RECOMMENDATION

1. That Council:

   (a) Commences the statutory procedure under section 190 of the Local Government Act 1989 (“the Act”) by advertising Council’s Notice of Intention to Lease the Council owned land known as 7 French Street, Mount Waverley shown on the plan in Attachment 1 to the Oakleigh Centre for Intellectually Disabled Citizens Inc. (“Oakleigh Centre”) on the following terms and conditions:

   - Rent: $15,096.48 per annum
   - Rent Reviews: Increased by CPI on each anniversary of the commencement date
   - Term: 5 years with 3 further terms of 5 years
   - Permitted Use: Accommodation for intellectually disabled people

   (b) Appoints a Committee of Council, comprising Ward Councillors to consider submissions received under Section 223 of the Act at a date and time to be determined.

2. In the event of there being no submissions received, Council enters into a new lease with the current lessee, Oakleigh Centre and Council authorises the Chief Executive Officer or his delegate, on behalf of council to sign and seal all documentation required to effect the lease of 7 French Street, Mount Waverley.

INTRODUCTION

This report proposes that Council agrees to enter into a new lease with the Oakleigh Centre, the current manager of the land and building located at 7 French Street, Mount Waverley. (Refer Attachment 1).

BACKGROUND

In 2000, Council entered into a Management Agreement with the Oakleigh Centre to manage the housing accommodation for intellectually disabled people on the Council land located at 7 French Street, Mount Waverley. The Agreement was for a term of 10 years and expired on 16 September 2010. The Management Agreement is currently in “holding over” on a month to month basis, until a new agreement has been entered into between Council and the Oakleigh Centre.

Oakleigh Centre has written to Council requesting Council’s permission to enter into a new lease to commence on 16 September 2010 for a further term of 5 years, with an option to renew for 3 further terms of 5 years.
It should be noted that Disability Housing Limited will occupy the abutting land to the east at 7A French Street and this has been the subject of separate consideration by Council.

**ANALYSIS**

The use of the property by the Oakleigh Centre provides a valuable community service and has operated satisfactorily over the period of the Management Agreement. On this basis, it is considered appropriate to enter into a lease generally in accordance with the existing terms and conditions as follows:

<table>
<thead>
<tr>
<th>Term</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Commencement</td>
<td>17 September 2010</td>
</tr>
<tr>
<td>Date of Expiration</td>
<td>16 September 2015</td>
</tr>
<tr>
<td>FurtherTerms</td>
<td>3 further terms of 5 years</td>
</tr>
<tr>
<td>Rental</td>
<td>$15,096.48 per annum [excluding GST] plus CPI increase for each subsequent year</td>
</tr>
<tr>
<td>Permitted Use</td>
<td>Accommodation for intellectually disabled people</td>
</tr>
</tbody>
</table>

The proposed rental is an extension of the current annual rental.

**CONCLUSION**

Accordingly, it is proposed that Council agrees to enter into a new lease with Oakleigh Centre for Intellectually Disabled Citizens Incorporated for the lease of land at 7 French Street, Mount Waverley generally upon the terms and conditions outlined in this report.