

Pahi Wharf – Agreement for Sale and Purchase

Meeting: Council Meeting
Date of meeting: 17 February 2021
Reporting officer: Jody Kelly, Project Manager

Purpose/Ngā whāinga

This report seeks approval to delegate authority to the Chief Executive (CE) to endorse the terms and conditions within the Sale and Purchase Agreement and Licence to Occupy for Pahi Wharf. The agreement between the Pahi Regatta Club Incorporated (PRCI) and Kaipara District Council (KDC) includes (1) an Agreement for Sale and Purchase of Pahi Wharf and (2) License to occupy.

Executive summary/Whakarāpopotanga

The Pahi wharf was identified as an investment priority within the Kaipara KickStart Wharves Programme Business Case, which allocated \$864,320 in Provincial Growth Fund (PGF) funding towards specific renewal works. The renewal works includes improvements to the existing structure and an extension including a new gangway and pontoon. This upgrade will provide a sufficient level of service to cater for passenger ferries, oyster boats and charter operations.

As the existing wharf asset is currently owned and maintained by the PRCI. The existing wharf and subsequent new asset (including the upgraded wharf, new gangway and new pontoon) are to be transferred to Council. This requires an Agreement for Sale and Purchase of the existing Pahi Wharf asset to be executed and a License to occupy to be established between PRCI and KDC.

Recommendation/Ngā tūtohunga

That the External Projects Funding Committee:

- a) Approves the Agreement for Sale and Purchase of Pahi Wharf and a Non-exclusive license to occupy.
- b) Delegates the Chief Executive responsibility for endorsing the terms and conditions within the Agreement for Sale and Purchase of Pahi Wharf and Non-exclusive license to occupy.

Context/Horopaki

This report outlines the mutual agreement for sale and purchase of the existing wharf and the licence to occupy. The agreement is between the PRCI and KDC.

The purchase price \$1,000 plus GST has been endorsed by PRCI.

The Licensee (PRCI) will have full use of the Pahi Wharf and the licensed area in common with others for their permitted use and shall permit the public to use the Pahi Wharf. The Licence to Occupy agreement stipulates PRCI and KDC roles and responsibilities and the maintenance terms.

Discussion/Ngā kōrerorero

Under the License to Occupy agreement, the licensee (PRCI) is required to maintain those parts of the wharf which are principally used by the licensee and make good (by repair or replacement as necessary) any damage caused by the licensee.

KDC will be responsible for insuring for the new asset, estimate to cost ~\$1000 (based on the recent insurance cost of the Dargaville Pontoon)

Options

Option 1: Approve the Agreement for Sale and Purchase of Pahi Wharf and a Non-exclusive license to occupy.

Option 2: PRCI retain ownership of the existing wharf and adopt ownership of the new assets including a pontoon and gangway. This option posed several issues including the following.

- PRCI are reluctant to retain ownership of the new asset due to consenting expectations, insurance, and liability. These conditions and requirements have increased dramatically over the last 30 years and present a large burden to the local community club.

The recommended option is **option 1**.

Policy and planning implications

N/A

Financial implications

Purchase price of the existing asset: \$1,000 + GST.

Insurance cost: ~\$1000

Risks and mitigations

Option 2 was considered and discounted due to the risk and issues this option presented.

Option 1 mitigates the risk of the PRCI declining to sign up to the liability that comes with owning and maintaining the new assets. This option was also the PRCI preferred option, and thus creates a collaborative relationship between Council and the Pahi community.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

- The CE executes the Agreement
- Project progresses to apply for resource connect for the new asset build

Attachments/Ngā tapiritanga

	Title
A	Agreement for Sale and Purchase of Pahi Wharf
B	Licence to Occupy for Pahi Wharf