

10. ANTIGUA BOATSHEDS - SUBLEASE

General Manager responsible:	General Manager City Environment, DDI 941-8656
Officer responsible:	Manager Transport and Greenspace
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PURPOSE OF REPORT

1. The purpose of this report is to seek the Board's approval under delegated authority to consent to an application by the Lessee of the Antigua Boatsheds to sublease part of the premises in connection with the business operation of the punts for hire.

EXECUTIVE SUMMARY

2. The Antigua Boatsheds site is leased to Michael and Sally Jones as a partnership for the purposes of hiring boats, canoes and punts to the public and the operation of a café. The lease which is issued under Section 54 (1) (d) of the Reserves Act 1977, is for a term which runs to 31 March 2036 if all renewals are taken up.
3. The Lessee is proposing to sublet one full bay together with the decking and the use of common areas for a term of three years with one right of renewal for three years to Mr Wesley Golledge, the existing owner/operator of the punts.
4. Since approving a new ground lease to Mr and Mrs Jones in December 2005 substantial repair and structural remedial work has been undertaken by the lessee under a conservation plan to restore, stabilise and maintain this historic landmark building. With the new head lease in place and the upgrading of the building now largely completed the lessee now wishes to formalise the business use of the premises called 'Punting in the Parkland' based at Antigua Boatsheds.
5. Staff see no reason why Council should withhold consent.

FINANCIAL AND LEGAL CONSIDERATIONS

6. The Board has the power to approve a sublease of a lease of land under the Reserves Act 1977 where the lease provides that such consent will not be unreasonably withheld. The Lease of the Boatsheds provides that the Lessee may with the prior written consent of the Lessor sublease the whole or any part of the premises provided that it is shown the sub lessee is responsible and the lessee has performed all of the lessee's obligations.
7. A deed of sublease has been presented by the Lessee's solicitor and Council's Legal Services Unit has confirmed that the document is in a form acceptable for execution by Council. The sublease conditions prohibit sub-subleasing or under letting but permit assignment subject to consent of both the lessee and the Council and on the same provisions as the assignment clause in the head lease.
8. There are no financial considerations for Council. The costs of the sublease are between the lessee and the sub lessee.

STAFF RECOMMENDATIONS

It is recommended that the Board grant the consent of Council as head lessor to a sublease of part of the Antigua Boatsheds (one full bay) and use of the deck to Wesley Golledge for the business of operation of punts for hire on the Avon river and the necessary ancillary activities connected with this business.

CHAIRPERSON'S RECOMMENDATION

That the staff recommendation be adopted.

BACKGROUND

9. The current ground lease which commenced 1 July 2006 superseded the former lease to the Antigua Boatshed (W.S. Dini) Limited which owned and managed the boatsheds for 30 years since 1948. The current lessee who has been involved with the Boatsheds since 1986 purchased the building at the time the new lease was granted and has worked with Council under a conservation plan to bring the building up to a proper state of repair with assistance from the Council's heritage fund.
10. The punting operation in part was first based at the Boatsheds in 1995 and the lease at that time was varied to formally extend the use clause to provide for the hiring of punts although it as acknowledged that this use did fall within the primary purpose of the lease ie hiring of boats.
11. The Council approved a sublease in 1998 to Antigua Boat Hire Limited to operate the Boat hire business including the punts as part of better structuring the boating and cafe activities. That sublease was never updated or renewed pending finalisation of the new head lease and certainty with undertaking the remedial works.
12. Mr Golledge who owns the punts has had the use of the Boatsheds since 1995. The sublease of part of the upgraded premises to which the provisions of the head lease apply will formally acknowledge this use and also enable administration of the punting operation on the Avon to be based at the Boatsheds.