

GO4 – Renewal of Lease – Pt Lot 9 Production Avenue, Warragamba – Optus

GO4 **Renewal of Lease – Pt Lot 9 Production Avenue, Warragamba – Optus**
10845 TRIM 6467

EXECUTIVE SUMMARY

- The purpose of this report is to obtain approval from Council to enter into negotiations with Optus for renewal of a lease agreement at Pt Lot 9 DP 703167 Production Avenue, Warragamba for a telecommunication facility.
- It is recommended that Council provide approval for the General Manager and Mayor to endorse all documents including the Common Seal of Council. The term proposed is 4 x 5 year leases.

REPORT

Council entered into a Lease with the Telecommunication provider in 1999 for 4 x 5 year term leases. The lease expired on 5 August 2016.

Council's staff have entered into negotiations with the applicant to enable continuation of that lease. The parties have agreed on the Heads of Agreement as follows:

Term:	4 x 5 year Term
Commencement:	6 August 2016
Expiration:	6 August 2035
Rent:	\$25,000 inclusive GST per annum
Annual Increase:	3% fixed, increased annually on the anniversary of the commencement date of the Lease including commencement of any further term.

The land is classified as "Operational Land" under the Wollondilly Local Environment Plan 2011 which allows Council to enter into the agreement.

Council contacted a specialised valuer for telecommunication facilities where it was advised that the facility was small and the proposed offer is above the considered rent. Independent Pricing and Regulatory Tribunal (IPART) reviewed rental arrangements for communication towers on Crown Land in 2013, advising that the schedule for 2013/14 was \$15,095 ex GST with the inflation rate assumed at 2.5% in future years.

The facility exists on the Warragamba Tip site which is a contaminated site and under the control of the Protection of the Environment Operations Act 1997 (POEO). The current terms of the contract will be amended for the Lease to provide notified access adjoining the facility.

Governance

GO4 – Renewal of Lease – Pt Lot 9 Production Avenue, Warragamba – Optus

The applicant has provided an undertaking, that they will cover legal fees of \$6,000 plus disbursements.

CONSULTATION

- Legal Advisor
- Manager Environment
- Valuer

FINANCIAL IMPLICATIONS

This matter has no financial impact on Council's adopted budget or forward estimate as the applicant has provided that they will cover legal cost of \$6,000 plus disbursement. An estimate of legal costs has been received indicating the expected costs will be under the proposed undertaking.

ATTACHMENTS

Nil

RECOMMENDATION

1. That Council provide approval 'in principle' to enter into an agreement to continue the Lease for the Telecommunication Facility at Pt Lot 9 DP 703167 Production Avenue, Warragamba occupied by Optus subject to negotiations.
2. That the Mayor and General Manager be authorised to execute all necessary documents relating to the lease including those documents that require the Common Seal of Council.