

Perth Football Club and the Town of Victoria Park

Draft Key Terms for the lease of the future Football Club and Community Facility

Updated 19.5.2023 following May 2023 Ordinary Council Meeting endorsement of Lease parameters.

Draft Key Terms	
Council Approval and LGA Compliance	All negotiations, discussions and correspondence with the Town Administration are non-binding on the Council and do not create a lease or agreement to lease. Pre-requisites for any binding legal relationship to be created include a Council resolution, Local Government Act compliance and conclusion of appropriate lease documentation drafted by the Town's lawyers to the Town's satisfaction and executed by all parties.
Policy 310 - Leasing	Proposed Key Terms are further to Policy 310 – Leasing, which is the Council's standing policy for leasing. Any variation will require a written business case or justification provided by the Proposed Tenant to the satisfaction of the Council.
Proposed Lessor	Town of Victoria Park.

Proposed Tenant	Perth Football Club Inc
Proposed Agreement Type	Lease
Term	30 years
Further Term	10 years + 10 years + 10 years
Rent	<p>Rent calculated with the following parameters.</p> <ul style="list-style-type: none"> • 75% of the renewal and maintenance of volatile building components are the responsibility of the PFC and 25% the responsibility of the Town. The Town will recover the estimated cost of its 25% responsibility through the rent charged to the PFC. • The depreciation, renewal and maintenance of the non-volatile building components will be the responsibility of the Town. A portion of this liability will be recovered through rent charged to the PFC. This portion will be based on the percentage of the building floor space that is used for a commercial purpose by the PFC. The portion of the building meeting this definition is the function space, not including kitchen and storage areas. <p>This rent will be determined, based on the above parameters, following the receipt of an updated building cost. If based on the business case cost estimate the rent would equate to \$78,831 per annum.</p>
Rent Review	Reviewed every 3 years + annual CPI increase.
Commencement Date	Upon execution of the agreement by both parties.

Outgoings

The Tenant is responsible for all outgoings which (in accordance with Policy 310 Leasing) shall be all operating/running costs, including but not limited to: (i) Refuse collection; (ii) Emergency services levy; (iii) Water rates; (iv) Council rates; and (v) All utilities related to their use (e.g. electricity, gas, water, telecommunications.).

Maintenance

- The Tenant is responsible for non-structural and preventative maintenance.
- The Landlord will undertake a Defects Report at completion of the Building, The Landlord will provide for consideration of Defects Liability Period on new build.
- The Landlord and Tenant will carry out a 10 year maintenance plan by a qualified builder or specialist to the Landlord's satisfaction. The cost of obtaining the report will be shared at a 50/50 split.
- Every 5 years, the Maintenance Plan should be revised and a copy issued to the Landlord. The cost of obtaining the report will be shared in a 50/50 split.
- In line with the requirements of the 10 year maintenance plan, and as agreed with the Landlord, the Tenant must keep Reserve Funds to facilitate any expenditure in the budgeted maintenance items.
- The Landlord may in its absolute discretion undertake repair and maintenance (subject to availability of funds) in accordance with Asset Management Plans, and such other factors as may be considered by the Landlord to be reasonable and/or necessary.
- annexed to the Lease determining the clear responsibilities on all maintenance items.
- PFC are responsible for the following volatile components (approximately 75% of total volatile component renewal value):
 - Kitchen equipment

- Bar related plant and equipment
- Grease trap
- Furniture, fixtures and fittings
- Internal painting
- Internal glass replacements
- Internal window treatments
- Major kitchen plant
- Freezer
- Exhaust / ventilation system
- Security system
- Air conditioning
- Hot water system
- Automatic doors
- External glass replacement
- External flora and grounds
- Any additional items not listed as Town of Victoria Park responsibility in this clause.

- The Town of Victoria Park is responsible for the following components (approximately 25% of volatile component renewal value and all non-volatile components):

- Fire Services
- Emergency evacuation / lighting
- Cool rooms
- Lifts
- Solar system
- External painting
- Building repairs / structural
- Non-volatile components

Sublicence	Prior written consent, in accordance with Head Agreement and subject to the Town being satisfied with the terms and conditions of any sublicence agreement.
Permitted Use	<p>An Australian Rules Football Club including social activities and the playing of other sports which could reasonably be expected to be associated with the operation of an Australian Rules Football Club.</p> <p>In accordance with planning and zoning and in line with the Tenant's operational use/s.</p>
Operating Hours	Hours to be within planning and legislative parameters.
Insurance	The Tenant is responsible for \$20M Public Liability Insurance and workers compensation cover, with ability for Lessor to review as reasonably required from time to time.
Signage	<p>Prior written consent from the Lessor required.</p> <p>Tenant to provide a design concept and location map for consideration.</p>
Alterations, Works and Fit Out	The Tenant will be responsible for all major alterations, works and fit outs related on this list but not limited to: (i) Kitchen equipment; (ii) Bar related plant and equipment; (iii) Furniture, fixtures and fittings; (iv) Major kitchen plant; (v) Freezer;

Special Conditions

- Lease is subject to a Qualitative Criteria address by the Tenant to be assessed by the Town. (Draft proposed QA Criteria provided below).
- Town of Victoria Park Redevelopment Clause.
- No guarantee is provided as to the availability of any operating subsidy or of continued availability of the premises after the end of the Term.
- PFC to be subject to ongoing obligations to acknowledge Town of Victoria Park's contributions to the facility.
- Maintenance Management of Liquor Licensing and bar operations
- Agreement for community access to the facilities at Mineral Resources / Lathlain Park.
- Landlord to have access/ express right to parts of the building that require maintenance (e.g. roof, air conditioning)
- PFC to have license to access fire escape stairwells and toilets/amenities that are part of the community space area.
- Rent received by the Town will be held in a reserve fund and only utilised to pay for the Town's renewal responsibilities on the facility.