

RYE TOWN COUNCIL

HERITAGE CENTRE WORKING GROUP

Notes of Meeting held on 28 October 2008

WG Members Granville Bantick (GB), Sonia Holmes (SH), Ian Potter (IP), Shaun Rogers (SR), Sam Souster (SH)

Present Sonia Holmes (SH), Ian Potter (IP), Sam Souster (SS)
Richard Farhall (RF)

Valuation (*attached*) Transagents had visited the Centre and suggested valuations as follows:

Freehold sale £200,000-£210,000
Rental value* c£20,000pa

* depending on intended use, presence of the Town Model, market conditions

Discussion

- The ideal place for Rye TIC would be in Station Approach/Crownfields being a bus/rail/coach terminus adjacent to a large car park
- The HC's gift sales improved significantly when the TIC was relocated temporarily to Lion Street during the addition of the last extension.
- There was a theoretical risk of SEEDA requesting the return of its grant towards the last extension, should the TIC be relocated.
- It might be possible to obtain a better return on the first floor but separate access is unlikely to obtain planning and building regs approval – furthermore, the wc, store rooms, office and kitchen are located on this floor.
- Assuming an alternative location could be found, moving the Town Model is likely to result in it being damaged.
- Although not in the ideal location, the HC has evolved into a suitable property from which to run the TIC and attractions.
- The problem with an independent party operating Rye TIC is that there will always be the risk of RTC feeling obliged to step in – possibly at considerable cost and inconvenience – to rescue it should the operator get into difficulties.

Alternative Option (*not identified at last meeting*)

Initiate the formation of a charitable trust to:

- a) manage the premises (including the TIC)
- b) distribute any surpluses made as grant funding to Rye community/voluntary groups

RTC would have a controlling interest by appointing the majority of the trustees (one of whom would be the Town Clerk). The Chairman would always be a Town Council representative. Suggested number: 5

The other trustees would be drawn from organisations with an historical/educational link with the Centre – eg Rye Museum Association, Rye College; and key stakeholders – HotCats and the Chamber. Suggested number: 4

The property would qualify for 80% mandatory rate relief.

RTC would transfer the property to the Trust on the condition that it was returned in the event of winding up the charity being wound up.

Staff would be transferred to the Trust with their terms and conditions of employment protected. The Trust would employ a Manager.

Advantages:

- RTC – through nominated Councillors/ reps and the Clerk – would have considerable influence over the operation of the Centre without being responsible for its day-to-day operation.
- Responsibility for the success of the Centre would be spread amongst a number of stakeholders
- The other stakeholders would bring useful expertise with which to develop the Centre.
- The trust would be able to apply for grants not accessible by the Town Council
- No cost to RTC
- Although no revenue would be generated for RTC it could achieve savings – local organisations approaching RTC for grant funding could be directed to the trust.

IP offered to draft a trust document.

IP

Problem: RDC is about to issue Rye TIC tender documentation – so there is not much time to consult the proposed stakeholders and get the trust into an acceptable 'state' to submit an expression of interest.

Challenge: Producing a surplus in the current/short-term economic climate.

RF 11.11.08

TRANSAGENTS

BUSINESS TRANSFER AGENTS - BUSINESS VALUERS - STOCKTAKERS

Mr R Farhall
Rye Town Council
Rye Town Hall
Market Street
RYE
TN31 7LA

13 OCT 2008

Our Ref: GMR/AJM

Your Ref:

Date: 10 October 2008

Dear Richard

Rye Heritage Centre, Strand Quay, Rye, East Sussex

Thank you for your kind instructions to provide you with an appraisal of the current open market value of the freehold property and also an open market rental valuation.

As you are already more than familiar with the premises and location I will not go into detail other than to say that the property is a detached Grade II listed unit, in a conservation area, originally used as a warehouse but now with later additions.

It immediately adjoins the A259 fronting onto The Quay with car parking on hand along the Quay and in a municipal car park. In the immediate vicinity there is a mix of retail and catering outlets which include cafes, restaurant bar, seafood and steak bar, Simply Italian restaurant, china and gift shops, and a number of antique and collectors' shops.

The main ground floor retail areas extend to approximately 1,545.8 sq ft (143.5 sq m) whilst on the first floor additional main areas are about 538.3 sq ft (49.9 sq m).

As you are aware, the financial and property markets are currently in a state of turmoil which makes valuation of property exceptionally difficult and somewhat contentious. It is a buyers' market and vendors wishing to dispose of a property or landlords wishing to secure a tenant, are somewhat vulnerable to low offers in view of the increasing supply of vacant properties. Also, the subject property is unique which further complicates the valuation.

However, I would advise you that I am of the opinion that the current open market rental value is approximately £20,000 per annum and that the freehold property should realise a price in the region of £200,000-£210,000.

Assuming the grant of all necessary consents, where applicable, I believe that the premises would be ideally suited for use as a high class cafe/gift shop, wine bar, English or ethnic restaurant, or possibly offices for an accountancy practice.

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Mr R Farhall
Rye Town Council

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10 October 2008

In the event of the Tourist Information Centre and Town Model remaining in the premises, then I think that a high class gift shop would be most suitable.

You have also requested an opinion of the likely rent obtainable for the whole, subject to occupation of a part by the Tourist Information Centre and Town Model. I believe that the rent of £20,000 per annum should still be obtainable but that the new lessee would charge to the operators of the Tourist Information Centre and Town Model a basic commencing rent calculated at the rate of £11.30 per square foot for space occupied. A secondary rent would also be charged by the lessee to reflect a proportion of heat, light, rates, cleaning, insurance etc. The Model Room is approximately 712 sq ft producing a rent of £8,045. I do not know the area that the Tourist Information Centre would require.

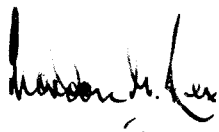
My view is that the Town Model remaining in place is an unattractive proposition as it virtually eliminates the possibility of the property being used for a successful catering operation.

With regard to the terms of a new lease, I believe it should be for a minimum period of twelve years with three yearly upward only rent reviews on fully repairing and insuring terms (or possibly internally repairing and decorating only, bearing in mind that the property is Grade II listed) within the protection afforded by Part II of the 1954 Landlord and Tenant Act. A tenant's only break clause may need to be introduced to allow for surrender in the event of loss of occupation of the Tourist Information Centre /Town Model.

I very much trust that the foregoing is helpful to you but that you will not hesitate to contact me if you require any additional information or assistance.

I enclose herewith my company's account, as agreed.

Yours sincerely



Gordon Rex, FNAEA, FICBA
Incorporated Business Agent
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