

QLDC Council
24 November 2016

Report for Agenda Item: 5

Department: Property & Infrastructure

New Lease – Citizens Advice Bureau

Purpose

To consider granting a new lease to the Citizens Advice Bureau over part of the historic Malaghan building.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** granting a lease to the Queenstown Citizens Advice Bureau Incorporated over part of the Malaghan Building at 44 Stanley Street Queenstown, and described as Section 7 Block XXXI Town of Queenstown, subject to the following terms and conditions:

Commencement	19 December 2016
Term	3 years
Renewals	2 of 3 years each by agreement of both parties
Rent	Pursuant to Community Facility Pricing Policy
Early Termination	1 year (but not in the first 3 years), if required for core infrastructure purposes
Use	Community support services housed in the historic portion of the Malaghan building. Shared use of boardroom only.
Reviews	19 December 2021 (subject to renewal)
Insurance	Requirement to hold public liability insurance of \$2 million
OPEX	Paid for by lessee excluding building insurance and exterior maintenance.

3. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a lease over Section 7 Block XXXI Town of Queenstown.
4. **Delegate** signing authority for the lease to the General Manager, Property and Infrastructure.

Prepared by:



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3/11/2016

Reviewed and Authorised by:



Aaron Burt
Park and Reserves Planner

11/11/2016

Background

- 1 The Queenstown Citizens Advice Bureau Incorporated (CAB) has leased its current site from Council in the historic Malaghan building at 44 Stanley Street since the year 2000.
- 2 The land known as Section 7 Block XXXI Town of Queenstown on CT 72/294 was vested in Council under the Reserve and Other Lands Disposal Act 1965, with the land being declared as a public reserve for library purposes and a site for municipal buildings.
- 3 The CAB lease was most recently varied in 2011 to provide a final expiry date of 19 December 2016.

Comment

- 4 CAB is a non-profit national organisation focused on providing a wide range of support services to the community, delivered by trained volunteers.
- 5 Having a central town centre location for people to be able to visit easily is a key requirement for the service. CAB estimate that between 70-80% of people requiring their services, do so via "walk ins".
- 6 The current area of the Malaghan building occupied by CAB is ideal for their purposes, with a moderately sized information foyer/reception, a staff office, 2 meeting rooms, kitchenette and toilet. It also has had use of the boardroom next door to the lease space, shared with Destination Queenstown which resides in the newer part of the building.
- 7 The building is heritage listed and a key site of interest to the community. It is very important that a careful and considerate lessee occupies the building, which the CAB has proven itself to be over the years.

- 8 As with the earlier lease terms, it is proposed that Council continue to be responsible for maintaining the exterior of the building, and that CAB as lessee be responsible for the internal upkeep.

Options

- 9 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

- 10 Option 1 Approve a lease to the Queenstown Citizens Advice Bureau Inc over Section 7 Block XXXI Town of Queenstown subject to the terms and conditions outlined in this report.

Advantages:

- 11 It will enable a valuable community service group to continue their operations in central Queenstown.

- 12 Will enable the building to be occupied, lessening some operational costs Council would otherwise need to cover for the building.

Disadvantages:

- 13 Will lock up the use of the building for a period of at least 3 years.

- 14 Option 2 Approve a lease to the Queenstown Citizens Advice Bureau Inc over Section 7 Block XXXI Town of Queenstown subject to different terms and conditions.

Advantages:

- 15 Council may consider there are advantages with proposing different lease terms.

Disadvantages:

- 16 None identified.

- 17 Option 3 Decline a lease to the Queenstown Citizens Advice Bureau Inc over Section 7 Block XXXI Town of Queenstown.

Advantages:

- 18 Council may prefer to use the building for another unknown purpose or keep the building unoccupied.

Disadvantages:

- 19 The lessee would have to find another location which would potentially impact their ability to provide the community with free support services.

- 20 The Council would need to cover additional operating expenses that would otherwise be paid for by the lessee.
- 21 This report recommends **Option 1** for addressing the matter because it will enable a valuable community service organisation to continue to operate in Queenstown.

Significance and Engagement

- 22 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the Malaghan building is listed as a strategic asset. The term of lease is comparatively short, considering that the renewals are 'by agreement of both parties'.

Risk

- 23 This matter related to the operational risk OR011A Decision Making as documented in the Council's risk register. The risk is classed as moderate.
- 24 The recommended option considered above mitigates the risk by ensuring the process of granting a new lease is commenced in a timely and legally compliant manner.

Financial Implications

- 25 Council will agree to cover exterior maintenance and building insurance costs for the term of the lease (9 years if all renewals are exercised). Costs associated with drafting of lease documentation will be met by the applicant.

Council Policies, Strategies and Bylaws

- 26 The following Council policies, strategies and bylaws were considered:
- Significance and Engagement Policy
 - Community Facility Pricing Policy
 - Community Lease and Licence Terms
- 27 The recommended option is consistent with the principles set out in the named policy/policies.
- 28 This matter is included in the 10-Year Plan/Annual Plan, through existing property operating budgets.

Local Government Act 2002 Purpose Provisions

- 29 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

by providing a free community service to the community in central Queenstown;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

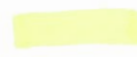

30 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community.

31 Council has consulted with descendants of the Malaghan family of which the building was named. They have provided their support to the building being released to CAB.

32 The Council has not notified the intention to grant a lease, as the use is consistent with the municipal classification.

Attachments

A Malaghan building site plan and lease area

 CAB lease area
 Shared lease area.

