

10.2 Winchelsea Tea Rooms - Lease

Council Resolution

MOVED Cr Carol McGregor, Seconded Cr Clive Goldsworthy

That Council:

1. Notes that:
 - a. In accordance with the lease conditions, the rent for the Winchelsea Tea Rooms was due to increase on 1 September 2017 and that the tenant is disputing the rent adjustment;
 - b. Multiple valuations have been obtained to inform the proposed rent and officers have worked with the tenant to explain the rent review processes as well as dispute resolution processes; and
 - c. The tenant has provided written advice that the business cannot sustain the proposed rent and has requested that Council either reduce the rent or terminate the lease.
 - d. The tenant operates a commercial business in a competitive environment and it is not appropriate for Council to reduce rent below market value because this could unfairly disadvantage other similar or competing businesses in the town.
2. Agrees that it is in the interest of both parties to agree to terminate the lease for the | Winchelsea Tea Rooms as an impasse has been reached.
3. Agrees that the Chief Executive Officer should provide written notice to the tenant confirming that:
 - a. The revised rent will not be waived or subsidised
 - b. Council intends to terminate the lease without financial penalty to the tenant.
 - c. Council will allow the tenant to continue to operate for a further period of approximately three months if they wish to at the previous rent, with the end of lease date to be 30 November 2018 or earlier at the tenant's request.
4. Notes that no alternative use of the building has been considered and that this will be the subject of a future report to Council.
5. Agrees that this resolution should be deemed to be no longer confidential two weeks after the date that the written notice is sent to the tenant.

CARRIED 6:0