

11. LEASE OF CURATOR'S HOUSE – BOTANIC GARDENS

RR 9938

The Parks Manager reported, recommending that a lease be granted to the Botanical Epicurean Company over the Curator's House, Botanic Gardens and seeking the allocation of additional funding for the redevelopment of the house and grounds.

At its meeting in December 1998 the Council resolved that approval in principle be given to grant the Knight/Garcia Syndicate (Botanical Epicurean Company Ltd) a lease of the house subject to:

- (a) Satisfactory evidence being produced as to the viability of the business.
- (b) Negotiations being completed over the proposed lease terms and annual rental to apply with these to be confirmed by the Parks and Recreation Committee.
- (c) A notified resource consent being obtained for the proposed development.

The terms and conditions of the lease together with the viability issue were the subject of a report to the Committee which was dealt with while the public was excluded from the meeting. This information is contained in the public excluded section of this agenda.

The costs for the redevelopment of the house and grounds were detailed in the open section of the report. It was reported that the cost of upgrading the house, including earthquake strengthening was estimated to be \$396,839, with the Council's share of these costs being \$139,383. In terms of the lease, the Council will be responsible for the strengthening work as well as those fitout costs which will remain a permanent benefit to the building. Grounds development, which is the Council's responsibility, was estimated to be \$72,300.

Of the \$211,680 required to be met by the Council \$55,000 is available from budget allocations leaving a shortfall of approximately \$160,000. Of this sum \$20,000 can be drawn from the cash in lieu account for grounds redevelopment. The report recommended that the balance of the shortfall be sought through the Annual Plan process. In considering this recommendation, the Committee noted the following comments by the Financial Services Manager on the impact of this expenditure on rates:

“If we assume that the revenue generated from this project is \$50,000 per annum and that the capital shortfall is \$140,000 the impact on the rates is favourable for 1999/2000 and neutral for subsequent years.

The impact on rates can be summarised as follows:

Draft 1999 Annual Plan	Current Projected Rate Increase	Projected Rate Increase if funds provided
1999/2000	1.96%	1.92%
2000/01	2.74%	2.74%
2001/02	1.85%	1.85%
2002/03	3.26%	3.26%
2003/04	3.52%	3.52%”

The Committee **resolved:**

1. That a lease be granted to the Botanical Epicurean Company Limited subject to the appropriate resource and building consents being obtained on the terms and conditions contained in the public excluded section of the report.
2. That, subject to there being no inflationary affect on rates, an application be made to the Annual Plan Working Party for an additional \$160,000 to be provided for the 1999/2000 year in the Asset Management section of the Property Unit's budget to complete the building and grounds redevelopment.
3. That an application be made to the Lottery Grants Board for a grant towards the project.
4. That the concept design for the development of the grounds be supported.