

---

**REPORT 1**  
*(1215/53/IM)*

## **GRANTING OF LEASES TO SALAMANCA TENNIS CLUB AND THE NATIONAL INSTITUTE FOR WATER AND ATMOSPHERIC RESEARCH (PUBLIC BODIES LEASES ACT 1969)**

---

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

This report seeks the Committee's approval to the granting of fresh leases over Local Purpose Reserve to the Salamanca Tennis Club and the National Institute of Water and Atmospheric Research, under the Public Bodies Leases Act 1969.

### **2. Executive Summary**

The report provides a description and assessment of two groups requesting a lease renewal together with officers' recommendations to grant a fresh lease to each group.

The land being leased to each of the groups is classified as Local Purpose Reserve (rather than Recreation Reserve) so the leases must be granted under the Public Bodies Leases Act rather than the Reserves Act.

The Leases Policy for Community & Recreation Groups 2001 (the Leases Policy) provides guidance for assessing lease renewals (termed a fresh lease in the Leases Policy). This process includes assessing a group's strategic fit and level of sustainability.

The report outlines Council's strategic direction and priorities and describes the fresh lease assessment process, demographic and recreational trends. Officers have outlined how the proposed leases fit the Council's strategies and priorities.

### **3. Recommendations**

Officers recommend that the Committee:

- 1. Receives the information.*
- 2. Approve, subject to consultation with Iwi being completed, the granting of fresh leases to the following groups under the Public Bodies Lease Act 1969:*

<i>Group</i>	<i>Type of Lease</i>	<i>Location</i>	<i>Term (years)</i>	<i>Annual Rent (GST exclusive)</i>
<i>Salamanca Tennis Club</i>	<i>Ground</i>	<i>Cnr Salamanca Rd and Wesley St, Kelburn</i>	<i>10 + 10</i>	<i>\$613</i>
<i>National Institute of Water and Atmospheric Research</i>	<i>Ground</i>	<i>Greta Point, Evans Bay Parade</i>	<i>10 + 10</i>	<i>\$1</i>

## **4. Background**

### **4.1 Overview of the Community and Recreation Leases**

On 7 February 2007, the Committee approved seven fresh leases on the Town Belt pursuant to Section 54 of the Reserve Act 1977, and in accordance with Council's Leases Policy for Community and Recreation Groups 2001 and Town Belt Management Plan 1995. The approval was conditional upon there being no objections or sustained objections during the public notification and Iwi consultation process.

The Committee also approved the amendment to Clause 9.2 in the standard lease document.

This was the first report of a series, to seek Committee's approval to grant fresh leases to a variety of recreation and social groups on our open space and reserve estate.

Currently there are 147 leases with sports, recreation and community groups; 89 of these leases are current while 58 are up for renewal and are part of the lease assessment process, which includes assessing the group's strategic fit and activity sustainability.

This report presents a further two groups requesting a fresh lease on reserve land.

### **4.2 The Sports and Recreation Forum**

In July 2006, the Council hosted the first Sports and Recreation Forum. Over 200 representatives from various sporting and recreation groups that have a connection with Council, came together to engage, hear about key recreation projects and share with us their issues and opportunities.

This inaugural forum is the beginning of regular forums to strengthen our relationships and grow our knowledge of issues facing the sports and recreation community. Establishing and maintaining strong partnerships with these groups, together with demographic and market research, guides decision making especially with regard to future leases, resources and community needs.

The next forum is scheduled for 28 February.

### **4.3 Strategic Context and Direction**

The lease renewal process provides the Council with an opportunity to evaluate each group's community value and contribution to the various Council strategies and policies relevant to recreation and community groups. These strategies and policies include:

- Long Term Council Community Plan (LTCCP)
- Social and Recreation Strategy
- Leases Policy for Community and Recreation Groups
- Reserve Cluster Management Plans such as the Town Belt Management Plan.

#### **LTCCP and Social and Recreation Strategy**

In 2005 the Council developed seven strategies that covered all Council activities to enable planning for the development of a 2006 – 2016 Long Term Council Community Plan and set strategic priorities. These strategies included Urban Development, Transport, Economic Development, Environmental, Cultural and Well Being, Social and Recreation and Governance. The full LTCCP and these seven strategies were consulted on in early 2006 and took effect from 1 July 2006.

Sport, recreation and community group leases fits under the Social and Recreation Strategy. This Strategy aims to build strong, safe and healthy communities for a better quality of life. The Council will provide greater leadership to promote a high level of social cohesion and participation. High levels of participation in the community including sports and recreation groups are critical to resilient communities.

The Social and Recreation Strategy encourages collaborative partnerships with our sports and recreation groups to ensure the best delivery of services and programmes and the maximum use of amenities and resources. Such partnerships need to contribute to making Wellington:

- More liveable – increasing lifestyle choices and providing more sustainable facilities and services appropriate to community needs.
- More inclusive – addressing barriers to participation and recognising social diversity.
- More actively engaged – encouraging local residents to get involved with and support their local groups, including volunteering and greater youth participation.
- Better connected – increasing the flow of information and building capacity and capabilities of groups.
- Healthier – continuing to enhance the provision of recreation facilities and programmes.

Council's three year social and recreation strategic priorities are:

- *The Council will work harder to increase the value of community facilities to their communities.*

- *The Council will build capability and capacity within the community to promote social cohesion and sound social infrastructure.*
- *The Council will increase its efforts to promote participation in sport and recreation particularly for youth.*

### **Recreation Policy (2003)<sup>1</sup>**

The Recreation Policy identifies that quality recreation and leisure opportunities enhance the city as a place to live and visit, and contributes to community well-being. It aims to offer a diverse range of accessible and affordable recreation activities, enhance the contribution of recreation events to the city's economy, and encourage an increase in participation.

The Council understands that the provision of recreation is provided for across a wide variety of organisations including sports and recreation groups. The Council plays a pivotal leadership role and aims to establish strong partnerships with these organisations and groups to ensure effective and sustainable recreation opportunities for the city.

The key objectives in the Recreation Policy that relate to lease renewals of groups include;

- *Objective 1.1 To ensure the availability of a diverse range of recreation opportunities that satisfies the needs of Wellington citizens and visitors.*
- *Objective 1.2 To increase the number of quality recreation opportunities that enhance the health and well-being of Wellington citizens and visitors.*
- *Objective 1.3 To improve the access for all citizens to sport, recreation and leisure facilities and activities.*
- *Objective 1.4 To ensure equitable distribution and physical location of the different types of recreation facilities across the city.*
- *Objective 1.5. Make more intensive use of and improve the linkages between recreation facilities in the city.*
- *Objective 2.1. To increase participation in all forms of recreation activity in Wellington.*

### **Leases Policy for Community and Recreation Groups (the Leases Policy).**

The Leases Policy also reinforces Council's significant role in fostering the well-being and strength of communities by facilitating networks, providing recreation opportunities and supporting community facilities. The objectives of the Leases Policy are:

- *To strengthen communities through leasing land and buildings to groups.*
- *To ensure that the provision of leases is fair, equitable and responsive to community needs.*
- *To formally standardise the requirements of the lease.*

---

<sup>1</sup> Formerly known as the Recreation Strategy before the 2005/06 Strategic Review.

The Leases Policy outlines the process for a new lease and lease renewal. It calls renewing a lease a fresh lease. The process is outlined in Section 4.4.

### **Town Belt Management Plan**

The Town Belt Management Plan supports leasing land to groups provided their activity is primarily concerned with public outdoor recreation, is open to public participation, does not restrict public access, and is not detrimental to any of the other values of the Town Belt. The term of the lease shall be no more than 10 years, with no automatic right of renewal.

#### **4.4 Assessment of Fresh Leases**

Fresh leases are those where the current lessee is seeking to renew the existing lease. The Council recognises that most groups have made investments in assets and this is a key consideration in the evaluation of a fresh lease. The process for a fresh lease is as follows.

- Step 1. Applicant provides Council officers with relevant information including, financial information, historical patterns of use and future prospects.
- Step 2. Officers evaluate information, including assessing whether the group will be sustainable (membership and financial), their activities are consistent with Council's strategic direction and objectives, and consider their previous lease performance. Unless there is evidence that these criteria are not met to a significant extent a fresh lease will be available to the lessee.
- Step 3. Communicate officers' decision to the applicant. If a fresh lease is recommended then negotiate draft lease tenure, rental and terms and conditions.
- Step 4. Seek approval in principle from Regulatory Committee.
- Step 5. Public notification following the Reserves Act process.
- Step 6. If all approvals are granted and no objections are sustained, then lease documents will be prepared.

#### **4.5 Lease Agreement and Documentation**

The Lease Policy provides guidance and a standard framework for the lease agreement and documentation. This includes, lease rental and tenure, procedural matters and the responsibilities and requirements of the lessee and the Council.

The Council offers ground leases and premises leases to community groups. Some groups own their own building and are responsible for its maintenance and insurance. In these cases the Council can offer a ground lease, which is a lease for the land only.

Groups that lease Council owned buildings are granted a premises lease. These groups lease both the land and the Council owned buildings on the land. They pay a maintenance fee to the Council for their share of the external maintenance costs.

The leases offered to the groups are in the standard format in accordance with the Leases Policy and Committee’s resolution of 7 February 2007. The standard lease document covers the following terms and conditions and are in accordance with the Leases Policy.

- Reporting requirements
- Allocation of responsibilities between lessee and lessor
- Payment of rates, water and other utilities
- Maintenance of buildings, structures, vegetation and land
- Insurance
- Subleasing
- Granting security against a lease
- Termination of leases
- External signs
- External commercial advertising within leased areas.

#### 4.5.1 Term of Lease

In accordance with the Leases Policy the standard tenure for leases is ten years plus one further term of ten years. (As noted in Section 4.3 the standard term for a lease on Town Belt is 10 years with no automatic right of renewal).

However, there are occasions where it is appropriate to use a degree of flexibility in the term of a lease. This flexibility is at the Council’s discretion and is designed to allow Council to respond to changing community needs and asset management issues. The reasons a shorter or longer term may be offered are limited to the circumstances set out in the following table:

*Table 1: Reasons for a shorter or longer term may be offered.*

<b>Shorter Tenure:</b>	<b>Longer Tenure</b>
Declining trends in an activity	Recognition of past asset investment
Evolution of activities that will compete for assets	Proposed asset investment
Alternative uses are planned by the Council for the lease asset (for example, demolition of the buildings in X years)	To provide certainty for external funding purposes
Life expectancy of facility/ assets is less than lease tenure	Dependence by community or membership on continuity of a key activity
Group asks for a shorter tenure	

## **4.5.2 Monitoring and Reporting Requirements**

The Council is interested in the ongoing performance of community and recreation groups so it can monitor the achievement of strategic objectives for the city. The reporting requirements in the lease are not intended to be a control mechanism, rather a means of communication between the Council and the groups.

Reporting generally includes the requirement for:

- Membership numbers and usage rates;
- Community events run through the leases;
- Financial information.

## **4.6 Relevant Demographic Trends**

This section outlines some of the demographic changes and relevant trends that have occurred or are projected city-wide. This information assists in portraying what is happening at the community, regional and national level and can be used to make informed decisions.

The proportion of young people who live in Wellington and are sedentary has increased significantly. In 1997 seven percent of young people living in this region were sedentary, but by 2001 this figure had risen to 31%.

It is predicted that by 2026 there will be:

- 2,000 fewer children aged 0-14
- 20,000 more people aged 40-64
- 14,000 more people aged 65 plus.

### **Tennis**

Tennis is strong in the Wellington area. Adult membership is stable in Wellington with membership around 1,100. Junior tennis is growing with membership increasing from 1,445 in 2005 to 1,674 in 2006.

## **5.0 Discussion**

### **5.1 Club Information**

The following information briefly describes the two groups requesting fresh leases, and includes their strategic fit and level of sustainability.

## **Salamanca Tennis Club**

History	The club has been registered since 1945 and new clubrooms were built in the 1970s.	
Background	The club has an active membership of about 100 and fields interclub teams in Wellington and regional competitions. The facility is used approximately 25 hours per week. The club has a good relationship with the national body and a strong youth focus.	
Term	10 + 10 year lease. This term is in accordance with the standard term outlined in the Leases Policy.	
Strategic Fit	Contributes to More Liveable, More Actively Engaged, Better Connected and Healthier outcomes.	
Club Sustainability	Membership	100
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

## **National Institute for Water and Atmospheric Research (NIWA)**

History	The original lease was granted subject to NIWA establishing a sanctuary for the Blue Penguin Colony at Greta Point.	
Background	<p>NIWA has carried out all the requirements of the previous lease's provisions including the establishment and maintenance of a protected environment for penguins and the provision of ongoing research for educational purposes.</p> <p>This parcel of land is on the Forward Programme to be reclassified from Local Purpose Reserve to Recreation Reserve so that in the future a lease can be offered under the Reserves Act, rather than the Public Bodies Leases Act.</p> <p>Due to the nature of this facility Councillor resolved in May 2002 to only charge a peppercorn rental for the original lease. The new lease reflects this and a peppercorn rental has been offered again.</p>	
Term	10 + 10 year lease. This term is in accordance with the standard term outlined in the Leases Policy.	
Strategic Fit	Contributes to More Liveable and More Sustainable outcomes	
Club Sustainability	Membership	N/A
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

## **5.2 Consultation**

Although the leases are being offered under the Public Bodies Leases Act, the land is still classified as reserve and therefore is also subject to the Reserves Act.

Under the Public Bodies Leases Act there is no requirement for the leases to be publicly advertised, nor consent from the Ministry of Conservation to be obtained. Under section 61 of the Reserves Act (Leasing in respect of Local Purpose Reserves) public notification and Department of Conservation consent are also not necessary.

Sections 8 and 9 of the Public Bodies Leases Act required Council to call for public applications to allow any other parties an opportunity to express their interest in the land. In each case the proposed lessee was the only applicant.

Local Iwi will be consulted.

## **6. Conclusion**

Officers have evaluated the clubs' requests for fresh leases against the Council's strategic direction and priorities and in accordance with the Leases Policy. Officers now recommend that the Committee exercise its delegated authority to approve the granting of fresh leases subject to Iwi consultation taking place.

Contact Officer: Jane Holloway- Jones  
Team Leader Community Purpose Property

## Supporting information

### a) Strategic fit

- 7.1 Recreation Opportunities – Wellington offers a diverse range and an abundance of quality recreation and leisure activities that are easily accessed and affordable.
- 7.2 Participation and Health – Increased participation in recreation and leisure activities enhances overall health and well-being
- 7.3 Events and Identity – Year-round recreation activities and event contribute to the economic prosperity and identity of Wellington.

### b) Annual Plan reference

There is no Annual Plan reference for this activity.

### c) Annual Plan and Long Term Financial Strategy implications

There is no Annual Plan measure for this activity.

### d) Treaty of Waitangi implications

The recommendations in this report are subject to consultation with appropriate Iwi being completed.

### e) Consultation

Public Consultation will take place by way of two public notices in The Dominion Post and two in a local newspaper relevant to the location of the lease.

### f) Legal implications

Each lease is referred to Council solicitors to confirm that documentation is in order prior to either party signing the final lease documents. Council solicitors to provide certification to support this.

## **Aerial Photographs**

**Salamanca Tennis Club - Corner Salamanca Rd and Wesley St,  
Kelburn**

**National Institute of Water and Atmospheric Research - Greta  
Point, Evans Bay Parade**