

# New Lease - Destination Coromandel Trust

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**TO** Thames-Coromandel District Council  
**FROM** Ben Day - Deputy Chief Executive  
**DATE** October 2014  
**SUBJECT** **New Lease - Destination Coromandel Trust**

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## 1 Purpose of Report

For consideration for the Council to approve a new lease between the Thames-Coromandel District Council (Council) and Destination Coromandel Trust (DCT) for the purposes of an information centre on part of the land and including the building (premises), known as Soldiers' Memorial Park, described as DP 13245 comprised in computer freehold register SA377/27, located at 66 Albert St, Whitianga.

## 2 Background

The following resolution confirms that the premises have been used as an Information Centre since 1993, prior to this date the building was the Plunket rooms.

*In the meeting held 9 November 1993 the Mercury Bay Community Board resolved to:*

1. *That the Board instigate a change to the Reserve Management Plan to allow an Information Centre on the northwest side of Soldiers Memorial Park.*
2. *That the Information Centre lease be for 10 years with two rights of renewals.*
3. *That the review of rental takes place at five yearly intervals.*

*G Leach/M Harper*

Historically the information centre has been leased to Destination Mercury Bay Incorporated who subsequently changed their name to the Mercury Bay Business Association incorporated. An executed deed of surrender has been received acknowledging the final expiry date of 30 June 2014.

DCT submitted a Statement of Intent for 2014-2015 to Council that included the provision under their 'Action Plan' to manage the Whitianga i-site centre.

DCT has been occupying the premises since 1 July 2014.

*At the meeting held 14 October 2014 The Mercury Bay Community Board resolved to:*

1. *Received the report.*
2. *Recommended to Council to approve a new lease between the Thames-Coromandel District Council and Destination Coromandel Trust for the purposes of an information centre on part of the land and including the building (premises), known as Soldiers' Memorial Park, described as DP 13245 comprised in computer freehold register SA377/27, located at 66 Albert Street, Whitianga on the following terms;*

**Term:** 4 years  
**Commencement:** 01 July 2014  
**Right of Renewal:** One - subject to the lessee securing a funding agreement contract with the lessor  
**Renewal Dates:** 01 July 2018

**Final Expiry:** 30 June 2022  
**Rental:** \$350 + g.s.t plus outgoings + g.s.t  
**Rent Review:** Two yearly commencing 1 July 2016

**Moved/Seconded By:** Fox/BMcLean

### 3 Issue

A new lease is required between the Council and DCT for part of the land including the building (premises), known as Soldiers' Memorial Park, described as DP 13245 comprised in computer freehold register SA377/27, located at 66 Albert Street, Whitianga for the purpose of an information centre.

### 4 Discussion

The land subject to this report was vested in the Thames-Coromandel District Council as 'Soldiers' Memorial Park in accordance with section 12 Counties Amendment Act 1927 on 26 April 1948. In accordance with section 16(11)(b)(i) of the Reserves Act 1977 (Act) the subject lot is to be managed as a recreation reserve under section 17 of the Act, if the purpose was recreation.

Section 54(1)(d) of the Reserves Act 1977 provides Council the authority to lease all or any part of the reserve providing the lease is in conformity with and contemplated by the approved management plan and also subject to provision to be included in a lease as per Schedule 1 of the Reserves Act 1977.

The Whitianga and Wharekaho Reserve Management Plan, page 53 includes a provision for leasing the building as an information centre.

DCT was incorporated under the Charitable Trusts Act 1957 on the 8 December 2011 and provides the legal entity required to enter into a deed.

The current "*Leases of Council Owned and Administered Land and Buildings*" adopted 22 November 2006 determined i-sites on Council owned land come under Category 3 – Commercial, Private Organisations and Information Centres, therefore market rental applies.

The new lease rental is for \$350.00 plus GST equivalent to Category 2 - Community Groups. Although this rental is not consistent with the "*Leases of Council Owned and Administered Land and Buildings*" adopted 22 November 2006, staff recommend that providing a two year fixed rent of \$350.00 + GST will enable DCT to establish a viable business that is able to move to a market rent on the first rent review.

The policy provides for legal costs for the drafting of the Deed of Lease to be met by the Lessee.

The following lease arrangement is suggested:

<b>Term:</b>	4 years
<b>Commencement:</b>	01 July 2014
<b>Right of Renewal:</b>	One - subject to the lessee securing a funding agreement contract with the lessor
<b>Renewal Dates:</b>	01 July 2018
<b>Final Expiry:</b>	30 June 2022
<b>Rental:</b>	\$350 + g.s.t plus outgoings + g.s.t
<b>Rent Review:</b>	Two yearly commencing 1 July 2016

The revenue will be credited to account - Economic Development Administration Land & Buildings - Rent Commercial - GL code - 253.12212.

A draft deed of lease together with the area to be leased is delineated blue on the aerial is included as **Attachment A**.

## **5 Suggested Resolution(s)**

That the Thames-Coromandel District Council:

1. Receives the report.
2. Approves a new lease between the Thames-Coromandel District Council and Destination Coromandel Trust for the purposes of an information centre on part of the land and including the building (premises), known as Soldiers' Memorial Park, described as DP 13245 comprised in computer freehold register SA377/27, located at 66 Albert Street, Whitianga on the following terms;

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<b>Renewal Dates:</b>	01 July 2018
<b>Final Expiry:</b>	30 June 2022
<b>Rental:</b>	\$350 + g.s.t plus outgoings + g.s.t
<b>Rent Review:</b>	Two yearly commencing 1 July 2016

## **References-Tabled/Agenda Attachments**

**Attachment A** *Draft deed of lease and aerial - Destination Coromandel Trust*

**Attachment A**

**[Attachment A - Draft deed of lease and aerial - Destination Coromandel...](#)**