

INFORMATION MEMORANDUM

STAMFORD PARK HOMESTEAD

2 EMMELINE ROW, ROWVILLE

For Lease by Expression of Interest

Closing 5:00 pm Monday 21st November 2016



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INTRODUCTION

Fitzroys is delighted to act as leasing agent on behalf of Knox City Council and offer this exceptional property for lease.

This report sets out the details of the existing Stamford Park Homestead and the three different leasing options under consideration by the council to accommodate a contemporary hospitality business.

Key features include:

- > The unique appeal of a heritage building built from 1864 as a home for the Row family
- > A location at an entry to council's 44 hectare master planned Stamford Park which includes walking and cycling tracks
- > The potential for construction of an additional building at the site to accommodate the needs of a contemporary hospitality venue
- > Provision of utility services to the building
- > A central location within an established Melbourne suburb that is associated with higher housing prices and income levels, yet with a limited range of dining venues
- > Proximity to Stud Road and provision of car parking.
- > Within the Eastern Melbourne Tourism Region and at the gateway to the Dandenongs
- > Connection to Enterprise Business Park

Council is seeking a professional hospitality business operator with a strong track record to take a long term lease of the property. Council will partner with the successful operator to co-invest in the property and promote the venue as a cornerstone of its multi-million dollar Stamford Park Development. Council intends to undertake pre-agreed work at the property with a view to handover for fitout by the Tenant in early-mid 2018.

For further information please contact:



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EXECUTIVE SUMMARY

Project:	Stamford Park Homestead
Location:	2 Emmeline Row (close to corner Stud Rd / Wellington Rd) Rowville
Building:	<p>Option 1: Existing – heritage building comprising 8 main rooms and out buildings comprising approximately 400 M² of useable floor area with upgraded kitchen.</p> <p>Option 2: Option 1 plus 400m² (approx.) pavilion</p> <p>Option 3: Option 1 plus 200m² (approx.) conservatory</p>
Car parking:	48 spaces (approx.) to be available close to the property
Services:	Utility services are to be installed to the property by the council for connection by the Tenant
Lease Term:	Up to 15 years
Estimated Handover Date:	Early - mid 2018
Expressions of Interest close:	5:00 pm Monday 21 st November 2016 at Fitzroys

PROPOSED USE

The council has determined that a hospitality use is preferred for the property. The council's vision for the parkland as a whole is for:

"Stamford Park to be a place of historical reflection, cultural immersion and connection to country, a place for all to relax and just be yourself".

Stamford Park Homestead is seen as being central to this vision and the council seeks an operator that can provide delivery of the following 'guiding principles':

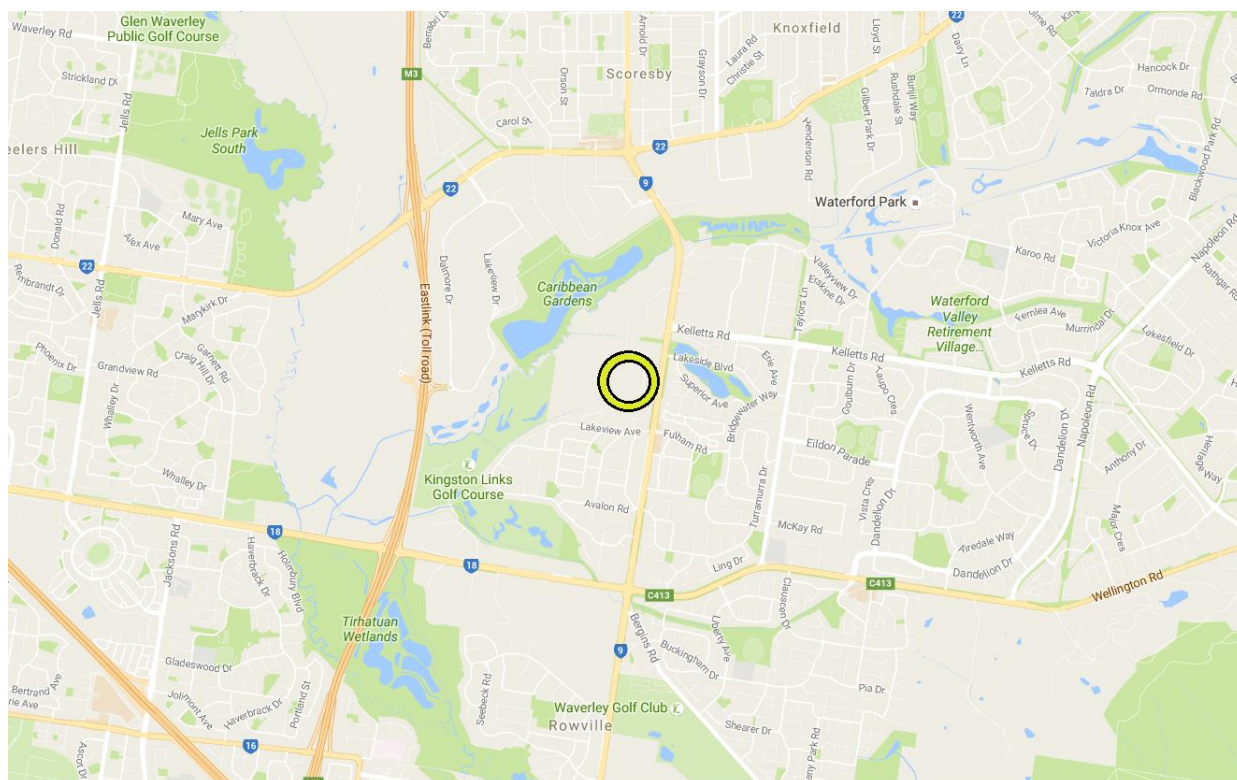
- > A hospitality experience which capitalises on this unique setting;
- > A destination for boutique dining and conviviality;
- > A reputation for Stamford Park Homestead as the place to be;
- > Engagement with the heritage aspects of the property;
- > Minimal change to the existing heritage buildings.

The council may, at a future date, construct a kiosk on the Lakeside Boardwalk in the vicinity of the Homestead, however this does not form part of this EOI or this Stamford Park Homestead leasing process.



PROPERTY LOCATION

Stamford Park is located on Emmeline Row, approximately 400 metres east of Stud Rd / Dandenong Valley Highway - between Wellington Rd and Ferntree Gully Rd. The Wellington Rd exit of Eastlink is approximately 3.5 km (via Wellington and Stud Rds) from the property.



It has a unique location close to the Dandenong and Corhanwarrabul Creeks. Caribbean Gardens, Kingston Links Golf Course and Stud Park Shopping centre. In addition, extensive residential areas and also commercial and industrial precincts are located closeby.

The council acquired the property in 1988 and has developed a masterplan for the precinct which is attached at appendix 2.

Key elements of the Master Plan comprise:

- The recent sale by Council of 6.35 hectares to the west of the Homestead to a private developer to create a residential estate with up to 190 dwellings and including a new road into the estate;
- Conversion of flood prone areas to lakes and public parklands with recreational facilities including a new lake and boardwalk, shared pedestrian/cycle paths, an adventure play area, village green, all abilities playground and a community permaculture garden;
- Creation of new wetlands, elevated boardwalks and viewing platforms and habitat for rare and endangered flora and fauna;

- Construction of park infrastructure including car parking areas, toilets, public lighting, pedestrian paths and signage.



PROPERTY DESCRIPTION

Construction of Stamford Park commenced in 1864 and the main homestead was built in 1882.

The establishment of a restaurant at Stamford Park fits with Councils vision. For the right restaurateur, the opportunity to play a role in creating something unique in the region is significant. Council is open to innovative responses.

The Homestead consists of 8 rooms with an area of approximately 400m² with wide verandahs on all sides. A floor plan of the Homestead showing the room areas is attached at appendix 1. The council has committed to undertake renovations to the base fabric and services to the Homestead, including the completion of underground services, a fire protection system, heating and ventilation system, interior repairs and rejuvenation of the gardens and grounds.

There are also a number of out buildings that may form part of the lease. Some areas are still undergoing restoration and the council is agreeable to including some or possibly all of the out buildings in the lease subject to agreeing works required and usage. Council invites respondents to look at the viability of using some or all of these rooms (marked below as G18 - G22) as additional operating spaces, provided they can be used in line with their original 'historical character'.

Utility services to the existing homestead were limited. As part of the council's work, services will be upgraded throughout the building including the following:

- > Gas
- > Water
- > Electricity supply and switchboard
- > Sewer & Trade waste
- > Fire protection
- > Air-conditioning
- > Communications

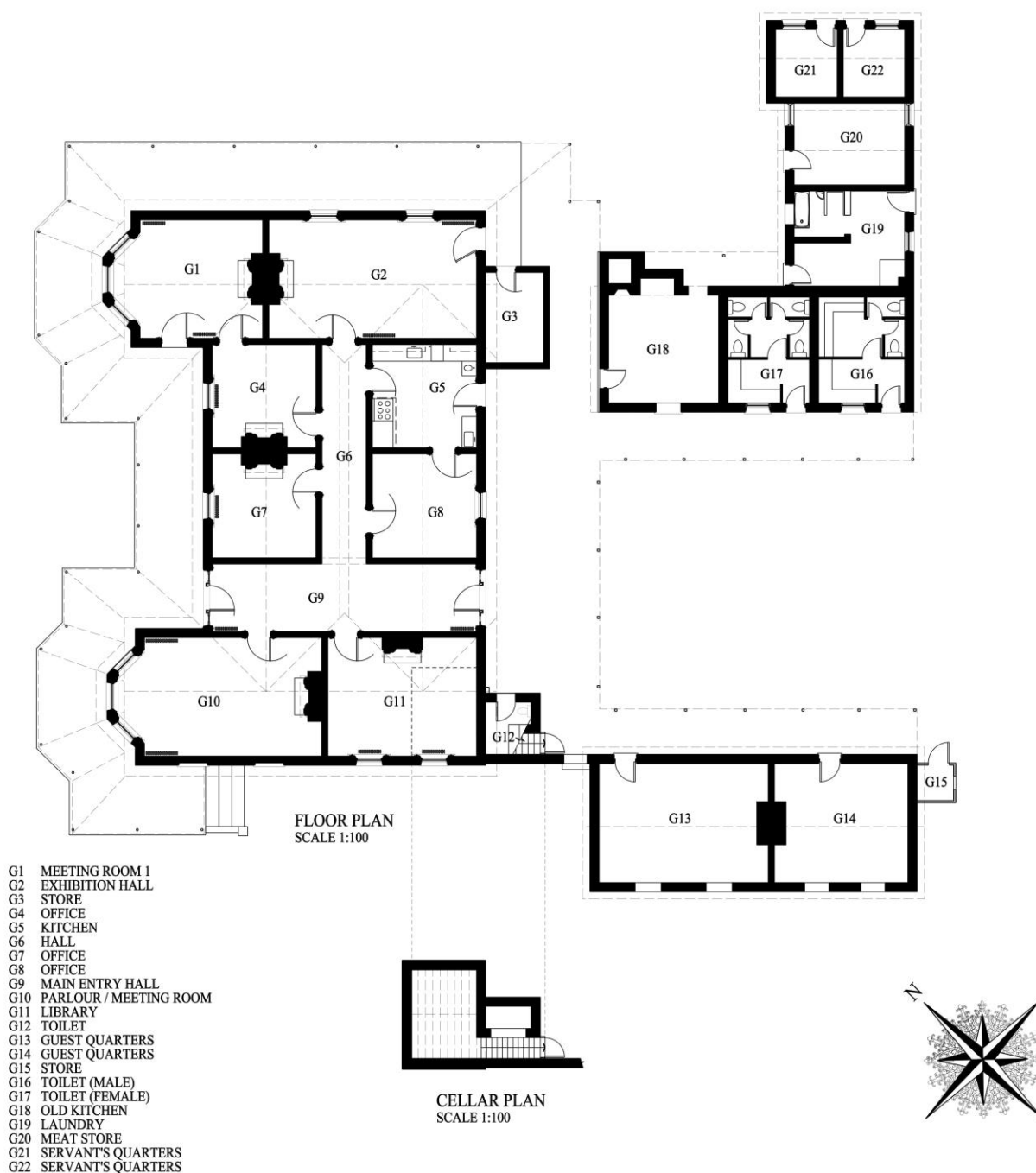
The connection point location and capacity of supply will be as determined by the council after consultation with the tenant.

ALTERNATIVE CONFIGURATIONS

The council considers that a high quality and varied hospitality offer will provide the best outcome for the property and it has formed the view that this may be best achieved by providing additional patron seating that is not constrained by the dimensions of traditional Victorian era room sizes.

Council appointed hospitality architects Mills Gorman to design 3 options.

Existing Homestead



Option 1: Existing building with refurbished Kitchen

This option provides for an upgrade of the existing building to be completed and provision of a refurbished kitchen. Landscaping of the grounds around the building will also be undertaken.



Option 2: Refurbished kitchen + new construction pavilion

This option provides for a new building of approximately 400m² to be constructed to the east of the existing homestead for use as a function centre and dining room.

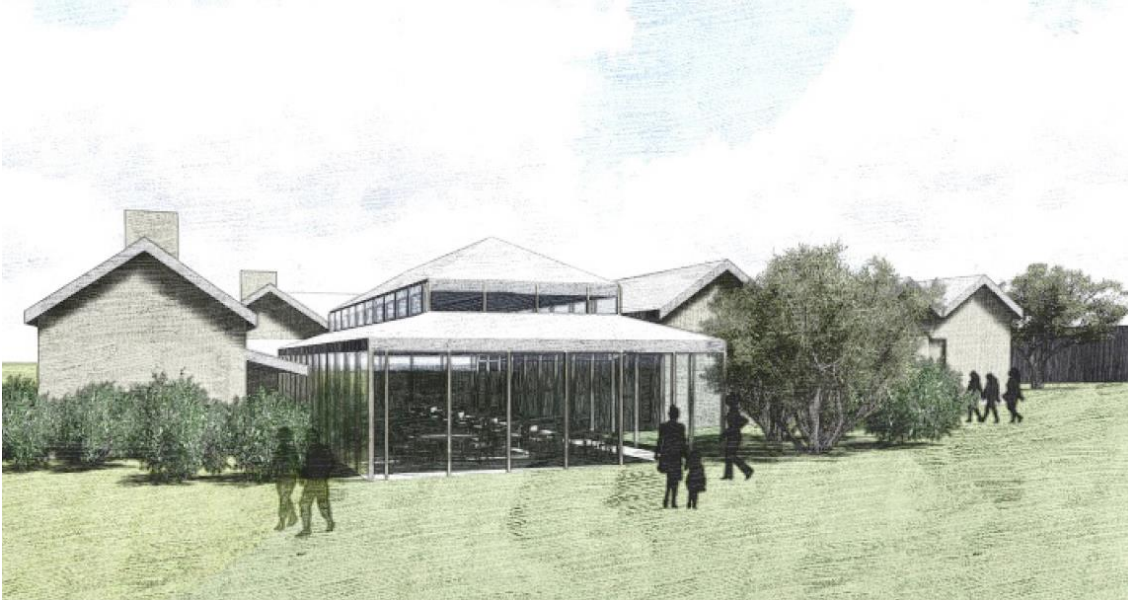
Estimated Cost - \$3,000,000



Option 3: Refurbished kitchen + new construction conservatory

This option provides for the additional of a new building in the order of 200m² to be constructed in the existing courtyard area.

Estimated Cost - \$1,000,000



Registrants are requested to nominate the option that they consider will best suit their business proposal. The Council is also prepared to consider alternative proposals.

The new building (for options 2 and 3) the cost of which is proposed to be partially paid for by the Tenant, which will include the following:

- > External walls – solid and glazed
- > Ceiling
- > Lighting to standard layout
- > Air conditioning
- > Electrical switchboard
- > External paving and landscaping.

The Council will obtain the required approvals for the above.

The Tenant will be responsible for the balance of the fitout to enable the premises to trade and obtaining any other approvals (for both existing and new building areas) including, but not limited to, a liquor licence.

Car parking & access:

The developer of the adjacent residential project (190 dwellings approx.) in conjunction with council, will construct the extension of Emmeline Row and provision of a car park area as generally indicated on the following plan:



Gardens:

The homestead is surrounded by some 2 hectares of gardens and there are a number of council heritage listed trees. The council intends to undertake progressive upgrade of the gardens in a manner that will be consistent with the heritage themes applicable to the Homestead and will be responsible for maintenance of the gardens. The gardens do not form part of the leased area.

It is intended that the gardens will be made available by the council for outdoor weddings and other private and public functions and facilities are planned to include provision of water and power. If the tenant requires use of the gardens for events it will be required to book through the normal council process.

The external veranda will form part of the lease and will therefore be available for use by the tenant.

The small lawn on the north east side of the building will also be available for use by the tenant as an external seating area for homestead patrons. A separate license will be used to document this agreement.

Signage:

The council will permit the Tenant to erect a sign at the Emmeline Row frontage of the property (subject to proper exercise of its statutory duties and responsible authority).

The council will not object to the tenant making an application to Vic Roads for directional signage on Stud Road.

Planning / Zoning

The Premises are in the Public Use Zone – Local Government (shown as PUZ6 on planning scheme maps).

Overlays

The Premises are either wholly or partly subject to the following overlays under the Knox Planning Scheme:

- > Development Plan Overlay and Schedule 6 to the Development Plan Overlay (DPO6)
- > Heritage Overlay and the Schedule to the Heritage Overlay (shown on the planning scheme maps as HO24).

Heritage

Because the Homestead is within HO24 a planning permit will be required to carry out any works listed under clause 43.01.1 of the Knox Planning Scheme. The Tenant must make its own enquiries in relation to permits that must be obtained before the Tenant may carry out any works on the Premises.

The Homestead is not listed on the Victorian Heritage Register but is listed on the Victorian Heritage Inventory.

The Stamford Park Homestead outbuildings and gardens were registered on the Register of National Estates before the Register was closed in 2007 but the Homestead is not listed on the Commonwealth Heritage or National Heritage lists under the Environment Protection Biodiversity Protection Act 1999.

The Homestead is a place of local heritage significance according to the National Trust.

More information in regards to the Knox Planning Scheme is available upon request or can be accessed from Councils web page Knox.vic.gov.au

PROGRAM & EXPRESSION OF INTEREST

Expressions of Interest are to be submitted on or before 5.00pm Monday 21st November 2016.

The Council will consider submissions received with a view to nominating a preferred tenant or shortlisting parties to be invited to tender for the lease in April/May 2017.

Based on the above, it is anticipated that the nominated option would be constructed during the period October 2017 - March 2018 and the lease would commence thereafter.

Completed Expressions of Interest are to be submitted to:

Fitzroys
Level 29, 367 Collins Street
Melbourne 3000
Email: berryr@fitzroys.com.au

On or before: 5:00 pm Monday 21st November 2016.

EOI's are to include:

- > Completed Expression of Interest form (refer appendix 3) including preferred option, indicative rental and indicative contribution to building cost
- > Outline of the business proposed and how it will address the 'guiding principles' outlined on page 3
- > An outline of the experience / CV of the registrant / past and current business / business experience and an outline of financial backing
- > An outline of the work the registrant intends to undertake at the property (after completion of base building works) including estimated costs.

Evaluation of Expressions of Interest

An expression of interest evaluation panel will evaluate each Proposal in accordance with the evaluation criteria and weighting agreed by the panel prior to the evaluation process commencing. The expression of interest evaluation panel may determine not to fully evaluate any Proposal if, in the opinion of the expression of interest evaluation panel, the Proposal does not adequately address or meet the requirements set out in this document. A Respondent should ensure that sufficient information is included in its Proposal to facilitate proper evaluation.

Probity of Expression of Interest process

A Respondent must not approach, or request any other person to approach any member of the Council's staff; or a councillor of the Council to solicit support for its Proposal; or to otherwise seek to influence the outcome of the expression of interest process.

The Proposal of any Respondent which engages in such conduct prohibited may not be further considered by the Council.

TERMS OF OFFER

Key terms are envisaged as follows:

- > Lease Term: Ten (10) years + five (5) year option
- > Reviews: Annual 4% increase with a market review at the start of the option
- > Base Rental: \$_____ (to be nominated by Registrant)
- > Contribution to Building Cost: \$_____ (to be nominated by Registrant)
- > Percentage Rental: The amount by which 10% of annual sales exceeds the Base Rental
- > Handover Date: Estimated March 2018
- > Fit Out Period: 2 months (rent and outgoings free during this period).
- > Rent Free Period: 3 months
- > Bank Guarantee: Six (6) months' rent (on the basis that Directors guarantees are provided)
- > Fit Out: Tenant responsible for fit out in accordance with plans approved by Council
- > Special Conditions: Subject to Council meeting its requirement under the *Local Government Act 1989*.

A summary of the key lease terms that are proposed to be incorporated in the lease is attached at appendix 4.

CONCLUSION

Stamford Park Homestead provides an exceptional opportunity for an experienced hospitality operator to develop a landmark business and venue in this region.

It is noted that:

- > The council may change timing, procedure or the contents of this Information Memorandum prior to the closing time of the EOI;
- > The submission of an Expression of Interest will not give rise for any contract, agreement to lease, lease or license of any part of the land;
- > All costs incurred by a respondent to this invitation to Express Interest in the property will be born entirely by the respondent.

Thank you for your interest in the Stamford Park Homestead. Please direct any enquiries to:



Rick Berry
0407 329 687
berryr@fitzroys.com.au

Alex Thomas
0405 151 387
thomasa@fitzroys.com.au

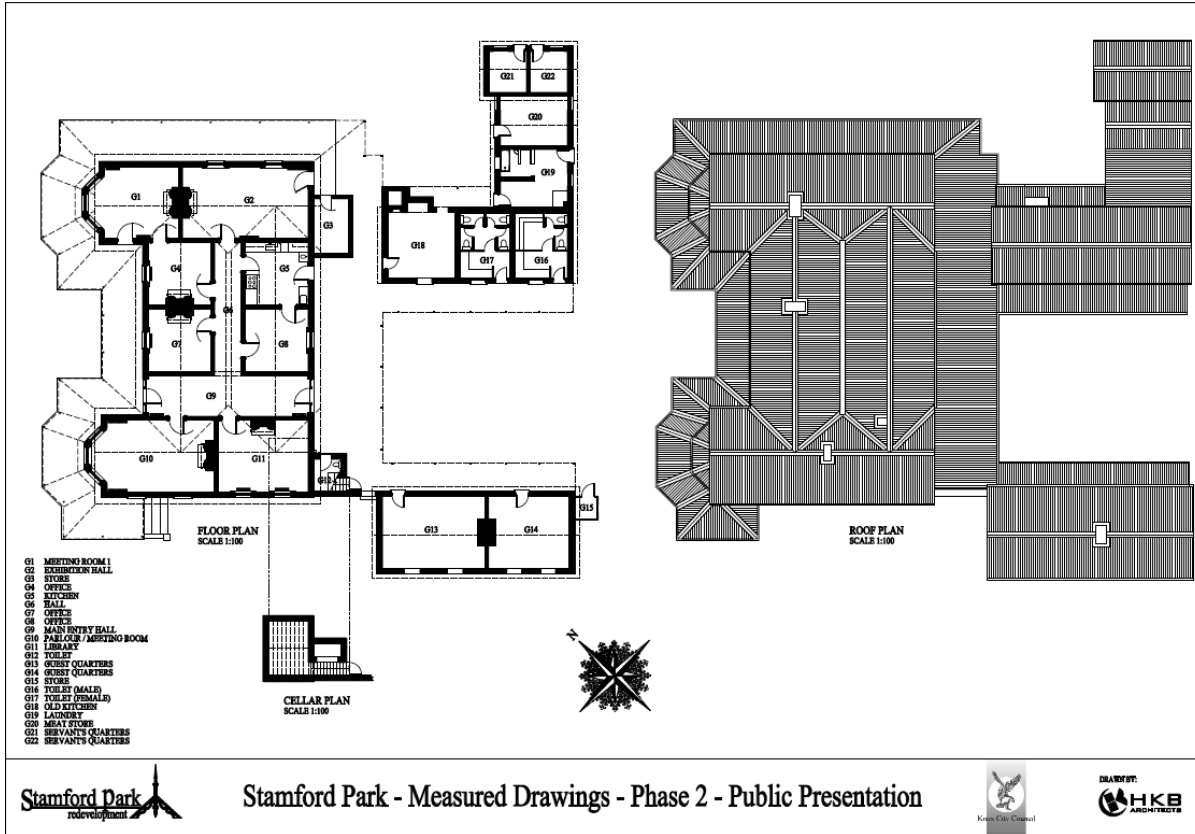
DISCLAIMER

This Information Memorandum report has been prepared by Fitzroys Pty Ltd (ACN 078 941 107) solely for the information of potential tenants to assist them in deciding whether they are sufficiently interested in the property offered for lease to proceed with further investigation of the property. The information does not constitute all or any part of the Tender or Lease Agreement, and is intended as a guide only.

The information contained in this report has been prepared in good faith and with due care by Fitzroys Pty Ltd. We do not warrant the accuracy of the information contained in this document. Circumstances may change.

Potential tenants shouldn't rely on any material contained in this report as a statement or representation of fact but should satisfy themselves as to its correctness by such independent investigations as their or their legal and financial advisers see fit. The extent to which Fitzroys Pty Ltd has any liability is \$500.

APPENDIX 1 – FLOOR PLANS



APPENDIX 2 – STAMFORD PARK MASTERPLAN

Please refer link as follows:

[File Download LDMP01_04 MASTERPLAN JUL2014.pdf - Knox City Council](#)

APPENDIX 3 – EXPRESSION OF INTEREST FORM

EXPRESSION OF INTEREST

Closing 5:00 pm Monday, 21st November 2016

Stamford Park Homestead

NAME OF REGISTRANT:

COMPANY NAME:

WEBSITE: TEL..... MOB.....

ADDRESS:

SOLICITORS:

PROPOSED RENTAL: \$..... PA

PROPOSED BUILDING CONTRIBUTION \$.....

ESTIMATE FITOUT BUDGET: \$.....

FUNDING OF BUILDING/FITOUT: Equity (%)

Debt Provider (%)

PREFERRED OPTION: OPTION 1: EXISTING OPTION 2: PAVILION

OPTION 3: CONSERVATORY

ANY OTHER COMMENTS IN RELATION TO THE STANDARD LETTER OF OFFER:

PLEASE ATTACH:

- Corporate Profile / CV for the owners of the business and an outline of financial backing.
- An outline of the business proposed for the Project and achievement of council guiding principles.
- An outline of work proposed at the property and cost estimates.

RETURN TO FITZROYS: GPO Box 4399, Melbourne VIC 3001 or Email by 5.00pm on Monday 14 November 2016:

Attention:	Rick Berry	Alex Thomas
	0407 329 687	0405 151 387
	berryr@fitzroys.com.au	thomasa@fitzroys.com.au

Late proposals will not be accepted and will be returned to the bidder unopened.

APPENDIX 4 – KEY LEASE TERMS

Landlord	Knox City Council C/- Fitzroys Pty Ltd (ACN: 078 941 107), Level 29, 367 Collins Street, Melbourne, Vic 3000
Tenant	_____ (ACN/ABN: _____) Attention: _____ Email: _____ Mobile: _____
Guarantor/s	If the Tenant is a company not listed on the Australian Stock Exchange, Directors' Guarantees are to be provided by all Directors of the Tenant.
Demised Premises	Stamford Park Homestead 2 Emmeline Row Rowville VIC 3178 (refer to attached plan).
Use of Premises	TBA
Trading Name	TBA
Outgoings	The Tenant will be responsible for paying for outgoings as follows from the Lease Commencement Date: <u>Statutory Outgoings:</u> > Council rates and water rates > All other rates, taxes, charges and levies except those which are not recoverable by the Landlord under the Retail Leases Act (2003) <u>Other Outgoings</u> > Included but not limited to cleaning of the Premises, rubbish removal, maintenance and repairs to the premises, utility services including water by measure and any other costs associated with the Tenant's occupation of the premises.
Commencing Base Rental	\$_____ per annum payable in equal calendar monthly instalments in advance plus GST by direct debit to the Landlord's nominated account.
Term of Lease	10 years
Further Term	5 years
Proposed Handover Date	TBA
Fitting Out Period	2 months

Proposed Lease Commencement Date	<p>The Lease Commencement Date is:</p> <p>a) The day following the last day of the Fitting Out Period; OR</p> <p>b) The day on which the Tenant commences to trade if it is earlier.</p>
Base Rent Commencement Date	1 month after the Lease Commencement Date. Note, Outgoings are payable from the Lease Commencement Date.
Base Rent Review	Annual 4% increase except at the commencement of the option term (if applicable) when there will be a review to market rental. The market rental (which is to take into account that the Tenant has contributed to the cost of the building (if applicable)) will be agreed between the parties or failing agreement, as determined by an independent valuer, the cost of which will be shared equally between the parties.
Percentage Rent	<p>The amount by which 10% of annual gross sales exceeds the annual Base Rent.</p> <p>As an example, if Base Rent is \$75,000 then Percentage Rent will equate to 10% of annual sales in excess of \$750,000.</p>
Promotion Fund	Not applicable
Bank Guarantee	<p>The Tenant must provide an unconditional Bank Guarantee (without expiry date) from a bank with a branch in Melbourne, in favour of the Landlord for an amount equal to six (6) month's Base Rent plus outgoings and GST at least 21 days prior to the Handover Date.</p> <p>The Bank Guarantee will be returned to the Tenant within 3 months of the end of the Lease, provided that all terms of the Lease have been complied with.</p>
Deposit	<p>An amount equal to two months' Base Rent plus GST to be held in Fitzroys' Rental Trust Account and to be credited to the Tenant's account on the commencement of the Lease.</p> <p>The deposit will be refunded if the Landlord does not accept this offer. If the Tenant does not proceed with the Lease after this Heads of Agreement has been signed by the Landlord, the Deposit will be forfeited.</p>
Lease and Legal Costs	<p>The Landlord's solicitor will prepare the proposed standard Agreement for Lease / Lease (receipt and review of which is acknowledged by the Tenant) incorporating these commercial terms and each party will be responsible for its own costs with respect to finalisation of the Lease (and Agreement for Lease if applicable).</p> <p>The Tenant must execute the Lease (or if applicable the Agreement for Lease) within 14 days of receiving it in its final form. If the Tenant fails to do so, it will forfeit the right to the Lease and the Deposit will be forfeited.</p>
Goods & Services Tax	The amount of any Goods and Services Tax (GST) levied in respect of any supply made under, or in accordance with the Lease (including, but not

	limited to, the leasing of the premises) will be reimbursed to the Landlord by the Tenant.
Landlord's Works	Refer attached schedule.
Tenant's Contribution	The Tenant agrees to contribute the sum of \$_____ + GST towards the cost of the Landlord's Works. Ownership of the Landlord's Works procured with the Tenants Contribution will revert to the Landlord at the expiry (or sooner termination thereof) of the initial 10 year term or the 5 year further term (if applicable)
Tenant's Works	<p>The Tenant is responsible for all building works / fitout works required for the Tenant to operate its business at the Premises which is to be undertaken by the Tenant at the Tenant's cost in accordance with plans approved by the Landlord and its Consultants.</p> <p>The Tenant is responsible for securing all regulatory approvals for the business proposed.</p>
Tenant's Insurance	<p>The Tenant must take out and maintain throughout the Lease Term, insurance policies for:</p> <ul style="list-style-type: none"> a) Public risk for any single event for \$20 million; b) Plate Glass insurance; c) All Risks insurance; d) Other insurances which are required by law.
Make Good	At the expiration of the Lease the Tenant will remove all fitout (excluding the Landlord's fitout, fixtures or fittings) and reinstate and make good the premises to the same condition as at the commencement of the Tenant's initial occupation of the Premises unless the Landlord allows or requests the Tenant to leave any part of the Tenant's fitout in place.
Relocation & Demolition Clause	Not applicable
Trading Hours	Proposals must identify times when the Respondent proposes to keep the restaurant open for business. Council expects the restaurant to be operated for a reasonable spread of hours during the week and at weekends.

<p>Special Conditions</p>	<ol style="list-style-type: none"> 1. This Heads of Agreement is binding on the Tenant and subject to and conditional on the Landlord's acceptance of these terms and conditions which will be evidenced by its execution of this document. 2. The Tenant acknowledges that it was not induced to sign this Agreement or enter into the Lease by any marketing material or any representations made by the Landlord or its Agents other than the information contained in this Agreement. 3. The Landlord will provide the Tenant with a Disclosure Statement pursuant to the provisions of the Retail Leases Act (2003) and Standard Lease if the Landlord accepts this offer. The Tenant acknowledges receipt of a Retail Tenancies Information Brochure and Standard Lease. 4. The Tenant is to provide the Landlord with whatever evidence of the Tenant's business experience and financial circumstances as the Landlord reasonably requires. 5. This Heads of Agreement is subject to the Landlord meeting its requirements under the <i>Local Government Act 1989</i>. 6. The Tenant agrees to make the property available for use by council for a maximum of 2 events on the following basis: <ol style="list-style-type: none"> a) The Landlord is to provide at least 6 months' notice of the date and time of the event. b) There will be no charge to the Landlord for use of the venue. c) The Landlord will pay reasonable charges for food and beverages provided. 7. The Tenant agrees to participate in promotional activities at Stamford Park as reasonably required by the Landlord. 8. The Landlord would welcome the use of "Stamford" in the business name, but this is not obligatory. The business name is subject to Landlord approval. 9. The Landlord will be seeking, in consultation with the Tenant to display heritage objects (including furniture and artefacts) through the homestead.
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