

**Chairperson and Community Board Members**  
ŌTAKI COMMUNITY BOARD

15 SEPTEMBER 2015

Meeting Status: **Public**

Purpose of Report: For Decision

## **FUTURE USE OF THE OLD ŌTAKI COURTHOUSE BUILDING**

### **PURPOSE OF REPORT**

- 1 This report seeks a recommendation from the Ōtaki Community Board (the Board) on the preferred future occupation and use of the old Ōtaki Courthouse building, Centennial Park, 239-245 Main Road, Ōtaki.

### **DELEGATION**

- 2 The Board has delegated authority to make a recommendation on this matter under Part D paragraph 10.4 of the Kāpiti Coast District Council Governance Structure and Delegations 2013-2016 Triennium.

*“Authority to listen, articulate, advise, advocate and make recommendations to Council on any matter of interest or concern to the local community”.*

### **BACKGROUND**

- 3 At its meeting of 16 October 2014 the Kāpiti Coast District Council (Council) made a decision to close the Ōtaki i-SITE at the end of June 2015. The i-SITE was located in the old Ōtaki Courthouse building in Centennial Park, Ōtaki.
- 4 The building is a valued community asset and Council wanted to ensure its continued use. A Request for Expression of Interest (REOI) was issued on 18 February 2015 by the Council in its capacity as owner and manager of Centennial Park and the Old Courthouse building. An open day was held on 14 March 2015, with the deadline for Expression of Interest submissions set at 30 March 2015.
- 5 This project has taken longer than was originally intended, with the initial date in the REOI documents stating that participants would be notified of decisions by 24 April 2015. However, it was clearly stated in those documents that the timetable was indicative only and may be subject to change at the discretion of the Council, with participants being notified by the authorised representative.
- 6 At 10 June 2015 there was one full EOI received and six other potential interested parties, whose names were noted as either requesting the EOI papers or having attended the Open Day on 14 March 2015. A decision was made to go back out to the market and promote in a more informal way the opportunity to occupy the Building, to see if there was any further interest. A contractor with strong local Ōtaki networks was employed on 10 June 2015 to undertake this work and a new closing date of 10 July 2015 was adopted.

- 7 This approach was successful and resulted in a further three EOIs being submitted. At the close of the Expression of Interest period, Council had received four Expressions of Interest as follows:
- Artscape Art and Craft Cooperative
  - Otaki Promotions Group
  - The Courthouse Arts Centre
  - Telegraph Road Limited
- 8 Staff offered guidance to all four applicants and worked closely with them to ensure a clear and transparent process.
- 9 The original applicant expressed frustration around the lack of communication following their EOI submission and the changed timeframes. Staff acknowledged those comments and explained the delay was partially due to a change in staff during this period. Staff then met with the applicant to explain the EOI process, including the Council's right to go back out to the market and extend the timeframe. The applicant was appreciative of the clear line of communication that was subsequently established after 10 June 2015.
- 10 The building became available for a new tenant on 16 July 2015.
- 11 The Ōtaki Community Board decided to use a similar selection process to that recently undertaken by their colleagues at the Paraparaumu-Raumati Community Board in relation to the selection of a tenant for the Maclean Park Kiosk. They agreed on an Evaluation Panel consisting of three Board members and two community representatives. The Panel members were:
- Christine Papps                      Community Board member
  - Rob Kofoed                              Community Board member
  - Colin Pearce                              Community Board member
  - Janet Macdonald                      Community representative
  - Ann Chapman                              Community representative
- 12 The Board decided on a weighting scoring method to evaluate the EOIs received. The criteria considered included:
- The relative capability and experience of the respondent;
  - Local community involvement of the proposed use;
  - Whether the proposed use provides support for the Ōtaki community;
  - Is the proposed use a value adding service or attraction for Ōtaki;
  - Financial viability and organisation fit with Council; and
  - Ability to cover annual operating costs of the building.
- 13 The full evaluation framework is attached to this report as **Appendix 1**.

## ISSUES AND OPTIONS

### Issues

14 The following is a brief summary of the four Expressions of Interest received:

#### A. Artscape Art and Craft Cooperative

15 The Artscape Art and Craft Cooperative (the Cooperative) consists of local artists and craftspersons that display and sell their art. They currently operate at Hyde Park Village, Te Horo. Income is generated through a commission basis on the sale of product.

16 The Cooperative proposes to use the site for the following:

- The primary activity would be the sale and display of art and craft items produced by members of the cooperative
- To promote local artists and craftspersons in Ōtaki and the surrounding areas
- To encourage the sharing of skills and knowledge through demonstrations and workshops
- To provide information about local businesses, attractions and facilities complementary to the promotion of local artists and craftspeople
- To promote and sell Ōtaki and Kāpiti made products and themed items (postcards, calendars) not solely restricted to arts and crafts.

#### B. The Otaki Promotions Group

17 The Otaki Promotions Group (OPG) is an incorporated society run by volunteers and supported by the Kapiti Coast District Council, primarily for the organisation of the Ōtaki Kite Festival. Some funding is also derived from stallholders at the Kite Festival and annual Community Expo.

18 The OPG proposes to use the site to operate a visitor information centre. Key aspects of the facility would include:

- Being open seven days per week
- Having a strong Ōtaki focus, while also providing information on the wider Kāpiti/Wellington region
- Having brochures and other static materials on display as well as possibly displaying video footage
- A rotating display to showcase local businesses and products
- Promotion of local events.

#### C. The Courthouse Arts Centre

19 This proposal is to create a combination of the following:

- A community art gallery/exhibition space
- Workshop space/print studio
- Gift shop
- Café (no food prepared onsite).

- 20 It is also intended to negotiate a future artisan/farmers market and the continuation of a Visitor Information Centre.

#### **D. Telegraph Road Limited**

- 21 The proposal is to operate the site as a visitor information centre, providing the following:
- Information on attractions, accommodation, amenities; including assistance with bookings
  - A café with a coffee machine and pre-packaged food
  - Art space on the walls of the display room and a changing community space in the corner store room, as part of advertising Ōtaki.

### **CONSIDERATIONS**

#### **Panel Recommendation**

- 22 The Panel used all of the evaluation criteria during their considerations with one exception, they agreed that they could not score the “financial viability and organisational fit with Council”. This was due to a lack of information available to them to estimate and measure this in fairness. In advising this decision the Panel noted that they believed that a) Council would be better placed to rate this criteria and b) it was an EOI process and as such there was no formal requirement to submit a business plan. The Panel also noted that their exclusion of this particular criteria had no negative impact on their final recommendation.
- 23 Having considered the Expressions of Interest, the Panel unanimously agreed to recommend that Council negotiate a lease with the Artscape Art and Craft Cooperative to occupy the Old Ōtaki Courthouse.
- 24 The Panel considered that the proposal by the Artscape Art and Craft Cooperative best demonstrates a high level of capability and experience, represents a high level of community support for the Ōtaki community and provides a value added service and attraction that will benefit Ōtaki.

#### **Next Steps**

- 25 The Board needs to determine whether or not they wish to accept the Panel recommendation on a preferred tenant.
- 26 These recommendations will go to the next meeting of the Economic and Community Development Committee (ECD), which is scheduled for 17 September 2015. Due to timing constraints the Board should note that a copy of this report CS-15-1691 has been placed on the ECD agenda as background consideration with a comment that any recommendations the Board makes will be distributed to ECD members as a late item.

#### **Policy considerations**

- 27 There are no policy implications associated with this recommendation.

## Legal considerations

- 28 Centennial Park is zoned as open space in the Operative and Proposed District Plans; it is not a Reserve under the Reserves Act. The building is listed as a Heritage Building in the above stated plans. This means that any proposed commercial activity would need a resource consent as it is zoned open space.
- 29 Key criteria in considering the granting of a consent include that the heritage values of the courthouse are retained and that the intervention is minimal to achieve reasonable use. Because it is a heritage building a resource consent would be required to permanently alter or modify the interior or exterior of the building.
- 30 The intended use of the preferred tenant will have to comply with Resource Management Act 1991 requirements.
- 31 Lease documentation will be drafted and will be reviewed by the Council's Legal Advisor before being presented for signing. The lessees on behalf of the Artscape Art and Craft Cooperative will be Robynne Fellows, Rod Graham and Sharelle Robson.
- 32 Council normally sets lease terms according to risk. New entities are generally considered to be a higher risk and are therefore offered a shorter lease. After a lease holder proves their viability a longer term lease can be offered on expiration of their previous lease.
- 33 It is proposed that the lease with the Artscape Art and Craft Cooperative be for a term of one year, commencing from 1 October 2015, with two rights of renewal of one year. If there has been no breach of the lease and the Artscape Art and Craft Cooperative wishes to continue, the lease may be renewed up to 30 September 2018. There will be opportunity to review the lease period and details during this process.

## Financial considerations

- 34 Due to the community benefit derived from the Artscape Art and Craft Cooperative activities, the nature of the building, and that this will be the first non i-Site occupier of the old Courthouse it is proposed that the rent for this lease be at the rate of \$1 including GST per annum, payable if demanded. This rental will apply for the first year only. Historically there have been leases offered at a peppercorn rental. The reduced rate enables a new type of tenant, such as the Artscape Art and Craft Cooperative, to become established and show they are viable. The lease amount will be reviewed in line with current fees and charges at the end of the first year and over the three year term of the lease.
- 35 On-going routine maintenance costs will be met from the current Property Services budget.

## Tāngata whenua considerations

- 36 There are no known issues for consideration relating to iwi or the Treaty of Waitangi issues.

## SIGNIFICANCE AND ENGAGEMENT

### Degree of significance

37 This matter has a low level of significance under Council policy.

### Consultation already undertaken

38 An Open Day was held on 14 March 2015. From 10 June 2015 onwards the contractor appointed by Council continued to promote the building to try and generate more EOIs. This included many informal discussions including with local business owners, health providers, local Iwi and Te Wānanga o Raukawa. Contact was also made with a representative of NZTA about the possibility of them using the site – this did not progress.

### Engagement planning

39 No engagement plan is required.

### Publicity

40 A media release will be sent out regarding the decision made on 17 September 2015 by the Economic and Community Development Committee.

## RECOMMENDATIONS

41 That the Ōtaki Community Board notes the process undertaken by the Old Ōtaki Courthouse Building Evaluation Panel outlined in this report (CS-15-1691) and approves the following recommendation to be made to the Economic and Community Development Committee:

*That the Environment and Community Development Committee authorises the Chief Executive to negotiate and sign a lease (in general accordance with the proposed terms outlined in this report CS-15-1691) for the Old Ōtaki Courthouse building at Centennial Park, Ōtaki with Robyne Fellows, Rod Graham and Sharelle Robson as the lessees on behalf of the Artscape Art and Craft Cooperative.*

<b>Report prepared by</b>	<b>Approved for submission</b>	<b>Approved for submission</b>
Sean Hester	Sharon Foss	Stephen McArthur
<b>Acting Property Asset Manager</b>	<b>Acting Group Manager Community Services</b>	<b>Group Manager Strategy and Planning</b>

## ATTACHMENTS

- 1 The original Request for Expression of Interest document
- 2 An explanation of the evaluation process
- 3 The summary scoring sheet