

8. APPLICATION FOR REMISSION OF RATES – THEATRE ROYAL CHARITABLE FOUNDATION, 149 GLOUCESTER STREET RR 9865

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The purpose of this report is to submit an application for the remission of rates under the provisions of Section 179(1) of the Rating Powers Act 1988. An application seeking remission has been received from the Theatre Royal Charitable Foundation in respect of the property at 149 Gloucester Street recently purchased by the foundation as an extension to the Theatre Royal building.

BACKGROUND

As background to this present application, the Council at its meeting held in April 1992 agreed to a 100% remission in respect of the Theatre Royal itself, which building adjoins that which is the subject of this present application. This had followed an earlier application in February 1981 when the Council had approved a 50% remission of rates. The granting of a 100% remission brought this in line with that for the Christchurch Town Hall, the Court Theatre at the Christchurch Arts Centre, and at that time the State Trinity Centre.

CURRENT POSITION

The Theatre Royal Charitable Foundation has recently, with the generous assistance of the City Council, purchased the adjoining site at 149 Gloucester Street, which is an integral part of the Theatre Royal building. Currently building contractors are working to incorporate the upper storey of 149 Gloucester Street into the existing encircled foyer of the theatre. The ground floor of 149 Gloucester Street has been leased long term to a restaurant owner.

The present application relates to a full remission of rates only in respect of the upper floor of the building used by the theatre, with full rates being levied as usual on the ground floor restaurant. This is considered to be a reasonable request, given the existing remission granted to the theatre and the non-profit making nature of the Theatre Royal Foundation.

Unfortunately, it is not possible to give an indication of the likely impact in dollar terms without the benefit of a separate valuation being available. Normally, however, the bulk of the value of older inner city buildings lies in respect of the ground floor shop frontage and this is likely to be the case here.

Currently the building has a 1 September 1998 rating valuation of capital value \$290,000 (down from \$350,000 as at 1 September 1995); a land value of \$260,000 and a value of improvements of \$30,000.

The 1998/99 rates were assessed at \$3,324.50. The 1999/00 rates, before remission, are estimated at \$2,650.00

Recommendation: That the application for a 100% remission of rates in respect of the upper floor of the building at 149 Gloucester Street be approved under the provisions of Section 179 of the Rating Powers Act.