

## 1. COACHMAN SALE

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| <b>Officer responsible</b><br>Property Manager | <b>Author</b><br>Property Projects Manager, Angus Smith |
| Corporate Plan Output: Heritage Properties     |   |

The purpose of this report is to provide an update on the sale of the Coachman Inn located at 144 Gloucester Street.

### BACKGROUND

Following failure to conclude an agreement with the first purchaser selected from the RFP process that concluded in May 1999, the Council resolved at its March 2000 meeting to accept the next best offer arising from the same process. The prospective purchaser in this instance is Equity Trust Pacific Limited. The sale and purchase agreement put in place between the parties has not yet become unconditional. Several formal extensions to the due diligence period have been granted to the purchaser. These have subsequently expired and we are currently rolling over the agreement on an informal weekly basis. We are currently awaiting the finalisation of one last issue, relating to the estimated costs involved in upgrading the building to comply with fire safety requirements. To allow the fire compliance costs to be established, the purchaser's fire consultants will shortly be lodging a fire plan, based on the developer's upgrading proposals, with the Council's Building Control Unit.

Owing to the nature of the property and significant associated issues, not the least of which is the process through which the Council arrived at its latest resolution, the Property Projects Manager has to date exercised his discretion in rolling over the due diligence period in a practical effort to achieve the intent of the Council's resolution.

### SUMMARY

The intending purchaser continues to commit time, effort and costs in the form of consultants and there is still a reasonable expectation of this sale being concluded shortly. Should it not proceed, serious consideration will need to be given to remarketing the property rather than progressing further down the diminished list from the original RFP process.

- Recommendation:**
1. That the Property Projects Manager be authorised to continue negotiations with a view to finalising the sale of the property to Equity Trust Pacific Ltd, in terms of the resolution previously adopted by the Council in March 2000.
  2. That, should the sale not be concluded by 31 July 2000, a report on options be brought back to the Council.