
REPORT 1
(1215/53/IM)

**GRANTING OF A GROUND LEASE TO THE
MORNINGTON GOLF CLUB INCORPORATED**

1. Purpose of Report

To recommend the Committee approves granting a ground lease to the Mornington Golf Club Incorporated over part of the Town Belt land at 80 Stanley Street, Berhampore as outlined in red on Appendix 1.

2. Executive Summary

The Mornington Golf Club Incorporated (Golf Club) has a premises lease over Council owned land at 570 Adelaide Road, Berhampore, as outlined in red on Appendix 2. The Golf Club wish to move to the Council owned land at 80 Stanley Street, Berhampore as their current facility limits the Golf Club's ability to increase membership and to provide training programmes for juniors and adults. The Golf Club's current location also has limited car parking facilities.

The Berhampore Bowling Club Incorporated (Bowling Club) has a ground lease over the land at 80 Stanley Street, Berhampore. The ground lease expired on 30 June 2011 and has been rolling over on a month by month basis since.

The Bowling Club and the Golf Club Incorporated have come to an agreement that will enable the Bowling Club Incorporated to utilise the land for indoor and outdoor bowls until 2015.

If a ground lease of the land at 80 Stanley Street, Berhampore is granted to the Golf Club, the Golf Club's premises lease over 570 Adelaide Road, Berhampore will be extinguished and expressions of interest sought from recreation groups.

This report recommends the Committee grants a ground lease of the land outlined in red on Appendix 1 to the Golf Club for a five year term, with a five year right of renewal.

The land on which the building is situated forms part of the Town Belt and a ground lease would be granted under section 54(1)(b) of the Reserves Act 1977.

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 Mornington Golf Club Incorporated in accordance with the Reserves Act 1977.*
3. *Note that the terms of the lease are as follows:*
Location: Part of the land known as 80 Stanley Street, Berhampore
Term: Five years with a right of renewal of five years
Annual Rental: \$243.00 per annum plus GST
4. *Note that any approval to grant the lease is conditional on:*
 - (i) *appropriate consultation with Iwi, Friends of the Town Belt and Action for the Environment being completed;*
 - (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; and*
 - (iv) *the legal and advertising costs associated with preparing the lease is met by the Lessee.*
5. *Agree that Council officers will finalise and negotiate the lease details.*

4. Background

The land at 80 Stanley Street, Berhampore forms part of the Town Belt. The Bowling Club has held a ground lease of the land outlined in red on Appendix 1 since 1 October 1978. The Bowling Club's current lease expired on 30 June 2011 and has been rolling over on a month to month basis since.

Officers met with the Bowling Club in late 2009 and expressed concern regarding their membership levels and the inability of the Bowling Club to show that it was sustainable. This position was supported in a report by Bowls Wellington on the 'Health of Wellington Bowling Clubs' (2008). The report noted the need for fewer bowling clubs in the City and for clubs to rationalise facilities and amalgamate.

Officers advised the Bowling Club that it would be difficult to recommend that a new lease be granted due to the Club's declining membership, inability to fulfil lease obligations and meet the requirements of the Leases Policy for Community and Recreation Groups (Leases Policy).

The Golf Club has held a premises lease over Council owned land at 570 Adelaide Road, Berhampore for over 80 years. The Golf Club expressed an interest in moving to part of the land at 80 Stanley Street, Berhampore in order

to give the Golf Club an opportunity to increase membership numbers and to provide coaching and training programmes for both juniors and adults. The new location will also provide members of the Golf Club with improved car parking facilities and better access to the Golf Course.

If approval to grant a ground lease to the Golf Club is obtained, the Bowling Club will be able to continue utilising the land for indoor and outdoor bowls until 2015. The Golf Club have indicated that all community groups currently utilising part of the land at 80 Stanley Street, Berhampore will continue to be offered the same utilisation opportunities.

If a ground lease of the land at 80 Stanley Street, Berhampore is granted to the Golf Club, the Golf Club's existing premises lease over 570 Adelaide Road, Berhampore will be extinguished and officers will seek expressions of interest from recreation groups.

4.1 The Site

The land is designated Open Space C, and is managed under the Town Belt Management Plan. The land is subject to the Town Belt Deed and the Reserves Act 1977 (Reserves Act).

The area of the land to be leased is approximately 370m² and is legally described as Part Lot 1 Deposited Plan 10322 and is contained in Computer Freehold Register WN47B/388.

The building situated on the land is currently owned by the Bowling Club and is subject to a ground lease. Under the terms of the ground lease, the building reverts to Council on termination. If approval to grant a lease to the Golf Club is obtained, a ground lease will be granted to the Golf Club and the building will be transferred from the Council to the Golf Club.

The building was built circa 1957 and has two levels. The ground floor consists of locker rooms, a committee room, shower and toilets. The first floor contains an open club room area, bar kitchen and toilets.

There is a substantial amount of deferred building maintenance that is required. The Golf Club are aware of this and are willing to undertake the works.

The building is approximately 160m² larger than the Golf Club's current premises.

4.2 The Lessee

The Golf Club has held a premises lease over Council owned land at 570 Adelaide Road, Berhampore for over 80 years.

The building has been maintained by the Council throughout the Golf Clubs tenure. The Golf Club have also made a number of improvements to the building, including building a second floor. The extension was built by members of the Golf Club and all costs of the extension were met by the Golf Club. The Golf Club have also assisted the Council in maintaining the Golf Course.

The Golf Club has 130 active members and has put in place a number of key objectives and strategies to increase membership which will in turn increase revenue derived from the Golf Course.

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 and is subject to assessment under its criteria.

Appendix one of the Leases Policy requires that the assessment of a new lease or licence 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 the Golf Club and how it fits within these criteria is outlined in section 6.

The granting of a lease to the Golf Club is consistent with the provisions of the Council’s Social and Recreation Strategy.

5.2 Legislation

The land is held subject to the Town Belt Deed and managed in accordance with the Reserves Act.

The Wellington Town Belt was vested in the Council by the Town Belt and Basin Reserve Deed of 1873 (Deed). The Deed remains the governing authority by which the Council controls the Town Belt. The Deed provided for the Town Belt land to be kept forever ‘as a public recreation ground for the inhabitants of the city of Wellington’.

6. Discussion

6.1 Assessment

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

Criteria		Assessment
Strategic Fit	Social & Recreation Strategy	The activities that will be undertaken on the land are consistent with the Social and Recreation Strategy which aims to build strong, safe and healthy communities for a better quality of life and is consistent with the Town Belt Management Plan.

Activity Sustainability	Membership	The Golf Club has been in existence for over 80 years and currently has 130 members. If approval to grant a lease to the Golf Club over part of the land at 80 Stanley Street, Berhampore is obtained, the Golf Club will be in a position to increase membership numbers.
	Financial Position	The Golf Club is in a good financial position and has the funds to fulfil their lease obligations and undertake deferred maintenance works on the building.
Use of Resources	Land Utilisation	The building will be utilised by the Golf Club for a minimum of 20 hours a week. The building will be utilised by the Bowling Club for a minimum of 15 hours a week.
Environmental Impact	Location	The activity does not have the potential to adversely affect open space values.
Demonstrated Need & Support from the Community	People	The Golf Club is committed to providing the community with a suitable facility to support various recreational users in the community.
Need for a Lease	Capability	A lease is appropriate and is, in accordance with the Town Belt Management Plan. The Golf Club is primarily concerned with public recreation, is open for public participation, does not restrict public access across the land, and is not detrimental to any of the other values of the Town Belt. The proposed leased area is as outlined in red on Appendix One.

6.2 Lease Rental

The rental has been assessed in accordance with the rental framework outlined in the Leases Policy. The annual rental has been assessed as \$243.00 per annum plus GST.

6.3 Lease Tenure

The Town Belt Management Plan allows for leases on Town Belt land for a term of up to 10 years.

It is recommended that a lease for a term of five years with a five year right of renewal be granted to the Golf Club.

7. Conclusion

The Mornington Golf Club Incorporated has demonstrated that it is a good fit with the Council's strategic direction and existing policies, as well as showing that there is a community need for its activities. The financial position of the Club shows it is in a sustainable position.

Council officers recommend that the Regulatory Processes Committee approve the granting of a ground lease of part of the land at 80 Stanley Street, Berhampore to the Mornington Golf Club Incorporated.

Contact Officers: *Paul Andrews, Manager, Parks & Gardens and Hanita Shantilal, Senior Property Advisor, Property Management.*

Supporting Information

1) Strategic Fit / Strategic Outcome

The Provision of this lease is 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

This proposal has no long term financial impact.

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 the ground lease are consistent with the Leases Policy for Community and Recreation groups and the Town Belt Management Plan.



APPENDIX 2

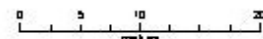


Council owned land and building currently leased to Mornington Golf Club Incorporated at 570 Adelaide Road, Berhampore

Property boundaries, 2004 Contours, road names, rail lines, streams & site points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: 1:1000 to urban areas, 1:10000 to rural areas. Contours accuracy from Survey NZ. Positional accuracy from NZ Pos. Datum, 2000 datum, using the average information shown is appropriate and may not be used for detailed engineering design. Differences have been compiled from a variety of sources and the accuracy may vary, but is generally 1:1000.

MAP PRODUCED BY:
Wellington City Council
101 Wakefield Street
WELLINGTON, NZ

ORIGINAL MAP'S EC. A4
AUTHOR: awade12m
DATE: 21/03/2012
REFERENCE: 10/09



Scale 1:500

Absolutely
Positively
All types of Plans | Wellington