Innovative Property Development, Management, Operations and Leasing

CALL FOR EXPRESSIONS OF INTEREST

ROYAL CHILDREN’S HOSPITAL - MELBOURNE
RETAILING OPPORTUNITY

June 2014
CALL EXPRESSION OF INTEREST – ROYAL CHILDREN’S HOSPITAL (Stage 2 retail) - MELBOURNE

On the 6th of March 2012, Fairbank Grange Property Pty Ltd (“FBG”) entered into an agreement for the Lease with the Children’s Health partnership (“CHP”) for the lease to FBG of the area known as Retail Space 2 at the New Royal Children’s Hospital (“the AFL”)

Pursuant to “the AFL”, FBG is able to grant sub-leases of areas within the Stage 2 Retail Area to appropriate retail operators. A copy of “the AFL” is available for inspection at the offices of “FGB” or can be sent to interested parties upon request.

FBG invites interested parties to submit an Expression of Interest in conformity with FBG’s proposal conditions, for the leasing of retail space within Stage 2 of the new Royal Children’s Hospital. Initial expressions should be forwarded to Fairbank Grange Property Pty Ltd.

Attention: Hayden Warszewski
Fairbank Grange Property Pty Ltd
274 Wickham Rd
Moorabbin Vic 3189
E: haydenw@fairbankgrange.com.au
M: 0417 053 529

Submissions should contain the following information:

- The name and contact details of the interested parties
- Company profile and previous relevant experience
- The vision for the venture and physical space
- The term of the lease and options
- Proposed rent per annum range.

Based on the initial “Expression Of Interest”, Fairbank Grange Property will then short-list potential tenants for review. Operators will be informed of selection and a comprehensive briefing of the project will then be provided.
Conditions of Expression of Interest submission

For the purpose of the list below the Royal Children’s Hospital Stage 2 retail is noted as “FBG”

1. Interested parties are invited to respond by submitting a proposal for a Lease of part of the retail space within Stage 2 of the new RCH. Each such proposal must conform with the proposal conditions and, as a minimum, must deal with the matters referred to above for inclusion in submissions.

2. FBG reserves the right to negotiate with any party whether they have submitted an Expression of Interest or not.

3. The interested parties can withdraw the submission at any time on giving notice to FBG.

4. FBG may withdraw the Expression of Interest process at any time.

5. The interested parties should provide all information asked for by the Expression of Interest. If the interested parties fails to do this, FBG may decline to consider the submission.

6. Requests for further information. The interested parties must provide such information at its own cost. If the interested parties fails to respond in a reasonable time FBG may decline the submission.

7. If the interested parties fails to lodge the submission as described above by the closing date, the FBG may decline to consider the submission.

8. FBG will not meet or contribute to any costs associated with a submission. The interested parties must meet all costs.


10. FBG will not enter into any correspondence or discussion with any interested parties relating to decisions made by FBG on the leasing of the spaces

11. The interested parties acknowledge that the acceptance of any proposal will be subject, at all times, to approval being granted by the head Lessor pursuant to the Agreement for Lease”.

12. Successful Respondents will be required to execute an Agreement for Lease in the form of the Agreement for Lease annexed to this Expression of Interest proposal. Each Agreement for Lease will include the terms and conditions as set out in the attached Agreement for Lease and provide for:

(i) Payment of a deposit equivalent to one month’s rent;
(ii) Payment of an additional month’s rent together with any security or Bank Guarantee amount on or before the date for commencement of the Lease; and

(iii) That any proposal will be subject to approval by the Head Lessor.

For your information, the following provides background information on the project and surrounding area.

BACKGROUND

The new $1 billion RCH Project is the largest hospital redevelopment to be undertaken by the State of Victoria. The Project involves the construction of a new facility adjacent to the north-western boundary of the existing hospital site.

The old site will be converted to house some existing research facilities, general retail space and a 100 room 4 star hotel facilities with food & beverage facilities and additional retail space for the provision of a Shopping Centre, Bank, and other associated shop front facilities.

Fairbank Grange has entered into and secured a 20 year site lease and intends on subletting the retail space.

THE NEW HOSPITAL SITE OVERVIEW

The outcome of the Project will have a major impact on the quality of tertiary health services to be delivered to children in both metropolitan Melbourne and rural / regional Victoria, reaching to Tasmania and South Australia.

The current RCH buildings were designed when most hospital care was provided at the bedside and parents could only visit during designated visiting hours. Although the RCH continues to deliver high quality tertiary health services, its buildings have become unsuitable for the complex high technology multidisciplinary care now provided for children.

The facilities do not support families in the manner expected of a world-class children’s facility and have failed to keep pace with the rapid expansion of same day and ambulatory care services.

The site to be used for the Project (including the retained buildings) will be less than the existing site area of 4.1ha. The State has put in place legislation that requires the final size of the new hospital site to be less than that currently occupied by the existing site – resulting in an increase in parkland after construction activities are completed.
LOCATION

The location in North Melbourne on Flemington Rd at the heart of the Royal Children’s Hospital is one of the newest medical renewal projects to date in Australia and will becoming one of Melbourne’s newest lifestyle and entertainment precincts with significant development already planned or under construction for the corporate, commercial, medical, retail, entertainment, leisure, and accommodation markets.

A significant number of Melbourne’s major medical facilities including The Royal Melbourne Hospital, The Royal Women’s Hospital, Melbourne Private Hospital, Royal Dental Hospital, Melbourne Health Centre Hospital Private Hospital, Women’s and Children’s Private Hospital, The France Perry Private Hospital, The Centre for Adolescent Health and two Veterinary hospitals are all located within half a kilometre of the hotel site.

This concentration of Hospitals and associated commercial activity will/has resulted in significant Commercial population injection into the area where and shortage in hotel and retail supply will create demand for commercial operations.

AVAILABLE AREAS

Those parts of the RCH Commercial Area known as ‘the Stage 2 Retail Area’ and consisting of the following parts:

(a) ‘Supermarket’ with an estimated lettable area of 556 square metres;
(b) ‘Newsagent’ with an estimated lettable area of 161 square metres;
(c) ‘Hairdresser / Beauty’ with an estimated lettable area of 87 square metres;
(d) ‘Gymnasium’ with an estimated lettable area of 292 square metres;
(e) ‘Dry Cleaner’ with an estimated lettable area of 76 square metres;
(f) ‘Bank’ with an estimated lettable area of 129 square metres;
(g) ‘Retail 02’ with an estimated lettable area of 85 square metres
(h) ‘Post Office’ with an estimated lettable area of 145 square metres
(i) ‘Phones/accessories’ with an estimated lettable area of 29 square metres;
(j) ‘Florist’ with an estimated lettable area of 22 square metres
(k) ‘Keys’ with an estimated lettable area of 20 square metres
(l) ‘Toys’ with an estimated lettable area of 52 square metres
(m) ‘Kids Clothing’ with an estimated lettable area of 64 square metres
(n) ‘Retail 01’ with an estimated lettable area of 141 square metres;
(o) ‘Supermarket expansion ramp area’ with an estimated lettable area of 17 square metres
(p) ‘Retail Store 01’ with an estimated lettable area of 45 square metres
(q) 'Retail Store 02' with an estimated lettable area of 22 square metres;
(r) 'Retail Store 03' with an estimated lettable area of 11 square metres
(s) 'Retail Store 04' with an estimated lettable area of 7 square metres

TIMING

Construction of the new Royal Children’s hospital hotel site has commenced and expected to completed and operational by 2014.

- Development Planning Approval: Completed
- Construction commencement: December 2012
- Completion: September 2014
- Opening: December 2014

PROPOSAL CONDITIONS

INTERPRETATION AND DEFINITIONS

The following words have the following meanings in these Proposal Conditions unless the contrary intention appears:-

AGREEMENT FOR LEASE means the Agreement for Lease to be entered into between FBG and successful Respondents for the Lease of part of the retail space within Stage 2 of the new RCH, Melbourne, Victoria.

PROPOSAL CONDITIONS means these Proposal Conditions.

CONFORMING OFFER means a proposal which complies in every respect with the requirements of these proposal documents.

NON-CONFORMING OFFER means a proposal that does not comply in every respect with the requirements of the proposal documents.

PROPOSAL means any proposal lodged by an interested party in response to this Expressions of Interest proposal.

PROPOSAL DOCUMENTS means:-

- This expression of Interest proposal and annexure; and
- The Agreement for Lease and Lease relating to the retail space within Stage 2 of the new RCH, Melbourne, Victoria.

RESPONDENT means the party or parties submitting a proposal in response to this Expressions of Interest in invitation.
PROPPOSAL LODGEMENT

ADDRESS AND MARKING OF PROPOSALS

All proposals must be:-

(a) Enclosed in a plain envelope and clearly marked with the heading response to expressions of interest proposal to lease part of the retail space within Stage 2 of the new RCH, Melbourne, Victoria.

(b) Lodged by being:-

(i) Delivered to the officers of FBG, 274 Wickham Road, Moorabbin, VIC, 3189; or

(ii) Sent by post to FBG’s address at Wickham Road, Moorabbin, VIC, 3189; or

(iii) Sent by email to haydenw@fairbankgrange.com.au.

DOCUMENTS REQUIRING COMPLETION AND RETURN

The Respondent must complete and submit the following documents as part of its proposal:-

(a) A proposal addressing the requirements of this Expression of Interest; and

(b) A signed copy of the Expression of Interest document acknowledging acceptance of the proposal conditions.

AUTHORISED SIGNATORY

All proposals must be signed by a duly authorised officer of the Respondent in the case of a Corporation and must be personally signed, or signed under Power of Attorney, for individual Applicants.

LATE PROPOSALS

Proposals lodged or received (if sent by post) after the closing time are late proposals and FBG may, in its absolute discretion, consider or refuse to consider any late proposal and execute or not execute an Agreement for Lease and Lease with a Respondent that lodged a late proposal.

PREFERRED RESPONDENTS

(a) FBG may at its discretion, after the closing time, by notice in writing nominate one or more Respondents as a preferred Respondent;

(b) FBG may negotiate any term of an Agreement for Lease with one or more of the preferred Respondents, and if requested by FBG, a preferred
Respondent shall enter into an Agreement for Lease on the terms agreed to by FBG and their preferred Respondent; and

(c) If the negotiations referring to any of the matters in sub-clause (b) of this clause are unsuccessful, FBG may enter into further negotiations with any Respondents.

**NO BINDING AGREEMENT**

There is no binding Agreement between FBG and the Respondent with regard to an Agreement for Lease until an Agreement for Lease is duly executed by both the Respondent, FBG and CHP in its capacity as Head Lessor.

**FBG’S RIGHTS**

FBG may, at its sole discretion:-

(a) Accept one or more proposals;

(b) Accept a proposal other than the highest price proposal;

(c) Accept more than one proposal;

(d) Consider and accept any non-conforming proposal (whether or not a conforming proposal is also lodged by a Respondent);

(e) Refuse to consider any non-conforming proposal;

(f) Ask any Respondent to supply such further information, after the closing time, as FBG may require; and

(g) Withdraw from negotiations with any Respondent at any time before an Agreement for Lease is duly executed by both the Respondent and FBG.

**AMENDMENT OF PROPOSAL DOCUMENTS BY FBG**

FBG may amend any of the proposal documents or extend the time for lodging proposals by notice in writing to the Respondents before the closing time.

**DISCREPANCIES, ERRORS AND OMISSIONS**

Should the Respondent find any discrepancy, error or omission in the proposal documents, the Respondent shall immediately notify FBG in writing of the nature of the discrepancy, error or omission.

**RESPONDENTS ACKNOWLEDGEMENTS**
The Respondent acknowledges that:-

(a) It has not relied on any representation, letter, document or other communication whether oral or in writing or any other conduct as adding to or amending any of the proposal;

(b) FBG is not liable for any error or omission in the proposal documents; and

(c) FBG is not liable for any costs or expense incurred by the Respondent in preparing and; lodging a proposal or negotiating and executing an Agreement for Lease.

OWNERSHIP OF DOCUMENTS

All proposals become the property of FBG on submission. FBG may make copies of any proposal for purposes relating to the expressions of interest process (including for assessment of the proposal).

RESPONDENTS TO INFORM THEMSELVES

It is the Respondent’s responsibility to:-

(a) Examine the EOI proposal documents and any other document referred to in the proposal document;

(b) Consider all other information reasonably obtainable relevant to the risk, contingency, and other factors affecting the EOI proposal and the execution of any Agreement for Lease; and

(c) Satisfy itself as to the correctness and sufficiency of any EOI proposal lodged by it under these proposal conditions.

CONFIDENTIALITY

CONFIDENTIALITY OF PROPOSAL DOCUMENTS

The Respondent must treat:-

(a) The proposal documents;

(b) Any documents mentioned or contemplated by the proposal documents; and

(c) Any other information obtained by the Respondent from FBG as part of this expression of interest process as confidential (“confidential information”).

USE OF CONFIDENTIAL INFORMATION
The Respondent:-

(a) May only use and reproduce confidential information for the purposes of preparing a proposal for submission to FBG;

(b) Must not disclose confidential information to any person except as permitted by Law or where the information is already in the public domain;

(c) Must not make, assist or permit any person to make any unauthorised use, disclosure of reproduction of the confidential information;

(d) must comply with any reasonable requests from FBG regarding the confidential information; and

(e) Must advise its employees and officers of their obligations with respect to keeping confidential the confidential information, and require their compliance with such obligations.

PERMITTED DISCLOSURES

The Respondent in not prohibited from making disclosures of confidential information:-

(a) Which is already in the public domain;

(b) Which is required to be disclosed to its employees and officers having a need to know for the purposes of preparing an expressions of interest proposal for submission to FBG;

(c) Which is required to be disclosed by Law, provided that the Respondent has:-

(i) Given FBG sufficient notice to enable FBG to seek a Protective Order or other relief from disclosure; and

(ii) Provided all assistance and cooperation which FBG reasonable considers necessary for that purpose; or

(d) In respect of which FBG has given its prior written consent to disclosure or use (which consent may be given or withheld at its absolute discretion).

RETURN OF CONFIDENTIAL INFORMATION

Upon a demand by FBG, a Respondent must deliver to FBG (or with FBG’s prior consent to destroy or erase) all material forms of the confidential information in its possession, power or control, whether or not those material forms were created by FBG.
NO RELEASE

The return of the material forms of confidential information by the Respondent to FBG does not release the Respondent from its obligations with respect to the confidential information set out above.

SURVIVAL OF OBLIGATION OF CONFIDENTIALITY

This obligation of confidentiality on the part of a Respondent is a continuing obligation, separate and independent from other obligations of the Respondent and survives the submission of an expression of interest proposal and award of a Lease to any Respondent.

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We believe that this development presents a significant management opportunity and we are therefore keen to understand your organisation's level of interest and its strategic fit within your property portfolio.

Regards

Hayden Warszewski
Fairbank Grange Property Pty Ltd

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I, __________________________________, being the Respondent/a duly authorised officer of the Respondent (delete whichever is not applicable), do hereby declare that:-

1. I am the Respondent/Director of the Respondent (delete whichever is not applicable).

2. I have read and understood the proposal conditions.

3. The Respondent does hereby accept the proposal conditions.

4. I am authorised by the Respondent to make this declaration on behalf of the Respondent

Dated: ______ day of ________, 2014

Signature of authorised officer] _________________________________

Name of Authorised officer ] _________________________________

Signature of Witness ] _________________________________

Name of Witness ] _________________________________

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