

**GRANTING OF A LEASE TO WELLINGTON BMX CLUB
INCORPORATED OVER LAND AT IAN GALLOWAY PARK,
KARORI**

1. Purpose of report

This report recommends that the Committee approves the granting of a ground lease to the Wellington BMX Club Incorporated over recreation reserve land at Ian Galloway Park, Karori (hatched in grey on Appendix 1).

2. Executive summary

The Wellington BMX Club Incorporated has applied for a lease over part of Council owned land known as Ian Galloway Park which is situated in Karori.

The land is currently used as a bike jump park but there has been very little improvement on the site since work was undertaken by a group of volunteers in 2010. The area is poorly maintained and not user friendly, with only a select few who can actually utilise the track.

The Wellington BMX Club Incorporated proposes to build an international standard track for both the BMX and local community.

This report recommends the Committee grants a ground lease of the land hatched in grey on Appendix 1 to the Wellington BMX Club Incorporated for a five year term, with a five year right of renewal.

The land is held as fee simple land but is treated by officers as recreation reserve and is therefore, subject to the Reserves Act 1977. A ground lease would be granted under section 54(1) (c) 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 Wellington BMX 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 Ian Galloway Park, Karori and hatched in grey on Appendix 1)*
Term: *5 years with a right of renewal of 5 years*
Annual Rental: *\$1 per annum plus GST. A rent review will be undertaken annually and may be increased if free public access to the site is restricted by the Wellington BMX Club Incorporated.*
4. *Note that any approval to grant the lease is conditional on:*
 - (i) *appropriate consultation with Iwi 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 Wellington BMX Club Incorporated (Club) approached Council for permission to build an international standard BMX track to replace the existing bike jump park located on part of Ian Galloway Park which is situated in Karori. To best meet the needs of the Club, Council officers proposed that the Club leases the area. This will give the Club greater control over the development, management and maintenance of the track, and will provide an opportunity for wider community consultation as part of the Leases Policy process. The area of land they wish to lease is approximately 8000m² and is legally described as Part Section 1 SO 37014 and held in Computer Freehold Register WN12/1438.

The land is currently used as a bike jump park. Some work was carried out on the jumps by volunteers in 2010, and although further works were planned, these never eventuated. Unfortunately the result was that the track is difficult to use with very steep jumps and only a select few can access it. There is an existing smaller children's track, however, this was never properly finished and is not well used.

The Club propose to build an international standard track for both the BMX and local community. The intention is that the track will be utilised for approximately 75% of the time by the public and 25% of the time by Club members, with training nights once or twice a week, race events up to once a month, and two major events during the BMX season (September – April). The Club expect the track to be used by children as well as adults from the wider Wellington region. It will also be used by mountain bikers. The Club also plan to host a national event in the next five years.

If a lease is granted, the Club will complete the majority of the track works by December 2012 at which stage they will be ready to open the club and commence racing on the track. These works include:

- Flattening the land and removing unwanted materials (i.e. vegetation waste). The start ramp area will be built up and the three major corners will be formed.
- Drainage requirements will be undertaken.
- Main design and build phase will be undertaken.
- The land will be moulded and shaped and the ramp will be completed.
- Installation of a start gate.

The development project will be run by a committee of Club members. A track manager has been appointed who will be on site regularly and will liaise with members of the committee and contractors involved to ensure the development works run smoothly.

The Club has been granted a fund from New Zealand Community Trust for \$100,000 to go towards the majority of the development. This funding will ensure that the track is developed to a point where it is useable, of better quality and will provide greater accessibility than the current facility. The Club is currently in the process of applying for more funding to help cover future works on the land.

Upon completion of the track, expenses associated with the site will be covered by club membership fees and proceeds from hosting BMX race events.

The Parks and Gardens business unit is in support of this proposal, subject to approving the detailed development plans.

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 officers to assess new lease applications 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 Club and how it fits within these criteria is outlined in section 6.

The granting of a lease to BMX Club is consistent with the provisions of the Council's Leases Policy.

5.2 Legislation

The land is held as fee simple land but is treated by officers as recreation reserve and is therefore subject to the Reserves Act 1977 (Reserves Act). The land will be formally classified as recreation reserve in the future.

Sections 119 and 120 of the Reserves Act set out the requirement for public notification. The granting of a lease to the Club is subject to there being no sustained objections from any party.

6. Discussion

6.1 Assessment

The proposed lease for the 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 Club's activities are consistent with other permitted activities on recreation reserve land and satisfy the criteria of recreational use.
Activity Sustainability	Membership	The Club currently has 20 members. The Club anticipates having a minimum of 50 members within the first year and a minimum of 150 members by the end of their second year.
	Financial Position	The Club has the funds to develop the track. Ongoing revenue will be put towards track maintenance and will be generated through membership fees, club racing days and fundraisers. The Club also intends on applying for gaming trusts on an annual basis to help source revenue.
Use of Resources	Land Utilisation	It is expected that land utilisation levels will be high as the track will be available not only to Club members but to the wider public at no cost. The Club also plans to hold special events on a regular basis.
Environmental Impact	Location	The activity does not have the potential to adversely affect open space values.

Criteria		Assessment
Demonstrated Need & Support from the Community	People	<p>The only other BMX facility in Wellington is in Tawa, which is built more as an 'off-road' track and is too small to hold events or to race on. There are only four other tracks in the Wellington region located in the Hutt Valley, Wainuiomata, Kapiti Coast and Levin – none of which can hold a national event.</p> <p>The chosen location at Ian Galloway Park is seen as an ideal site for a BMX track due its proximity to 13 primary schools and the fact that it is surrounded by heavily populated suburbs including Wadestown, Wilton, Khandallah, Crofton Downs, Ngaio, Kelburn, Northland and Kaori.</p>
Need for a Lease	Capability	A lease is appropriate as the Club will have exclusive responsibility and ownership of the BMX track.

6.2 Lease Rental

As the Club will not have any clubrooms on the land and the BMX track will be available for public use at no cost, it is proposed that rental is set at \$1 per annum. The lease provisions will include a special condition requiring the Club to report on club use and annual events held each year. If these remain consistent with the Club's current proposal and public access is readily available at no cost, then rental will remain at a 'peppercorn' rate. Any reduction in public accessibility or change in exclusivity would result in applying the rental model in accordance with the Leases Policy.

6.3 Lease Tenure

The Leases Policy allows for leases on recreation reserve for a term of 10 years with a 10 year right of renewal. Officers propose granting a shorter term in order to assess progress on the development of the land as well as club health.

It is recommended that a lease for an initial term of five years with a five year right of renewal be granted.

7. Conclusion

The Wellington BMX Club Incorporated has demonstrated that they are a good fit with Council's strategic direction and existing policies. Their proposal will result in improved facilities for the general public. The financial position of the Wellington BMX Club Incorporated shows it is in a position to fund the initial development of the facility and membership forecasting would place it in a sustainable position.

Council officers recommend that the Regulatory Processes Committee approves the granting of a ground lease to the Wellington BMX Club Incorporated.

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SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

The Leases Policy for Community and Recreation Groups supports Council's role as a facilitator of recreation partnerships and provider of recreation services. The recreational activities that will be provided by the Wellington BMX Club Incorporated will contribute to the outcome of 'offering a diverse range of quality recreation and leisure activities' (see outcome 7.1 Recreation Opportunities).

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

The project will have no substantial 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.

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 lease are consistent with the Leases Policy for Community and Recreation Groups.