

REPORT FROM: STRATEGIC DIRECTOR

TO: NELSON COMMITTEE

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CAR PARK AT RAILWAY STREET, NELSON

PURPOSE OF REPORT

To request that Members consider a request for a clause within a proposed lease of the land shown edged black on the plan to allow the lessee an option to purchase if it is sold in the future.

RECOMMENDATIONS

That this Committee considers a request by the proposed lessee for a clause to be included in the lease allowing the first option to purchase if it is declared surplus by the Council in the future.

REASONS FOR RECOMMENDATION

For Nelson Committee to consider a request for a clause within the proposed lease allowing an option to purchase.

BACKGROUND

1. The land is located in between Railway Street and Brunswick Street and comprises a tarmaced car park with 10 spaces which has no parking restrictions.
2. A licence was previously offered to the owner of the adjoining commercial properties at the junction of Vernon Street and Railway Street to allow his tenants to park on the land. The owner requested for a clause to be included in the licence allowing him the first option to purchase if the car park was declared surplus to requirements in the future. The request was referred to Nelson Committee on 4th July 2016 then the Executive on 25th August 2016.
3. It was resolved by the Executive on 25th August 2016 that the request from Nelson Committee to include an option to purchase not be approved and the licence was not granted. The proposed licensee has recently requested for a 3 year lease to be granted as an alternative to a licence, but with a clause allowing him the first option to purchase in the event of the land being declared surplus in the future.

ISSUE

4. The inclusion of a clause allowing the lessee the first option to purchase may restrict the amount of capital receipt received by the Council if the land is declared surplus. If such a clause was approved and the land was sold, the amount of capital receipt would be negotiated to reflect the use of the land with a restrictive covenant that it be used for car parking only.

IMPLICATIONS

Policy: No policy implications are considered to arise directly from this report.

Financial: The inclusion of a clause allowing a sale to one party would restrict the amount of capital receipt.

Legal: No legal implications are considered to arise directly from this report.

Risk Management: No implications are considered to arise directly from this report.

Health and Safety: No implications are considered to arise directly from this report.

Sustainability: No implications are considered to arise directly from this report.

Community Safety: See risk management

Equality and Diversity: No implications are considered to arise directly from this report.

APPENDIX

Location plan

LIST OF BACKGROUND PAPERS

None