

New Leases x 3 - Pauanui Community Amenity Building

TO	Tairua-Pauanui Community Board
FROM	Jan McNeil - Property Officer
DATE	21 July 2015
SUBJECT	New Leases x 3 - Pauanui Community Amenity Building

1 Purpose of Report

For consideration to approve new leases between the Thames-Coromandel District Council and the Pauanui Business Association Incorporated, the Pauanui Community Library Incorporated and The Pauanui Ratepayers and Residents Association Incorporated in part of the Pauanui Community Amenity Building located at 21 and 23 Centreway, Pauanui

2 Background

In 2009 Council purchased a corner site, Lot 1688 DPS 72129 comprised in computer freehold register S58A/213 located at 23 Centreway, Pauanui and subsequently purchased the adjacent corner site in 2014, Lot 1687 DPS72129 comprised in computer freehold register SA58A/212 located at 21 Centreway, Pauanui for the purpose of constructing the Pauanui Community Amenity Building.

A business case for the construction of the Pauanui Community Amenity Building to provide a facility in the town centre hub for an information centre, library, and community office together with a central meeting place was presented and approved by Council on 27 November 2013. Construction commenced in October 2014 with the completion of the Premises in June 2015.

3 Issue

The three community groups that are occupying the Pauanui Community Amenity Building require leases to ensure a legal right of exclusive possession to the area each of the groups are occupying.

4 Discussion

The land and buildings located at 21 and 23 Centreway (Premises) is owned by the Thames Coromandel District Council.

In accordance with the Community Board delegations, approved 8 August 2012, Community Boards have the authority to make decisions on leases associated with all Council owned property within their board area.

The three community groups that are occupying the Premises are the Pauanui Business Association Incorporated, Pauanui Community Library Incorporated and The Pauanui Ratepayers & Residents Association Incorporated. A lease is required for each group to provide a legal right of exclusive possession over the part of the Premises they each occupy.

Pauanui Business Association Incorporated (PBAI)

The PBAI was incorporated under the Incorporated Society Act 1908 on the 31 August 1998 and provides the legal entity required to enter into a lease as appended to **(Attachment A)**. The area of the Premises that the PBAI occupy is delineated pink with the use of the toilet and kitchen areas being a 'Shared Area'. Both areas are shown on the floor plan appended to **(Attachment B)** and will form part of the lease document **(Attachment C)**.

The current "*Leases of Council Owned and Administered Land and Buildings*" adopted 22 November 2006 determined Community Groups to be Category 2 with a rental of \$350 per annum + g.s.t. The policy provides for legal costs for the drafting of the Deed of Lease to be met by the Lessee.

The annual rent payable from each rent review date shall be determined in accordance with any prevailing Council policy relating to leases of council owned and administered land and buildings, current at the date of each rent review.

The following lease arrangement has been suggested by the Area Manager;

Term: 3 years
Commencement: 1 July 2015
Right of Renewal: 2 terms of 3 years and 1 term of 1 year
Renewal Dates: 1 July 2018, 1 July 2021 and 1 July 2024
Final Expiry: 30 June 2025
Rental: \$350 + GST plus outgoings
Rent Review: Every three years (as per the lease policy)

Pauanui Community Library Incorporated (PCLI)

The PCLI was incorporated under the Incorporated Society Act 1908 on the 6 April 2009 and provides the legal entity required to enter into a lease as appended to **(Attachment A)**.

The area of the Premises that the PCLI occupy is delineated orange with the use of the toilet and kitchen areas being a 'Shared Area'. Both areas are shown on the floor plan appended to **(Attachment B)** and will form part of the lease document **(Attachment D)**.

The current "*Leases of Council Owned and Administered Land and Buildings*" adopted 22 November 2006 determined Community Groups to be Category 2 with a rental of \$350 per annum + g.s.t. The policy provides for legal costs for the drafting of the Deed of Lease to be met by the Lessee.

The annual rent payable from each rent review date shall be determined in accordance with any prevailing Council policy relating to leases of council owned and administered land and buildings, current at the date of each rent review.

The following lease arrangement is suggested by the Area Manager:

Term: 3 years
Commencement: 1 July 2015
Right of Renewal: 2 terms of 3 years and 1 term of 1 year
Renewal Dates: 1 July 2018, 1 July 2021 and 1 July 2024
Final Expiry: 30 June 2025
Rental: \$350 + GST plus outgoings
Rent Review: Every three years (as per the lease policy)

The Pauanui Ratepayers & Residents Association Incorporated (PRRAI)

The PRRAI was incorporated under the Incorporated Society Act 1908 on the 3 September 1998 and provides the legal entity required to enter into a lease as appended to **(Attachment A)**.

The area of the Premises that PRRAI occupy is delineated green with the use of the toilet and kitchen areas being a 'Shared Area'. Both areas are shown on the floor plan appended to (**Attachment B**) and will form part of the lease document (**Attachment E**).

The following lease arrangement is suggested by the Area Manager:

Term:	3 years
Commencement:	1 July 2015
Right of Renewal:	2 terms of 3 years and 1 term of 1 year
Renewal Dates:	1 July 2018, 1 July 2021 and 1 July 2024
Final Expiry:	30 June 2025
Rental:	\$100 + GST plus outgoings
Rent Review:	Every three years

The annual rental suggested for PRRAI is not consistent with the current "*Leases of Council Owned and Administered Land and Buildings*" adopted 22 November 2006 that determines Community Groups to be Category 2 with a rental of \$350 per annum + GST. The variance is due to the fact that the area PRRAI lease is smaller compared to the other two groups.

5 Suggested Resolution(s)

That the Tairua-Pauanui Community Board:

1. Receives the report.
2. Approves a new lease between the Thames-Coromandel District Council and the Pauanui Business Association Incorporated for part of the Premises located at 21 and 23 Centre Way, Pauanui.

Term:	3 years
Commencement:	1 July 2015
Right of Renewal:	2 terms of 3 years and 1 term of 1 year
Renewal Dates:	1 July 2018, 1 July 2021 and 1 July 2024
Final Expiry:	30 June 2025
Rental:	\$350 + GST plus outgoings
Rent Review:	Every three years (as per the lease policy)
3. Approves a new lease between the Thames-Coromandel District Council and the Pauanui Community Library Incorporated for part of the Premises located at 21 and 23 Centre Way, Pauanui.

Term:	3 years
Commencement:	1 July 2015
Right of Renewal:	2 terms of 3 years and 1 term of 1 year
Renewal Dates:	1 July 2018, 1 July 2021 and 1 July 2024
Final Expiry:	30 June 2025
Rental:	\$350 + GST plus outgoings
Rent Review:	Every three years (as per the lease policy)
4. Approves a new lease between the Thames-Coromandel District Council and The Pauanui Ratepayers & Residents Association Incorporated for part of the Premises located at 21 and 23 Centre Way, Pauanui.

Term:	3 years
Commencement:	1 July 2015
Right of Renewal:	2 terms of 3 years and 1 term of 1 year
Renewal Dates:	1 July 2018, 1 July 2021 and 1 July 2024
Final Expiry:	30 June 2025
Rental:	\$100 + GST plus outgoings
Rent Review:	Every three years
5. Notes that the annual rental payable by The Pauanui Ratepayers & Residents Association Incorporated is not consistent with the "*Leases of Council Owned and Administered Land and Buildings*" adopted 22 November 2006.
6. Instructs staff not to invoice for the legal costs associated with preparation of the deeds of leases and acknowledge that this decision is also not consistent with the "*Leases of Council Owned and Administered Land and Buildings*" adopted 22

November 2006.

References-Tabled/Agenda Attachments

Attachment A *Certificates of incorporation*

Attachment B *Floor plans showing areas leased*

Attachment C *Draft deed of lease - Pauanui Business Association Inc.*

Attachment D *Draft deed of lease - Pauanui Community Library Inc.*

Attachment E *Draft deed of lease - Pauanui Ratepayers & Residents Association Incorporated*

Attachment A

Attachment A - Certificates of incorporation

Attachment B - Floor plans showing areas leased

Attachment C

[Attachment C - Draft Deed of Lease - Pauanui Business Association Inc](#)

Attachment D
Attachment D - Draft Deed of Lease - Pauanui Community Library Inc

Attachment E
Attachment E - Draft Deed of Lease - Pauanui Ratepayers & Residents As...