



# Expression of Interest

March 2023

## Former ArtGeo Gallery Building

Location - Lot 468, (7) Queen Street,  
Busselton

Submission Deadline: 19 May 2023

## Table of Contents

<b>1. Introduction.....</b>	<b>3</b>
1.1 Busselton.....	3
2.1 Location.....	4
2.2 Property Details .....	5
Areas available to lease: .....	5
Utilities, Bar/Kitchen, and Toilets .....	7
<b>2. Lease Terms.....</b>	<b>8</b>
3.1 Proposed Lease Arrangements .....	8
3.2 Zoning and Planning Considerations* .....	9
3.3 Proposed Use .....	9
<b>3. Evaluation Process and Timeline .....</b>	<b>10</b>
<b>4. Submission Requirements .....</b>	<b>10</b>
5.1 Expression of Interest Criteria .....	11
5.2 Lodgement of Submissions .....	11
5.3 Enquiries.....	12
<b>5. Negotiating with Preferred Proponent .....</b>	<b>12</b>
<b>6. Annexure A: Proponent Details .....</b>	<b>13</b>
<b>7. Annexure B: General Conditions for Expressions of Interest .....</b>	<b>15</b>

## Introduction

The City of Busselton is calling for Expressions of Interest (EOI) from experienced hospitality professionals to operate a quality commercial food and beverage business in the heart of Busselton's dynamic Cultural, Tourist, and CBD Precinct.

On offer is a stunning state heritage-listed building, courtyard, and laneway alfresco area adjacent to Saltwater Busselton performance space and convention centre. There is also the opportunity to lease and fit out a brand-new kitchen within the Saltwater building.

Saltwater Busselton, a \$38 million facility opening in 2024, will host visual arts, comedy, theatre, live music performances, business events, and trade shows. Designed by internationally acclaimed architects Kerry Hill, with contemporary architectural design and high-performance light and sound technology, Saltwater can accommodate up to 1,200 patrons over three levels and six spaces.

Submissions seeking to leverage and compliment activities at Saltwater Busselton, including adding to the night-time economy and catering to Saltwater events, will be highly regarded.

### 1.1 Busselton

Busselton is located approximately 230km from Perth, on the picturesque Geographe Bay, a pristine and protected marine habitat, and is the gateway to the internationally renowned Busselton Margaret River Wine Region.

With a current population of 40,640, Busselton is one of the fastest-growing populations outside the Perth metropolitan region, projected to reach 55,000 by 2026.

As the *WA's Top Tourist Town 2021* and *Events Capital WA*, Busselton is a popular destination for local, inter-state, and international tourists. Busselton host major events, including:

- Ironman Triathlon Western Australia;
- Busselton Jetty Swim;
- Cape to Cape Mountain Bike event;
- Cinefest Oz (film festival);
- Cabin Fever;
- Perth International Jazz Festival;
- Margaret River Region Open Studios;
- Beer, Wine, and Music Festivals;
- Festival of Busselton.

Total visitor nights in the City of Busselton 2020/21 was 3.1 million, with an average annual spend of \$554 million.



## 2.1 Location

Constructed in 1931 for the Busselton Agricultural Bank, the building was most recently the home of the ArtGeo Art Gallery. At the northern end of Queen Street in Busselton's CBD, the location is just minutes from the Busselton foreshore precinct, world-famous Jetty, micro-breweries, restaurants, and Hilton Garden Inn (opening 2023).

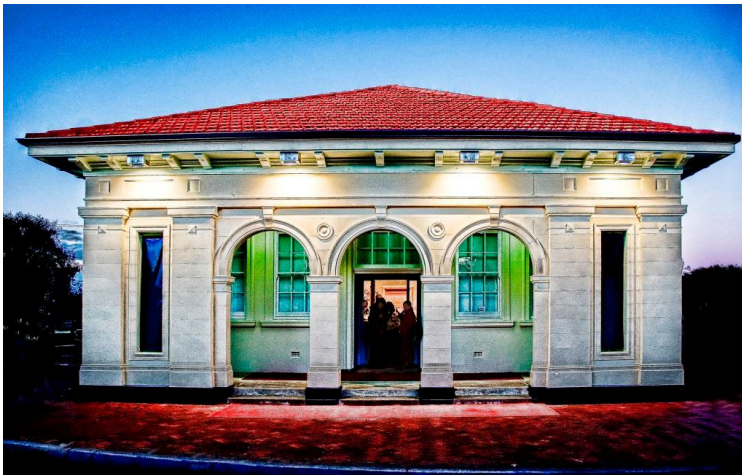
You will be among a select group of successful hospitality offerings in the area, parking within walking distance.



## 2.2 Property Details

The state heritage-listed building currently comprises an office space, a foyer, main gallery spaces, an original bank vault, one male, and one universal access toilet. In addition, it has jarrah flooring, internal stud walls, a fireplace, and large windows.

The building is offered unfitted with the tenant to fit out at their expense.



### Areas available to lease:

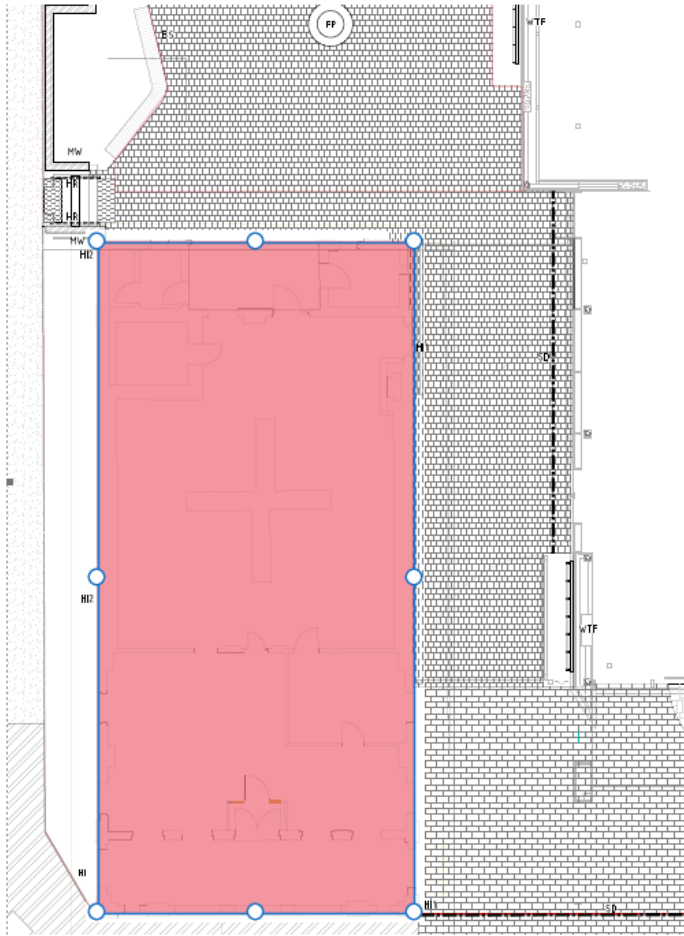
- Agricultural Bank Building: 245m<sup>2</sup>
- Alfresco Laneway & Courtyard: 260m<sup>2</sup>
- Commercial kitchen (within Saltwater building): 69m<sup>2</sup>

The City of Busselton is interested in working with proponents open to supporting Saltwater operations through catering and the opportunity to use the courtyard for events.

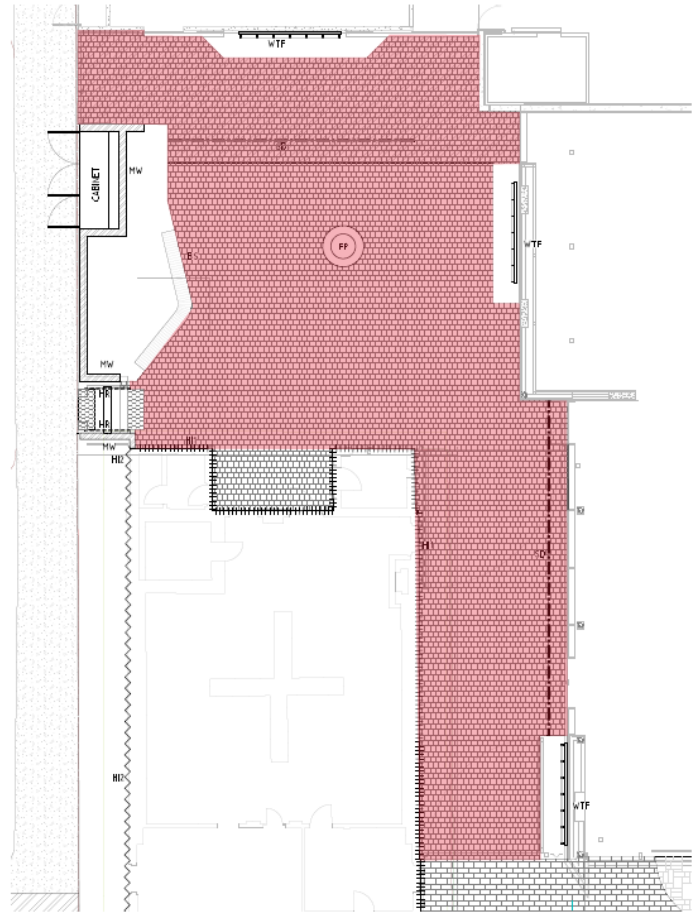
The building has a Category 1 listing on the Heritage Council State Register. This category is given to places with the highest cultural heritage values and generally have built features that are part of their significance.

Therefore, the Heritage Council of WA must approve proposed internal and external changes.

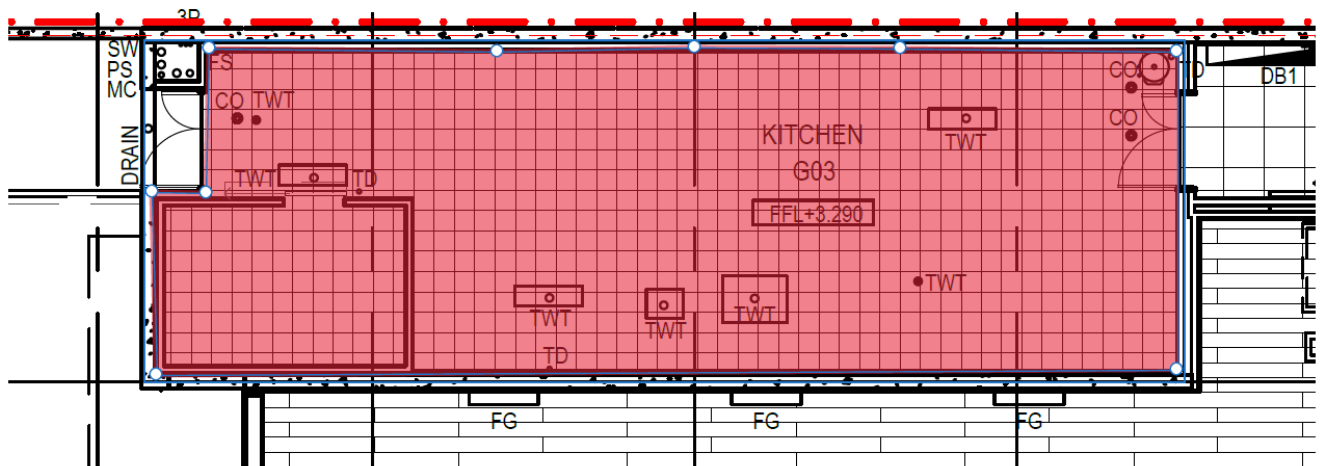
**Agricultural Bank Building**



**Alfresco laneway & courtyard**



**Saltwater commercial kitchen**





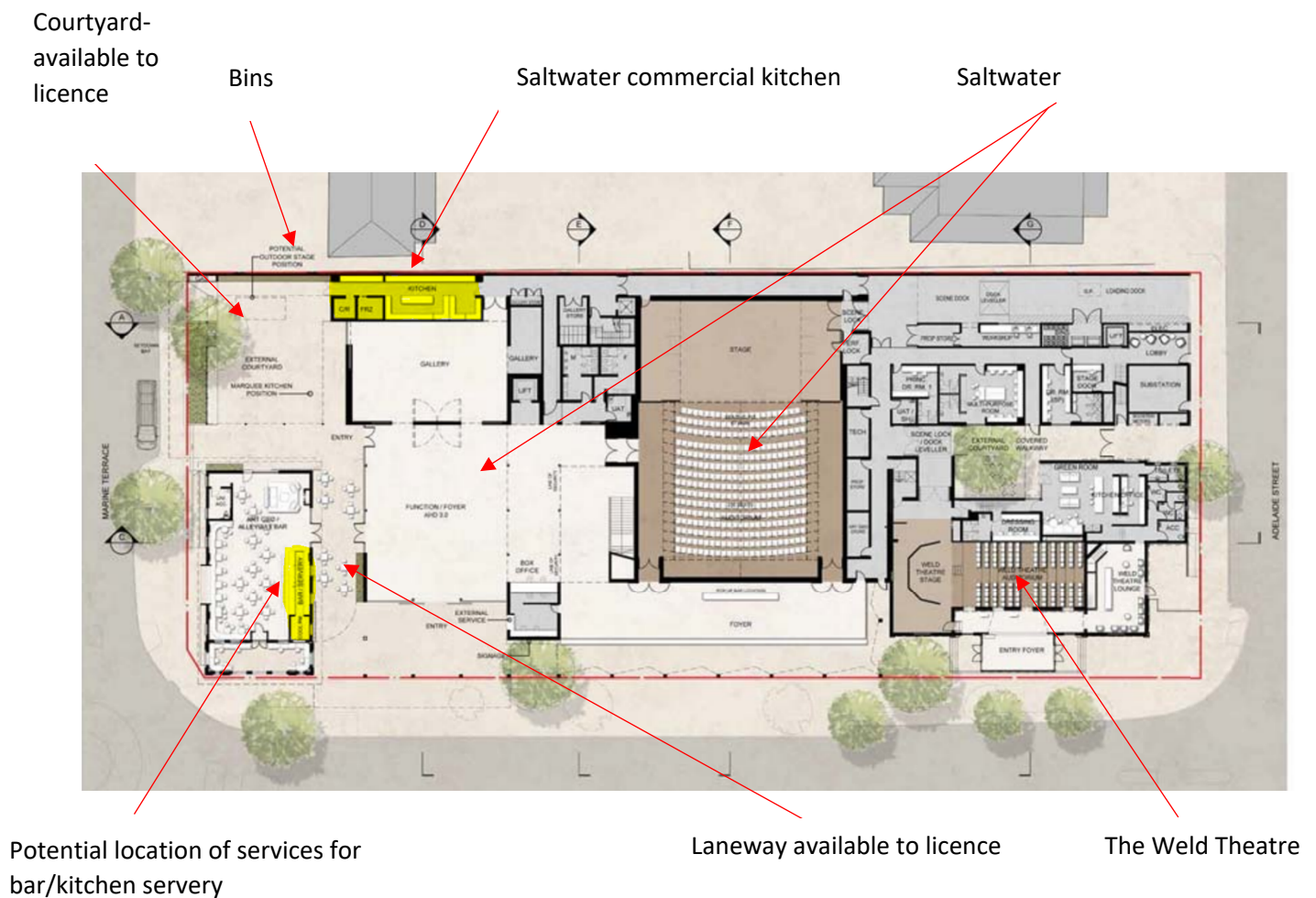
## Utilities, Bar/Kitchen, and Toilets

The building has metered three-phase power supply (63A), a grease trap connection, and scheme water. An application is required for NBN connection.

There is potential for a bar/small kitchen to be installed at the location noted in Figure 8.

Bins are located at the rear of the courtyard area.

Proponents will likely be required to install additional toilets for Liquor Licensing. Potential location for toilets have been identified by the City.



*Site Plan including Saltwater*

## Lease Terms

### 3.1 Proposed Lease Arrangements

The City may choose to enter into a lease/licence with proponents subject to commercial negotiations and final approval by the City of Busselton. Examples of the lease terms may include but are not limited to;

	Details
Term	Negotiable: e.g initial 5 year term with an option for a further 5 years or longer up to 20 years maximum
Rent	<p>A market rental valuation conducted on 5 October 2022 estimated the following:</p> <p>Main building at LOT 468 Queen St between \$55,000 pa net and \$61,000 pa net of outgoings and GST.</p> <p>Licence of alfresco area - rate of between \$13,860 and \$15,015 net of GST and outgoings.</p> <p>Saltwater ground floor commercial kitchen space between \$22,000 pa net and \$26,000 pa net of outgoings and GST.</p> <p>Proponents will be invited to propose any reduced rental periods to reflect fit out costs.</p>
Rent Reviews	Rent will be subject to a market rent review every five years with all other years subject to CPI (Perth All Groups) rent reviews.
Outgoings	<p>Will include Lessee responsibility for:</p> <ul style="list-style-type: none"> <li>• City of Busselton rates as applicable</li> <li>• Water consumption</li> <li>• Electricity</li> <li>• Sewerage</li> <li>• Communications/NBN</li> <li>• Grease trap maintenance</li> </ul>
Insurance	<p>Buildings insurance – Lessor responsibility – premium to be on charged</p> <p>Public liability – Lessee responsibility – Minimum \$20m</p>
Maintenance	<p>The Lessor is responsible for:</p> <ul style="list-style-type: none"> <li>• Structural and external (unless damage caused by Lessee).</li> </ul> <p>The Lessee is responsible for:</p> <ul style="list-style-type: none"> <li>• Non-structural and internal maintenance to ensure all areas are well-maintained and clean at all times.</li> <li>• Ensure that heritage requirements are maintained and compliant, including liaising with Heritage Council when/if required</li> <li>• Pest control</li> </ul>



Security	A security system has been installed in the premises, use or upgrade of which will be the subject of negotiation.
Fire and regulatory compliance	<ul style="list-style-type: none"> <li>The Lessee is responsible for fire and regulatory compliance.</li> </ul>

### 3.2 Zoning and Planning Considerations\*

Lot 468 (7) Queen Street is zoned 'Regional Centre' under Local Planning Scheme No. 21.

Permitted 'P' uses within that zoning – i.e. those that do not require specific Development Approval, include:

- Restaurant/Café

Discretionary uses subject to Development Approval include:

- Small Bar

Discretionary uses subject to formal advertising include:

- Tavern

\*current at the time of going to press but subject to change.

Proponents should also consider regulatory requirements relating to Health, Building, Liquor Licensing and Heritage. Any sale, serving or consumption of liquor associated will require the necessary formal approvals.

### 3.3 Proposed Use

Proposals are invited for:

- A Licensed Bar with dining, preferably with Restricted Tavern License to ensure maximum patrons, and option to serve drinks without a meal purchase.
- The ability to operate seven days a week to support patrons attending events at Saltwater during the day and late into the evening.
- An offering that achieves the goal of establishing the Cultural Precinct as a visitor destination known for its unique history and vibrant arts and entertainment.

Examples of preferred style of hospitality offering would be:

- Wine Bar
- Micro-distillery or cocktail bar
- Restaurant/cafe

## Evaluation Process and Timeline

The City of Busselton is seeking proposals from suitably qualified proponents for the building and alfresco areas that form part of Lot 468 (7) Queen Street, Busselton, 6280. Proponents are to provide sufficient information against each of the requirements detailed in the Proponents Response Form (Annexure A) using the same headings and in the same order as listed, to demonstrate their ability to satisfy all of the assessment criteria.

Submissions will be checked for completeness and compliance and the City of Busselton may seek further information or clarifications with the submission requirements.

The City of Busselton in its absolute discretion, before, during or after any negotiation with one or more Proponents may decide not to proceed with any of the EOI submissions or Proponents.

### **INDICATIVE TIME-FRAME FOR SELECTION PROCESS**

#### Expressions of Interest (8 weeks)

Expressions of Interest opens:	3 March 2023
Site inspection:	To be arranged up until 19 May 2023
Expressions of Interest closes:	19 May 2023
Evaluation / short listing of Proponents:	22 - 26 May 2023

At the close of the advertising period, all applications will be assessed by a panel of City of Busselton Officers. Applications will be assessed against the criteria as presented within the application process, with a meeting to discuss the applications and provide a recommendation to the Chief Executive Officer (CEO).

## Submission Requirements

The submission should provide sufficient information to enable a panel to assess the proposal against the relevant criteria. EOI submissions require applicants to provide the following:

1. A proposed layout floor plan showing bar location, seating, toilets, building entries, use of vault, heritage windows and front portico, other significant infrastructure and any structural changes;
2. A concept image that demonstrates the look and feel of the venue;
3. A short written submission addressing each one of the Expression of Interest Assessment Criteria (see below);
4. Any references the proponent may wish to provide.

The total length of submissions addressing Expression of Interest Assessment Criteria, is not to exceed 5 double sided A4 pages (10 pages in total).

## 5.1 Expression of Interest Criteria

1. Outline experience related to starting a new venture and/or operating a hospitality venue. Include geographic location and duration.
2. Outline your hospitality proposal including style of food and beverage service and any modifications you propose to make to the building.
3. Describe your food and beverage concept. Include small sample menu and beverage list.
4. Describe how your operating model and hours compliment/support Saltwater Busselton activities. Include forecast of operating days and opening hours.
5. Provide comment on:
  - a) Rental market valuation of main building, alfresco and commercial kitchen space
  - b) Preferred spaces to lease
  - c) Preferred term of lease
  - d) Opening date June 2024

## 5.2 Lodgement of Submissions

Expressions of Interest submissions are to be lodged as at the following address:

Chief Executive Officer  
City of Busselton  
2 Southern Drive  
Busselton, Western Australia 6280

Submissions may also be emailed to: [city@busselton.wa.gov.au](mailto:city@busselton.wa.gov.au)

### **CLOSING DATE: 19 May 2023**

Due to the comparative nature of the EOI process alternate submissions are not encouraged however may be considered at the absolute discretion of the City of Busselton where this does not jeopardise the fairness of the process or compliant submissions.

### 5.3 Enquiries

Sharon Custers  
Venue Manager - Cultural Precinct City of Busselton  
Tel: +61 8 9781 0369  
Email: [Sharon.Custers@busselton.wa.gov.au](mailto:Sharon.Custers@busselton.wa.gov.au)

## Negotiating with Preferred Proponent

The City of Busselton, upon selection of preferred proponent(s) from the Expressions of Interest process will negotiate in good faith with the preferred proponent(s), with a view to entering into a lease/licence for a fixed term. The negotiations will be conducted on the basis that the contract to be entered into, will be with the preferred proponent(s) and that it will reflect the proposal(s) submitted by the preferred proponent(s).

In the event that the City of Busselton and the preferred proponent(s) are unable to agree to reach a binding agreement, then the City may negotiate with another party or elect not to proceed with offering the agreement. It will be a requirement of the final form of the contract that the proponent(s) must trade as agreed within the agreement.



## Annexure A: Proponent Details

Annexure A must be completed by the Proponent. A copy of this form is available to download at [www.busselton.wa.gov.au](http://www.busselton.wa.gov.au).

### **Identity of the Proponent**

Name of Organisation (s):	
ACN/ABN:	
Business Address:	
Postal Address:	

### **Contact Details**

Name of Principal Contact Person:	
Position:	
Telephone:	
Email:	

### **Agreement to Terms and General Conditions**

By lodging the EOI Submission the Proponent agrees to be bound by the City of Busselton's Terms and General Conditions set out in the document.

### **Signed for and on behalf of (authorised signatory):**

Signature:	
Name:	
Organisation	
Position:	
Date:	

### **Other Parties (add details as required):**

#### **Signed for and on behalf of:**

Signature:	
Name:	
Organisation:	

Position:	
Date:	

**Signed for and on behalf of:**

Signature:	
Name:	
Organisation:	
Position:	
Date:	

## Annexure B: General Conditions for Expressions of Interest

### **Acceptance and Rejection of EOI**

The City of Busselton (the City) may in its sole discretion accept any EOI, either wholly or in part, or decide not to accept any EOI (or part of an EOI) at all.

Following the evaluation of the EOIs the City may, in its sole discretion, or before, during or after negotiation with one or more Proponent, choose not to enter into any further negotiation or contract relating to the EOI and/or occupancy agreement.

### **Disclosure of EOI Evidence**

The Proponents acknowledge and accept that the City may be required by law (under the Freedom of Information Act 1992, in terms of a court order or otherwise) to disclose documents and/or other information which form part of, or are in relation to, the EOI and or this EOI process.

The Proponent shall treat the information in this EOI and any/all information provided by the City or its nominated agents, in relation thereto as confidential and communicate it only to the people directly involved in the preparation of its EOI.

Information relating to the examination, clarification, evaluation and comparison of the proposal submitted in response to this EOI is confidential to the City and will not be disclosed to Proponents or any other persons not officially concerned with such process.

### **EOI Validity period**

All EOIs will remain valid and open for acceptance for a minimum period of ninety (90) days from the Deadline unless extended on mutual agreement between the City and the Proponent in writing.

### **No Contract**

This EOI may result in negotiations for the grant of a lease/licence, but is in itself not an offer open for acceptance by Proponents by submitting an EOI.

### **Conditions Binding**

EOIs will be deemed to have been made on the basis of and to incorporate (and Proponents shall be bound to) all the terms and conditions of this EOI.

### **Proponents to Inform Themselves**

Proponents will be deemed to have:

- Examined the EOI and any other information available in writing to Proponents for the purpose of submitting an EOI;
- Examined and to be aware of all the risks; contingencies, and other circumstances having an effect on their EOI, which is obtainable by the making of reasonable enquires;
- Acknowledged that the City may enter into negotiations with one or more Proponents and that negotiations are to be carried out in good faith; and
- Satisfied themselves they have a full set of the EOI documents and all relevant attachments and acknowledge that enquiries of third parties, pertinent to their submission, may need to be made. The City has used reasonable efforts in compiling this EOI. It will not be liable to Proponents for any inaccuracy or omission in this EOI or any additional information which may be provided or withheld.

### **Alterations**

The Proponent must not alter or add to the EOI or any part thereof, unless specifically required by this EOI.

### **Risk Assessment**

The Proponent, by submitting an EOI, irrevocably authorises the City to contact and have access to and give consideration to:

- Any referees nominated by the Proponent;
- Any information provided by the Proponent on behalf of their nominated bank, financial institution or accountant;

### **Ownership of Documentation**

All documents, materials, articles and information submitted by the Proponent as part of or in support of an EOI will become upon submission of the EOI the absolute property of City and will not be returned to the Proponent PROVIDED that the Proponent is entitled to retain any copyright and other intellectual property rights therein, unless otherwise provided by the EOI.

### **Canvassing of Councillors**

If a Proponent, whether personally or by an agent, canvasses any of the City's Councillors with a view to influencing the acceptance of any EOI regardless of such canvassing having any influence on the acceptance of any EOI, the City may at its absolute discretion omit such Proponents EOI from consideration.

### **Changes To/Withdrawal of EOI**

The City reserves the right to:

- notify the Proponents in writing before the Deadline of any changes to this EOI which may in the discretion of the City be necessitated by any matter of significance;
- extend the deadline for submissions; or
- cancel, amend, re-issue or withdraw all or part of this EOI and/or process under it at any stage prior to entering into a Contract, without incurring any liability

### **No Right to Claim**

Except as expressly and specifically permitted in this EOI, no Proponent shall have any claim for compensation of any kind whatsoever, as a result of participating in or responding to this EOI and/or participating or not participating in any further negotiations resulting from this EOI. By submitting an EOI, each Proponent shall be deemed to have agreed that it has no right to claims.