

28 February 2006**NEW LEASE – HELIPORT OFFICE, BATMAN PARK, SPENCER STREET, MELBOURNE****Committee** Finance and Corporate Performance**Presenter** Cr Shanahan**Purpose**

1. To seek Council approval to enter into a lease at the Heliport Office, Batman Park, Spencer Street, Melbourne, to Microflite Pty Ltd for a period of 3 years with two further options of 3 years.

Recommendation

2. That Council resolve:
 - 2.1. that in accordance with Section 17D of the *Crown Land (Reserves) Act 1978*, Council grant a lease (“the Lease”) of the area known as Heliport Office, Batman Park, Spencer Street, Melbourne to Microflite Pty Ltd (“the Operator”) subject to such approvals as required by the Crown and on the following terms and conditions:
 - 2.1.1. an initial term of 3 years with two options to extend the term of 3 years each;
 - 2.1.2. a commencing rental of \$25,000 per annum plus GST, with CPI increases;
 - 2.1.3. the lessee will be responsible for the payment of all rates, taxes, charges and GST during the term of the Lease and any additional taxes or charges that may be introduced during the term of the Lease (save as is not permitted under the *Retail Leases Act 2003*); and
 - 2.1.4. such other terms and conditions as may be required by the Manager Legal Services, or the person from time to time acting in that position;
 - 2.2. by instrument of delegation sealed by the Council under section 98(1) *Local Government Act 1989* (“the Act”) delegate to the Chief Executive Officer, or the persons from time to time acting in that position, the authority to enter into the Lease and to do all things incidental and ancillary to the same;
 - 2.3. under section 98(3) of the Act, authorise the instrument of delegation to the Chief Executive Officer, or the person from time to time acting in that position, to empower him or her to delegate any power, duty or function delegated to him or her under paragraph 2.2 above, to a member of Council staff; and
 - 2.4. that the instrument of delegation referred to in paragraph 2.2 above will cease and be of no further effect upon the completion of all necessary steps and the execution of all necessary documents to enter into the Lease.

Council Report Attachment:

1. Finance and Corporate Performance Committee, Agenda Item 5.4, 7 February 2006

FINANCE AND CORPORATE
PERFORMANCE COMMITTEE REPORT

Agenda Item 5.4

7 February 2006

**NEW LEASE – HELIPORT OFFICE, BATMAN PARK, SPENCER
STREET, MELBOURNE**

Division Design & Culture

Presenter Garth Bradbury, Manager Facilities Management

Purpose

1. To seek Council approval to enter into a lease at the Heliport Office, Batman Park, Spencer Street, Melbourne, (“the premises”) to Microflite Pty Ltd for a period of 3 years with two further options of 3 years.

Recommendation

2. That the Finance, Corporate Performance Committee recommend that Council resolve:
 - 2.1. that in accordance with Section 17D of the *Crown Land (Reserves) Act 1978*, Council grant a lease (“the Lease”) of the area known as Heliport Office, Batman Park, Spencer Street, Melbourne to Microflite Pty Ltd (“the Operator”) subject to such approvals as required by the Crown and on the following terms and conditions:
 - 2.1.1. an initial term of 3 years with two options to extend the term of 3 years each;
 - 2.1.2. a commencing rental of \$25,000 per annum plus GST, with CPI increases;
 - 2.1.3. the lessee will be responsible for the payment of all rates, taxes charges and GST during the term of the Lease and any additional taxes or charges that may be introduced during the term of the Lease (save as is not permitted under the *Retail Leases Act 2003*);
 - 2.1.4. such other terms and conditions as may be required by the Manager Legal & Governance, or the person from time to time acting in that position; and
 - 2.2. by instrument of delegation sealed by the Council under section 98(1) *Local Government Act 1989* (“the Act”) delegate to the Chief Executive Officer, or the persons from time to time acting in that position, the authority to enter into the Lease and to do all things incidental and ancillary to the same;
 - 2.3. under section 98(3) of the Act, authorise the instrument of delegation to the Chief Executive Officer, or the person from time to time acting in that position, to empower him or her to delegate any power, duty or function delegated to him or her under paragraph 2.2 of this report, to a member of Council staff; and
 - 2.4. resolve that the instrument of delegation referred to in paragraph 2.2 of this report will cease and be of no further effect upon the completion of all necessary steps and the execution of all necessary documents to enter into the Lease.

Key Issues

3. Council, as Committee of Management of Batman Park West, Melbourne has the power to enter into a lease agreement pursuant to Section 17D of the *Crown Land (Reserve) Act 1978*, subject to the approval in writing from the Minister for Planning.

Time Frame

4. The nominated commencement date of the lease is 1 November 2005 from which date the rent will be payable. This commencement date, and the term, aligns with the operator's rights to use the adjacent helipad mooring, licensed by Parks Victoria.

Consultation

5. As the Minister for Planning will need to give consent to the lease under the Crown land Reserves Act, Parks Victoria and the Department Sustainability & Environment have been consulted extensively.

Government Relations

6. Parks Victoria has granted a Licence to Microflite Pty Ltd under the same terms on the landing platform abutting the Heliport Office.

Finance

7. Anticipated revenue of \$22,141 has been included in the 2005/06 budget for the Heliport Office.

Legal

8. The report accurately reflects the relevant legal issues.

Sustainability

9. A Sustainability Assessment was undertaken in relation to this project. The renewal of this lease will have significant sustainability impact.

Background

10. The heliport office and helipad were originally located where the "Yarra Turning Basin" is constructed. The disused pumping station located in Batman Park, was identified as the most suitable location for the relocation of the heliport service. Council refurbished the existing bluestone clad screen house into two storey office accommodation for the relocation of the heliport.
 11. Council granted a 9 year lease to Jayrow Helicopters Pty Ltd in January 1996, the lease was assigned to Microflite Pty Ltd in 2002.
 12. Parks Victoria and Department Sustainability & Environment have granted mooring rights to Microflite Pty Ltd for the helipad mooring which abuts the helipad office.
 13. The rental has been determined at \$25,000 per annum plus GST as assessed by Council's Real Estate Adviser.
 14. It is proposed to grant a new lease to Microflite Pty Ltd for a period of 3 years with two further options of 3 years on the area known as Heliport Office, Batman Park, Spencer Street, Melbourne in conjunction with Parks Victoria 9 year Licence over the helipad mooring.
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FINANCE ATTACHMENT

**NEW LEASE – HELIPORT OFFICE, BATMAN PARK, SPENCER STREET,
MELBOURNE**

Anticipated revenue of \$22,141 has been included in the 2005/06 budget for the Heliport Office.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

**NEW LEASE – HELIPORT OFFICE, BATMAN PARK, SPENCER STREET,
MELBOURNE**

Batman Park West is Crown Land reserved pursuant to the *Crown Land (Reserves) Act 1978* (“Act”) over which Council has been appointed Committee of Management.

Section 17D of the Act provides that in specified circumstances Crown land reserved under the Act may be leased for a term up to 21 years and for purposes other than that for which the land was reserved with the approval of the Minister responsible for administering the Act (the Minister for Planning).

Alison Lyon
Manager Legal & Governance