

Attachment 2. Lease Options

Lease Options	\$Cost	Pros	Cons
1 – Do nothing: Continue with Current lease arrangement	No cost to council	<ul style="list-style-type: none"> Continued rent revenue. 	<ul style="list-style-type: none"> Club may cancel the lease Club provides all facilities at its cost. Club may not be able to provide any or all of the required facilities Possible major effects to Club's viability.
2. Status Quo A: (Present Situation) Variation to Lease and renewal of term to enable council to assist Club with facilities.	Up to \$150,000 Opex over three years	<ul style="list-style-type: none"> Continued rent revenue. Club is able to hold events between October and April each year. Council can offset rent revenue against Opex costs Club has security of tenure for the balance of the renewal period. 	<ul style="list-style-type: none"> Continued cost to council per season to provide seats and toilets for Club. There may be a shortfall per annum between revenue and opex.
3. Variation A Preferred Option for full demolition : Parties agree to a rent reduction (which could include a full waiver) upon renewal of term, which expires in 2019.	Cost of agreed rent reduction which could be up to \$24,400 P.A	<ul style="list-style-type: none"> Reduced cost of rent to Club. No on-going costs to Council or Local Board for the provision of temporary facilities. Rent savings can be used by the Club to provide required facilities. 	<ul style="list-style-type: none"> Reduces income to Council from rent. Club may not agree Club may cancel the lease Club provides facilities at own cost.
4. Variation B Preferred option for partial demolition & strengthening	Cost of agreed rent reduction	<ul style="list-style-type: none"> Reduced rent payable by Club Reduced cost to Council for 	<ul style="list-style-type: none"> Reduces income to Council from rent. Club only needs to part provide facilities at its cost. Club could refuse to negotiate.

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<p>Parties agree to a rent reduction and council to part provide facilities for the renewal term, which expires in 2019.</p>	<p>Cost of agreed amount of seating/temporary toilets.</p>	<p>facility provision.</p>	
<p>5. Lease Surrender: Club agrees to surrender and quit the premises</p>	<p>\$24,000 p.a loss of revenue</p>	<ul style="list-style-type: none"> • Provides opportunity for new tenant or recreational land use. • Same or similar use could establish. 	<ul style="list-style-type: none"> • Relies on Club to voluntarily surrender lease. • Loss of rental income of \$24,000 p.a to Local Board • Could result in compensations costs to Council. • Reputational risk or adverse publicity.