

24. PROPOSED LEASE LEVELS FOUR AND FIVE – 62 WORCESTER STREET

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Manager Corporate Support
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PURPOSE OF REPORT

1. The purpose of this report is to seek Council authority to enter into a lease of levels four and five of the property located at 62 Worcester Street to accommodate The Infrastructure Rebuild Management Office.

EXECUTIVE SUMMARY

2. Following the 4 September earthquake, The Infrastructure Rebuild Management Office was formed to deal with matters related to the City's earthquake recovery process and is charged with oversight of design, construction management, finance, communication, programming, procurement and project administration.
3. A team of approximately 80 people comprising full-time Council employees and contractors has been put in place to deal with the predicted influx of earthquake-related reconstruction and consenting work which will occur over the next two to three years as the city embarks on the recovery stage post-earthquake.
4. In order to accommodate the newly created The Infrastructure Rebuild Management Office, an Agreement to Lease, conditional on the Council's approval, has been entered into to lease levels four and five of the premises at 62 Worcester Street, also known as the HSBC Tower. The proposed lease is for a term of two years with an option to renew for a further one year.
5. Conditional to the Council approving the proposed lease, the premises could be occupied as early as 15 January 2011. As part of the lease negotiations, the Council has secured a two-month rent-free period beginning 15 January 2011 with payment of the first rental instalment not due until 15 March 2011.
6. With the earthquake recovery-related work expected to increase substantially in the new year, it is critical to have The Infrastructure Rebuild Management Office set up and operating from suitable premises by mid-January 2011.

FINANCIAL IMPLICATIONS

7. The financial information relating to this matter is provided in the public excluded section of this agenda.

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

8. No.

LEGAL CONSIDERATIONS

9. The Council's Legal Services Unit has reviewed the draft lease provided by the landlord and pertinent amendments have been made to the document including a condition stipulating the lease being subject to the Council's approval on or before Friday, 17 December 2010.

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

10. Yes, the Council's Legal Services Unit has provided advice on the issues related to the lease of the subject premises.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. N/A

16. 12. 2010

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

12. No.

ALIGNMENT WITH STRATEGIES

13. N/A

Do the recommendations align with the Council's strategies?

14. No.

CONSULTATION FULFILMENT

15. Not required.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approves the Council entering into a lease for an initial term of two years, with a right of renewal for one year, of the office premises situated at levels four and five, 62 Worcester Street, Christchurch.
- (b) Grants delegated authority to the Corporate Support Unit Manager to negotiate and enter into the above lease on behalf of the Council on terms and conditions acceptable to him.

BACKGROUND (THE ISSUES)

16. As part of the city's earthquake recovery plan, a team of approximately 80 people has been formed to deal with the recovery process including public infrastructure design and construction, and an anticipated influx of building consent-related work associated with public and private reconstruction projects.
17. From a logistical and operational point of view, The Infrastructure Rebuild Management Office needs to be allocated within proximity to the Civic Offices and ideally, all under the same roof. This will facilitate its day-to-day operations as the nature of its work requires regular interaction and liaison with a wide range of Council departments.
18. Although there are a number of vacant premises within the city's CBD at present, the Council's specific needs in terms of location and floor area have limited the available options to the premises at 62 Worcester Street.
19. The total area available for leasing at levels four and five 62 Worcester Street is 1,261m² comprising 1,170 m² of office space, and 91m² of balcony and foyer space. The landlord has confirmed that levels four and five will be ready for occupation by 15 January with new carpet and paint throughout both floors provided at the landlord's cost.

THE OBJECTIVES

20. To provide suitable office accommodation for The Infrastructure Rebuild Management Office for a period of up to three years to facilitate and assist its operations associated with the City's reconstruction strategy for public infrastructure and privately own properties.

THE OPTIONS

- (a) Accommodate The Infrastructure Rebuild Management Office within the Civic Offices and other Council-owned properties within the city
This option would have a significant impact on the operational capability of The Infrastructure Rebuild Management Office as it would require splitting the team into two or three groups and accommodate them in smaller premises within the city. The nature of the work this team will be conducting as part of the earthquake recovery plan requires a high level of interaction with specialised staff within the recovery team and also with a large number of Council staff operating within the Civic Offices. The need to maintain the recovery teams together and within close proximity to the Civic Offices is paramount to their ability to operate efficiently and collaboratively. This option would limit the ability for the recovery team to operate in this manner.
- (b) Lease levels four and five of the property at 62 Worcester Street to accommodate The Infrastructure Rebuild Management Office
As part of the process to identify suitable premises to accommodate The Infrastructure Rebuild Management Office, a number of office space alternatives were considered. The specific nature of Council requirements in terms of location and floor area has limited the options. The proximity to Council Civic Offices and the ability to accommodate the whole team under one roof have made the premises at levels four and five 62 Worcester Street the most suitable option to accommodate The Infrastructure Rebuild Management Office for a period of up to three years.

THE PREFERRED OPTION

21. Option b:
Lease levels four and five of the property at 62 Worcester Street to accommodate The Infrastructure Rebuild Management Office for a period of up to three years.

25. RESOLUTION TO EXCLUDE THE PUBLIC CONTINUED

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 26 and 27.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
26. APPOINTMENT OF DIRECTORS TO VBASE BOARD)	
27. PROPOSED LEASE LEVELS FOUR AND FIVE – 62 WORCESTER STREET))))	SECTION 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Item 26	Protection of Privacy of Natural Persons	(Section 7(2)(a))
Item 27	Protection of Privacy of Natural Persons	(Section 7(2)(a))

Chairman’s

Recommendation: That the foregoing motion be adopted.

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
 - (a) Shall be available to any member of the public who is present; and
 - (b) Shall form part of the minutes of the local authority.”