

7. CHRIST'S COLLEGE CANTERBURY - KERRS REACH

General Manager responsible:	General Manager City Environment
Officer responsible:	Greenspace Manager
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PURPOSE OF REPORT

1. The purpose of this report is to seek the Board's recommendation to Council to approve the terms of a renewal and variation to the conditions of Christ's College ground lease at Kerrs Reach.

EXECUTIVE SUMMARY

2. Christ's College have occupied the existing site at Kerrs Reach for their rowing facilities for many years, the original lease dating back to April 1961.
3. The current lease document provides for a perpetually renewable term of 21 years, the first term having expired 31 March 2003. The College has given notice of its intention to exercise the right of renewal and negotiations have been concluded to renew the lease with a variation to the lease term and certain provisions of the lease. The conditions to be varied will align the terms and conditions of lease to the Council's generic deed for sports bodies. The proposed renewal/variation also provides for one single term of 35 years less one day removing a perpetual right of renewal under the current document so that the lease will finally expire 30 March 2038.
4. The land is held by Council in fee-simple for river works with the lease issued under Section 45 (1) of the Public Works Act 1981. The Council is authorised (without reference to any other authority) to grant a lease of this land on such terms and conditions as the Council thinks fit.

FINANCIAL AND LEGAL CONSIDERATIONS

5. There are no financial considerations of any significance. A rental stream in line with the Council's sports body charging policy will continue to be received by Council settled to Greenspace Unit. The delegations do not authorise Community Boards to vary leases where the variation (as in this case) involves an amendment to the term. The decision needs to be made by the full Council, the Board has however, recommendatory powers to the Council. The lease term proposed is the maximum term permitted without triggering a resource (subdivision) consent.

STAFF RECOMMENDATION

It is recommended that the Board endorse for Council approval the renewal/variation of the lease to Christ's College at Kerrs Reach as outlined in paragraph 7 of this report.

CHAIRPERSON'S RECOMMENDATION

That the abovementioned recommendation be adopted.

BACKGROUND ON CHRIST'S COLLEGE CANTERBURY - KERRS REACH

6. Through their solicitor the college gave notice on 21 February 2003 of their wish to exercise the right of renewal contained in the lease. At that time the subdivision provisions of the Resource Management Act 1991 ("RMA") limited (without subdivision consent) the renewal to a term of 21 years less one day. Negotiations commenced to renew the lease for a further term as provided by the RMA notwithstanding the lease contained a perpetual right of renewal. These negotiations culminated in an agreement to renew the lease for one single term of 35 years less one day as allowed by an amendment to the RMA on 1 August 2003. By agreeing to this term the college will waive its right to a perpetually renewable lease.
7. Agreement has also been reached on varying certain conditions of the lease that will see the deed brought in line with the conditions of the Council's generic ground sports leases. The variation will see various amendments but the principal changes relate to:
 - (a) One single term of 35 years less one day to finally expire 30 March 2038.
 - (b) Rental reviews to be conducted at three yearly interval instead of annually.
 - (c) Lessee's responsibility for ground care expanded and maintenance extended to all utility services, gates and paved areas.
 - (d) Expansion of assignment clause to permit hire of facilities subject to standard conditions.
 - (e) Consent for alterations additions to existing building/improvements at sole discretion of Council.
 - (f) Termination for default expanded to add clarity.
 - (g) Situation in relation to ownership/removal of Improvements on termination broadened so that it is clear that Council is under no obligation to compensate but should College elect with Council consent, not to remove improvements, Council to use reasonable endeavours to ensure that an incoming tenant (without obligation to release the premises) pays the College the value of the improvements as assessed by an independent registered valuer.
 - (h) A clause to describe more clearly the existing formal right held by the College to access the facility over the formed accessway from Avonside Drive in common with other users of Kerrs Reach.
 - (i) Provision for public access over lease area to river frontage with College having right to restrict this access at times when training events or regattas are being held in the interests of safety.
 - (j) Updating statute amendments and provisions relating to GST and Liquor Licensing.
8. The rowing facility comprises a substantially built brick and concrete structure with a floor area of approximately 326m² and a paved landing, the total site comprising about 981m². The building is sound and has had several internal makeovers in recent years.
9. Christ's College has over 80 boys involved in regular activity with 57 boys currently rowing competitively. Parents are also taking part in training sessions 2-3 times a week. In the view of the Rowing Association this is the best utilised of the Kerrs Reach rowing facilities.

OPTIONS

10. The options in this case only relate to whether or not to vary the lease as the College has a right to a renewal of its lease. As mutual agreement has been reached on the variation which will not compromise but enhance the Council's rights and remedies under the lease the status quo is not considered a viable option.