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**REPORT 3**  
*(1215/53/IM)*

## **GRANTING OF A GROUND LEASE TO THE ALEX MOORE PARK SPORT AND COMMUNITY INCORPORATED SOCIETY AT ALEX MOORE PARK JOHNSONVILLE**

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### **1. Purpose of Report**

To recommend the Committee approves granting a ground lease to the Alex Moore Park Sport and Community Incorporated Society for the purpose of constructing a building to meet sporting, recreational and other needs for five founding sporting clubs and the wider community on part of the Recreation Reserve at Alex Moore Park, Johnsonville, outlined in red on Appendix 1.

### **2. Executive Summary**

The Alex Moore Park Sport and Community Incorporated Society is a recently formed group which is made up of five existing sports clubs (Olympic Harrier Club Incorporated, Johnsonville Cricket Club Incorporated, Johnsonville Softball Club Incorporated, North Wellington Junior Football Club Incorporated and North Wellington Association Football Club). The Alex Moore Park Sport and Community Incorporated Society have requested a ground lease of part of the Recreation Reserve land at Alex Moore Park in Johnsonville for the purpose of developing and maintaining a new building in which a Sportsville facility will operate from.

The development would include the removal of two existing buildings on Alex Moore Park (outlined in blue and yellow on Appendix 1) and the development of a new purpose built building that will serve the five existing clubs using the site, as well as the wider community. Before commencing with the resource consent process and fundraising, Council approval to grant a ground lease to the Alex Moore Park Sport and Community Incorporated Society is required.

### **3. Recommendations**

Officers recommend that the Regulatory Processes Committee:

- 1. Receive the information.*
- 2. Agree, subject to the terms and conditions noted below, the granting of a ground lease to the Alex Moore Park Sport and Community Incorporated Society in accordance with the Reserves Act 1977.*

3. *Note that the terms of the ground lease are as follows:  
Location: Part of Alex Moore Park, Johnsonville (outlined in red on Appendix 1).  
Term: 10 years plus 2 rights of renewal for a 10 year term each.  
Annual Rental: \$678.00 per annum plus GST.*
4. *Note that any approval to grant the ground lease is conditional on:  
(i) appropriate consultation with Iwi;  
(ii) the lease being publicly notified in accordance with section 119 and 120 of the Reserves Act 1977;  
(iii) there being no sustained objections resulting from the abovementioned consultation or notification;  
(iv) the legal and advertising costs associated with preparing the ground lease is met by the Lessee;  
(v) resource consent for the new building being granted; and  
(vi) full funds for the development of the building are secured by the Alex Moore Park Sport and Community Incorporated Society.*
5. *Agree that Council officers will finalise and negotiate the lease details.*

#### **4. Background**

The Alex Moore Park Sport and Community Incorporated Society (AMPSCIS), has been formed to lead a Sportsville project that will bring together five founding Clubs (Clubs) in the Johnsonville area together. The initial part of the AMPSCIS's project is to design and construct a building on Alex Moore Park (Park) that will meet the sporting and recreational needs of the Clubs and the wider community. The AMPSCIS will then develop a programme of activities to fulfil their needs.

The AMPSCIS is made up of Olympic Harrier Club Incorporated, Johnsonville Cricket Club Incorporated, Johnsonville Softball Club Incorporated, North Wellington Junior Football Club Incorporated and North Wellington Association Football Club. The AMPSCIS has a membership base of over 2,000 people and a substantial amount of supporters.

The AMPSCIS's members and supporters have worked together for more than three years with a view of combining resources and being based together in one common facility. As with many other sporting organisations in New Zealand, the Clubs have experienced the common issue of rising costs, inefficient building utilisation and are forced into devoting too much attention to maintaining a physical asset rather than promoting and administering the actual sport.

The preferred concept of shared sport and community partnerships is an established New Zealand and international model, commonly referred to as the Sportsville model.

The AMPSCIS have received two sports development grants from the Council which have enabled them to carry out detailed feasibility, planning and conceptual design work around how they could work towards a shared facility

while still maintaining a level of independence over operational decision making at a club level. Grant funding was also used for the formation of the AMPSCIS which acts as the umbrella organisation for the Clubs. AMPSCIS will be responsible for completing the project, managing the facility and expanding on development initiatives for the benefit of the Clubs as well as additional clubs and community organisations who may like to join the AMPSCIS or use the building.

The AMPSCIS obtained Council officers input on the proposed building design and location. The design of the building has been reviewed by officers and complements the Council's artificial turf project.

The ground floor of the building will be approximately 1,420m<sup>2</sup> and comprises a gym, storage area, changing rooms, showers and toilets. The changing rooms and toilets will be open to the public and funded by Council as an upgrade to the Park. The first floor will be largely a void to the gym below, as well as a mezzanine floor with another storage area, changing rooms, toilets, administration offices and a clubroom with kitchen, bar and viewing deck.

#### **4.1 The Site**

The land to be leased is designated as Open Space A and is Recreation Reserve (Land). It is therefore subject to the Reserves Act 1977 (Reserves Act) and managed under the Northern Reserves Management Plan. The Land is legally described as Lots 9 - 14 Deposited Plan 2107 and is contained in Computer Freehold Register WN600/20.

The area of the land to be leased is based on the footprint of the building and in accordance with the current plans which will be approximately 1,420m<sup>2</sup> (refer to Appendix 2 to see the plans). The car parking is not included within the lease footprint as this will also be required by sports field users and for the artificial turf development.

The two contiguous buildings (outlined in blue and yellow on Appendix 1) are currently being used by the Johnsonville Cricket Club Incorporated and Olympic Harrier Club Incorporated. Once the new building is developed, these two buildings will be demolished.

#### **4.2 The Lessee**

The AMPSCIS's vision is that the Park will become the vibrant heart of North Wellington's community and sporting experience. Their mission is building a quality sports and recreational experience for the whole community. Refer to Appendix 3 to see the AMPSCIS's Strategic Management Plan.

The AMPSCIS's Advisory Committee is made up of representatives from the five of the founding clubs. The AMPSCIS has a board consisting of two elected and five appointed members. The elected members are Hadyn Smith (CEO of Land Search and Rescue) and Mel Smalley (Council's Area Recreation Manager). Haydn Smith has 10 years experience in the sports sector and is a current member of the Softball New Zealand Board. Mel Smalley has over 20 years experience in public sector recreation management. The appointed board

members are Guy Callender, Lynda James, Ian Hutchison, Leigh Halstead and Alister Watt.

The AMPSCIS is aware that in order for this project to succeed, existing club facilities will need to be sold where appropriated and additional fundraising is required. The AMPSCIS has appointed a fundraising consultant and has identified the following potential sources for funding for the development of the building:

<b>Potential funding sources</b>	<b>\$</b>
Asset capitalisation (sale of existing Johnsonville Softball Club building)	800,000
Gaming Trusts	1,700,000
Charitable Trusts	800,000
Commercial/WCC	200,000
Charity fundraising	1,500,000
<b>Total</b>	<b>5,000,000</b>

The approval to grant a lease to the AMPSCIS will be conditional on funding being secured. Any requests for funding from the Council are outside the scope of this report. However, no official requests have yet been received or considered.

## **5. Considerations when assessing a new lease**

### **5.1 Leases Policy for Community and Recreation Groups**

An application for a lease is made under the Council's Leases Policy for Community and Recreation Groups (Leases Policy) and is subject to assessment under its criteria.

Appendix One of the Leases Policy requires that the assessment of a new lease is considered against the following criteria:

- strategic fit;
- activity sustainability;
- optimal use of resources;
- environmental impact;
- a demonstrated need from the community; and
- the need for a lease.

An assessment of how the AMPSCIS proposal fits within these criteria is outlined in Section 6.

The granting of a lease to AMPSCIS is consistent with the provisions of the Social and Recreation Strategy.

### **5.2 Legislation**

The Land is classified as Recreation Reserve and is therefore subject to the Reserves Act.

The Northern Reserves Management Plan includes a specific policy to facilitate the amalgamation of the Clubs into a custom-built facility on the Park.

## 6. Discussion

### 6.1 Assessment

The proposed lease for the AMPSCIS has been assessed against the criteria set out in the Leases Policy. Please see a summary of this assessment below:

<b>Criteria</b>		<b>Assessment</b>
<b>1. Strategic Fit</b>	<b>Social &amp; Recreation Strategy</b>	The facilitation of a custom-built facility on the Park for the Clubs is included in the NRMP. The general Sportsville model is supported by the Council's Recreation Strategy. The new improved facility within the community will create additional recreational programming and activity at the Park. It will also bring about enhancements to health and wellbeing by providing a range of physical activities, encouraging social interaction and team building and will create a sense of community. Sports coaching and instruction will also be provided.
<b>2. Activity Sustainability</b>	<b>Activity</b>	<p>The AMPSCIS will undertake a variety of activities on the Land. These include netball, futsal, softball, basketball, cricket, athletics, table tennis, group fitness, holiday activities, ultimate, chess, badminton, martial arts, indoor bowls and Kapa Haka. The building will be made available to groups such as the Barber Shop Quartet, a tramping and drama club. These activities are all consistent with the Recreation Reserve status of the Land.</p> <p>In order to ensure the financial viability of the building, the AMPSCIS has also indicated that they may in future consider non-recreational uses for the building such as child care and commercial room hire should the need arise. If AMPSCIS do decide to engage in non-recreational activities such as these, they will need to meet the requirements of section 54(1)(d) of the Reserves Act. This section requires any commercial activity to enhance the recreational enjoyment of the Reserve. Failing that, if a portion of the building is not required for recreational purposes, a sub-lease under section 73 of the Reserves Act may be considered. This</p>

		will need approval from the Department of Conservation who may require evidence of public consultation.
	<b>Membership</b>	The Clubs have a combined membership of over 2,000 and a total of 1,991 participants. This includes players, non-playing members, coaches, volunteers and paid staff. As has been shown in other similar projects undertaken in New Zealand, it is expected that the Sportsville model will lead to an increase of players for all the clubs involved.
	<b>Financial Position</b>	<p>It is expected that the development will cost \$5 million. \$800,000 is potentially available through asset capitalisation (sale of the Johnsonville Softball Club building). The AMPSCIS has appointed a fundraising consultant to assist in securing the remaining funds required. The Johnsonville Charitable Trust has already contributed \$50,000 towards the resource consent process. The AMPSCIS has advised that the Johnsonville Charitable Trust has indicated that they believe this to be a key project that will warrant further investment and support once resource consent has been obtained.</p> <p>There is no doubt that significant additional funding is required and that in the current economic environment this is a challenging task. Therefore, any approval to grant a lease will be conditional on the AMPSCIS obtaining the funds for the development. Once in place, a proposed annual operational budget has been prepared by the AMPSCIS. Income includes facility hire, court usage, capitation fees (\$30/adult, \$10/child), income from bar/café sales and Alex Moore Park users, holiday programme and conference venue. Income is forecast to be \$329,520 per annum. Expenses include personnel, contracts, services, materials, utilities, maintenance, depreciation, and have been estimated at \$328,854 per annum.</p>
<b>3. Use of Resources</b>	<b>Land Utilisation</b>	The Clubs have indicated that their expected hours of usage of the building, per week (based on current activity) will be 28.5 hours. It is anticipated that usage of the building during the day will focus on younger age groups and on older age groups in the evening. Refer to Appendix 4 for an indication on usage of the

		building prepared by AMPSCIS. Community use anticipates the use of the space by local teams and recreation based organisations. There will be a percentage of use by schools from the northern suburbs during the school day and interest has already been expressed by Onslow College.
<b>4. Environmental Impact</b>	<b>Location</b>	The environmental impact of the new facility will be fully considered through the resource consent process. The building has been designed so that it integrates into Park without appearing intrusive against the existing landscape values. Several established Pohutukawa trees will need to be removed or relocated to enable construction of the building. The AMPSCIS is working with the Council on a landscape plan for the Park in conjunction with the artificial sports field project.
<b>5. Demonstrated Need &amp; Support from the Community</b>	<b>People</b>	Letters of support for the proposal have been received from Hon Peter Dunne, Katrina Shanks MP, Onslow College, and the Johnsonville Charitable Trust. Wider community consultation will be linked to the resource consent process. The AMPSCIS intends to invite immediate neighbours to meet, carry out a media launch, and hold public presentations at each of the five clubrooms as well as displays at community locations.
<b>6. Need for a Lease</b>	<b>Capability</b>	A lease is appropriate as the AMPSCIS will have exclusive use of the Land.

### **6.2 Lease Rental**

The lease rental has been assessed in accordance with the rental framework outlined in the Leases Policy (2001). The annual rent has been assessed as \$678.00 per annum plus GST.

### **6.3 Lease Tenure**

The Reserves Act allows for leases on Recreation Reserve for a term no longer than 30 years. The Leases Policy recommends a term of 10 years plus a 10 year right of renewal. The Leases Policy does allow for longer tenure to recognise asset investment and provide certainty in order to obtain external funding. Given the high level of community investment required to construct this building, officers recommend a 10 year term with two rights of renewal of 10 years each be granted.

## **7. Conclusion**

The Alex Moore Park Sport and Community Incorporated Society have demonstrated that they are a good fit with the Council's strategic direction and existing policies. The financial forecasting relating to how the facility will operate shows a financially sustainable model.

Council officers recommend that the Regulatory Processes Committee approve the granting of a ground lease to the Alex Moore Park Sport and Community Incorporated Society subject to funding for the development of the facility being secured and resource consent being granted.

Contact Officer: *Hanita Shantilal, Senior Property Advisor, Property Management and Amber Bill, Manger, Community Engagement and Reserves, Parks & Gardens*



## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

*The Provisions of this lease are consistent with the Council's Social and Recreation Strategy which aims to build strong, safe and healthy communities by supporting agencies which contribute to the resident's health, safety and community strength.*

### **2) LTP/Annual Plan reference and long term financial impact**

*There is no financial impact as the lessee will be responsible for all building repairs, maintenance, insurance and utility costs. Note that any funding requests to Council for the development of the facility are beyond the scope of the current report.*

### **3) Treaty of Waitangi considerations**

*No Treaty implications have been identified.*

### **4) Decision-Making**

*This is not considered a significant decision in terms of the Council's Significance Policy.*

### **5) Consultation**

#### **a) General Consultation**

*Public consultation will be undertaken as required by the Reserves Act 1977.*

#### **b) Consultation with Maori**

*Iwi will be consulted.*

### **6) Legal Implications**

*The lease will be subject to the provisions of the Reserves Act 1977. Legal advice will be sought in the preparation of the lease.*

### **7) Consistency with existing policy**

*The provisions of this lease are consistent with the Leases Policy for Community and Recreation groups and the Northern Reserves Management Plan.*