

**COUNCIL MEETING: 27 SEPTEMBER 2022**

**REPORT 9 MAJOR LAND TRANSACTION CINEMA COMPLEX BUSINESS CASE**

Additional information regarding the Officer Recommendation for this item.

The City officers were advised that there was no holding over clause in the current lease. After a review of the current lease it was identified that there was a holding over clause. As a result, there is no requirement for Council to approve recommendation point 3 of the Officer Recommendation which stated:

*3. Approve the variation to the current lease between the City of Mandurah and Reading Cinemas Pty Ltd trading as Reading Cinemas for the purposes of including a holding over clause, to enable the continuation of the lease, whilst the Major Land Transaction is being undertaken.*

The Officer Recommendation has been amended to remove recommendation point 3. No other changes have been made.

**Officer Amended Recommendation is:**

**That Council:**

- 1. Approve the Cinema Complex Business Case (Major Land Transaction) as per Attachment 9.1 in accordance with section 3.58 and 3.59 of the Local Government Act 1995 and provide Statewide public notice in accordance with section 3.59(4) which includes the following details:**

**(i) Disposal of a Portion of Lot 4265 on Plan 42132, (No. 7) James Service Place, Mandurah to Reading Cinemas Pty Ltd (trading as Reading Cinemas);**

**(ii) A tenure period of ten years, with a ten year option of renewal (10 + 10);**

**(iii) Rent being set at \$730,000 per annum (excluding GST), based on the market rent valuation carried out on 29 July 2022; and**

**(iv) The rent will increase in accordance with an agreed formula contained in the lease reflecting CPI or at the nominated anniversary dates, a market review undertaken by an independent Valuer.**

- 2. Note that a further report will be presented to Council on 22 November 2022.**

Comment: The Officer recommendation was amended to remove recommendation point three due to the current lease already having a holding over clause included.