



PROPOSED NEW LEASE – AKAROA BUTCHERY

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Angus Smith, Acting Corporate Support Unit Manager
Author:	Jeff Woodham, Leasing Consultant

PURPOSE OF REPORT

1. This report is submitted to the Akaroa Wairewa Community Board seeking recommendation to the Council for consideration and resolution on a proposal to enter into a new two-year lease with two rights of renewal of three years each with Akaroa Butchery and Deli (2011) Limited for the Council owned building at 67 Rue Lavaud, Akaroa also known as the Akaroa Butchery.

EXECUTIVE SUMMARY

2. The Akaroa Butchery is located on the BP Meats site as shown on the **attached** plan and has been leased to Akaroa Butchery Limited since the surrender of the lease by Purple Peak Development Limited in 2008. Akaroa Butchery Limited has sold its business and has requested an assignment of the lease to Akaroa Butchery and Deli (2011) Limited. The current lease expired on 15 September 2011 and the tenant has been holding over on a monthly tenancy since that time. An assignment is therefore not necessary; by agreement the current occupancy agreement can be terminated and a new lease entered into with the new tenant.
3. Council's Strategy and Planning Unit, through the General Manager, has suggested that in terms of future planning it would be appropriate to extend the occupancy to 2018.
4. Council has retained a clause in the lease giving 18 months' notice if the site was to be required for future development prior to the final expiry in September 2018.
5. The level of rent for this new lease has been considered and it is proposed that the annual rental is to remain at the current level of \$15,000 plus GST, insurance and rates.

FINANCIAL IMPLICATIONS

Do the Recommendations of this Report Align with 2009-19 LTP budgets?

6. The lease revenues are in line with the LTP Budgets.

LEGAL CONSIDERATIONS

7. The Community Board does not have the delegated authority to authorise the granting of the proposed lease; that decision needs to be made by the Council. The Community Board does have powers to make recommendations to the Council

Have you considered the legal implications of the issue under consideration?

8. Yes, legal implications associated with the leasing of this property have been considered and a Draft Lease Agreement has been prepared by Council's Legal Services Unit.

ALIGNMENT WITH LTP AND ACTIVITY MANAGEMENT PLANS

9. An attractive and well designed city – protecting heritage buildings for future generations.

Do the recommendations of this report support a level of service or project in the 2009-19 LTP?

10. No.

ALIGNMENT WITH STRATEGIES

11. This site is one of the principal subjects of the *Akaroa Places and Spaces Plan 2011*. (Refer Section D: BP Meats Site Development)

Do the recommendations align with the Council's Strategies?

12. The lease provides a use for the site pending the finalisation of Council Strategy for the site.

CONSULTATION FULFILMENT

13. There is no requirement for statutory consultation to be carried out; however, consultation on the BP Meats site has been carried out through the *Akaroa Places and Spaces Plan* consultation.

BACKGROUND

14. The property is located at 67 Rue Lavaud, Akaroa.
15. The legal description is Part Rural Section 200 and comprised in Computer Freehold Register CB400/274 in the District of Canterbury.
16. Due to the sale of the business, the effect of earthquakes to the area and the slowness of trade the premises has been closed over the winter period. The incoming tenant opened on 1 October 2011.
17. Access to the property has not been restricted as a consequence of the 2010/2011 earthquake events.

THE OPTIONS

Option A

19. Do nothing – this option would leave Akaroa without the services of a butchers shop.

Option B

20. Recommend the issue of a new lease to Akaroa Butchery and Deli (2011) Limited with a final expiry of 15 September 2018.

THE PREFERRED OPTION

21. Option B.

STAFF RECOMMENDATION

It is recommended that the Akaroa Wairewa Community Board recommends to the Council that it:

- (a) Approves the entering into of a two year lease with two rights of renewal of three years each, with a final expiry of 15 September 2018 with Akaroa Butchery and Deli (2011) Limited over that part of the property as shown on Plan SM1704-01 being 267 square metres of Part Rural Section 200 Canterbury District, located at 67 Rue Lavaud, Akaroa at an annual rental of \$15,000 plus GST, rates and insurance.
- (b) Delegated authority be given to the Corporate Support Unit Manager to complete negotiations for the lease over the property located at 67 Rue Lavaud, Akaroa.