It must offer space via a competitive process and provide the opportunity for all interested parties to make an application to lease part of the lands
- It must provide for community input and outreach in the leasing process
- It must ensure that lease conditions and rental rates reflect current market conditions

4. Potential range of Preferred Tenants who will meet the leasing goals

The following is an indication of the type of tenants who are more likely to meet the Trust's goals. This range may be varied in the future as the Management Plans are finalised and as tenants take up the opportunity to lease lands.

Preferred tenants may include those involved with education, the Arts, scientific research, environmental studies, health, tourism, visitor accommodation and services, storage, marine servicing, filmmaking and knowledge based industries.

5. Leasing procedure

The Trust will advertise for interested parties to submit a response to a request for Expression of Interest in lands or a building.

The Call for Expression of Interest documentation may set out the Tenant selection criteria and the minimum business terms to be met by potential tenants.

The Call for Expressions of Interest may contain:

- A preferred range of uses
- The criteria for selection of the user
- Details of the building to be occupied and may include the minimum financial terms of the lease
- A pro forma guide to interested parties setting out the information required in their response.

6. Tenant Selection criteria

The Tenant selection criteria may vary for different sites or buildings but the following criteria will be common to all sites offered:

- The traffic impact and the traffic mitigation measures proposed by the tenant together with any other impact such as noise, illumination etc
- The compatibility of the tenant with the objectives of the Trust and the Management Plans for the lands
- The contribution of the tenant to the community or precinct in which the lands are located
- The rent and economic package offered
- The financial capacity of the tenant

7. Evaluation procedure

Management will evaluate all submissions against the selection criteria to identify preferred users and prepare a summary and recommendations for the Trust Board.

The Board will select one or more potential users for management to enter into negotiations. Management will meet with the selected applicants to reach final agreement on lease terms.

The Trust may carry out a two-staged EOI procedure for some sites or precincts. This procedure will involve an initial call for Expressions of Interest and then further submissions from a selected shortlist of applicants.

The lease terms will contain the usual legal provisions for such leases and will include the requirement of a security deposit, the exclusion of subleasing without Trust approval and a covenant to vacate at the end of the lease period.

8. Term of Lease

The lease term will generally be indicated as part of the call for Expressions of Interest Documentation. The lease term will vary depending upon the location of the building, the extent of capital improvements required by tenants, other works proposed by the Trust in that locality, and market conditions for leases.

The Trust's legislation places the following restrictions on leases or licences offered by the Trust.

- Proposed leases which extend beyond ten years after the commencement of the Trust's Act (27th of September , 2001) require the Approval of the Minister
- Proposed leases which extend beyond twenty five years after the commencement of the Trusts Act (27th of September 2001) require the concurrence of Parliament.

Leases which conclude prior to the 27th of October 2011 can be approved by the Trust Board.

9. Unsolicited Inquiries

Currently the Trust is not in a position to consider unsolicited offers to use its properties. However a brief submission from interested parties can help guide future calls for Expressions of Interest.

Parties interested in long-term leases for any of the lands or buildings are encouraged to record their interest with the Trust and to make appropriate submissions to the public exhibitions of proposed Management plans. Parties who record their interest to lease will be placed on the mailing list for further information and for Trust newsletters.

10. Exception to general policy for short term leases

The Executive Director has authority to authorise short-term uses, defined as less than six months duration, without calling for publicly contestable Expressions of Interest. This exception is intended to provide for special or "one off" uses, for example filming of a commercial, for which it is not appropriate to carry out a publicly contestable process.

In all respects any arrangements entered into under this exception must meet the Trust's objectives and comply with the standard selection criteria.

11. Policy Implementation

This Policy was approved by the Trust Board at its meeting on 23 June 2003.