Right of Renewal and Rent Review - St John Northern Regional Trust Board

TO: Mercury Bay Community Board
FROM: Rebecca O'Sullivan - Property Officer
DATE: 14 January 2019
SUBJECT: Right of Renewal and Rent Review - St John Northern Regional Trust Board

1 Purpose of report
For consideration to recommend to Council to approve a right of renewal and rent review between the Thames-Coromandel District Council (Council) and St John Northern Regional Trust Board (St John) for the land located at 2 Cook Drive, Whitianga.

2 Background
St John has been leasing part 2 Cook Drive, Whitianga since 20 January 1999.

The Mercury Bay Community Board at its 11 May 1999 meeting passed the following resolution:

Resolved:
1. That the Mercury Bay Community Board enters into a lease agreement with the St John Ambulance, Mercury Bay, for the lease of Council Reserve at 2 Cook Drive for the sum of $6500.00 per annum plus GST.

Hardy/Edens

The lease commenced 20 January 1999 for a term of 20 years, expiring on 19 January 2019 with one right of renewal for a further 20 years. Final expiry would be 19 January 2039.

3 Issue
St John has confirmed they wish to exercise their lease right of renewal for a further term of 20 years.

4 Discussion
Right of Renewal
As outlined above, right of renewal of the lease is due. St John has confirmed by letter they wish to exercise their right of renewal for a further term of 20 years, effective from 19 January 2019.

Rent Review
The current rent paid is $100 (plus GST) per annum. The annual rent payable from each rent review date is determined in accordance with any prevailing Council lease policy current at the date of each rent review.

The Leases and Licences to Occupy policy has not changed therefore the rent payable under the lease will remain at $100 (plus GST) per annum, effective from 19 January 2019.

Given the above the following resolution is suggested.
5 Suggested resolution(s)
That the Mercury Bay Community Board:

2. Receives the report ‘Right of Renewal and Rent Review – St John Northern Regional Trust Board’ report, dated 14 January 2019
3. Recommends to Council to approve the right of renewal of 20 years, effective from 19 January 2019, between the Thames-Coromandel District Council and St John Northern Regional Trust Board. For the part of the premises located at 2 Cook Drive, Whitianga, and the community rental fee of $100 (plus GST) per annum