


## 8. CANTERBURY COASTGUARD LEASE – NAVAL POINT

<b>General Manager responsible:</b>	General Manager, City Environment, DDI 941 8656
<b>Officer responsible:</b>	Maintenance Operations & Contracts Manager
<b>Author:</b>	Kathy Jarden, Leasing Consultant

### PURPOSE OF REPORT

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1. The purpose of this report is to seek the support of the Lyttelton/Mt Herbert Community Board in obtaining the Council's approval to grant delegated authority to the Corporate Support Unit Manager to negotiate and grant a lease to Canterbury Coastguard Incorporated (the "Coastguard") over part of that land described as Lot 1 DP 72644 CT42A/442 referred to as 56 Godley Quay, Naval Point, Lyttelton as shown in the **attached** plan.

### EXECUTIVE SUMMARY

2. The Coastguard have occupied the Naval Point site since the early 1980's. Recently their occupation was recorded in a month to month lease with Lyttelton Marina Limited (In Receivership).
3. The Christchurch City Council resumed control of the land at Naval Point in May 2009 from the Receivers, BDO Spicers Limited acting for Lyttelton Marina Limited (In Receivership).
4. The Coastguard wish to secure a permanent and formal tenancy and have accordingly entered into negotiation with the Council resulting in an agreement, subject to Council approval, for a lease to commence on 1 July 2010 with an initial term of ten years with two rights of renewal for a further term of five years each in the form of Council's generic ground lease. The final expiry date is 30 June 2030 if all renewals are exercised.
5. The Coastguard owns the improvements on the leased area.
6. The lease will have provision for early termination should the Council require the land for other purposes.

### FINANCIAL IMPLICATIONS

7. A ground rental of \$5,000 per annum plus the goods and services tax has been negotiated as the rent for the first three years of the agreement. The current rent is \$3753 per annum. In addition, the lessee will be responsible for a 5% portion of the rates levied on Lot 1 DP 72644. For the 2009/2010 year this is equivalent to \$935.

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

8. Yes

### LEGAL CONSIDERATIONS

9. 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 full Council. The Community Board can however make recommendations to the Council.

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

10. Council's Legal Services Unit will prepare the lease documentation using the generic ground lease for community groups.

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

### ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. Business as usual

## **ALIGNMENT WITH STRATEGIES**

12. A safe city and a city for recreation, fun and creativity.

### **Do the recommendations align with the Council's strategies?**

## **CONSULTATION FULFILMENT**

13. Not applicable.

## **STAFF RECOMMENDATION**

It is recommended that the Lyttelton/Mt Herbert Community Board recommend to Council that delegated authority be given to the Corporate Support Unit Manager to conclude and administer the lease for the Canterbury Coastguard Incorporated over part of the land as described as Lot 1 DP 72644 CT42A/442 referred to as 56 Godley Quay, Naval Point, Lyttelton for an initial term of 10 years with two rights of renewal for a further term of five years each for a total lease term of 20 years with three-yearly rent reviews.

## **BACKGROUND (THE ISSUES)**

14. Canterbury Coastguard Incorporated is registered as a charitable trust.
15. The Coastguard has occupied this area as its headquarters since the early 1980's.
16. A lease was previously drafted by the former Banks Peninsula District Council but never executed. The responsibility for the lease then fell with Lyttelton Marina Limited (In Receivership). A lease document has never been formalised and the Coastguard wish to have some security of tenure.
17. Agreements between the former Banks Peninsula District Council and a potential developer sought to ensure the continued occupation by the Naval Point Yacht Club, Sea Scouts and Coastguard at the Naval Point site subject to any subsequent agreement reached with those organisations to relocate to other sites as part of any resulting development.
18. The Coastguard has made a request to the Christchurch City Council to remain at Naval Point, and, as indicated in the **attached** letter, wish to upgrade their headquarters in the next two years.
19. The Coastguard owns the improvements on the land.
20. The Canterbury Coastguard has also been working closely with Council staff to address the issues around relocating to the site, the former McConnell Dowell shed, (used in the construction of the ocean outfall project) to house their new Rapid Response Vehicle.
21. The location of the headquarters at Naval Point provides quick access to launch the rescue vehicle should an emergency occur.
22. The Coastguard provides a vital search and rescue service to the Community.

## **THE OPTIONS**

### **Option 1**

23. To enter into a long-term lease with Canterbury Coastguard Incorporated to give them security of tenure so they can proceed with plans to upgrade their headquarters, rapid response and training facilities.

### **Option 2**

24. Status Quo – continue a monthly informal tenancy which will not provide the Coastguard with security of tenure and therefore without that certainty they will probably not be able to carry out refurbishments to their headquarters and provide a service with any level of permanency.

### **Option 3**

25. Decline to enter into a new lease with the Canterbury Coastguard and require them to vacate the site. This is obviously an unsatisfactory option for a number of reasons, primarily the Council has no alternative uses for the site and it would jeopardise a valuable service to the community for which this site is ideal.

## **THE PREFERRED OPTION**

### **Option 1**

26. To enter into a new lease with Canterbury Coastguard Incorporated who are fulfilling an important community service.