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

## **GRANTING OF LEASES TO GROUPS OCCUPYING COUNCIL RECREATION RESERVE**

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

This report seeks Committee approval to the granting of fresh leases over Recreation Reserve to the following groups:

- Wellington Harrier Athletic Club
- Olympic Harrier Club
- Vogelmorn Tennis Club
- Wellington Car Club
- Wellington Municipal Croquet Club

### **2. Executive Summary**

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

The land being leased to each of the groups is classified as Recreation Reserve, with three of the groups being on the Wellington Town Belt. The leases will be granted under section 54 of the Reserves Act 1977.

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 the groups 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

It is recommended that the Committee:

1. *Receive the information.*
2. *Approve, subject to the conditions noted below, the granting of fresh leases to the following groups under the Reserves Act 1977:*

<b>Group</b>	<b>Type of Lease</b>	<b>Location</b>	<b>Term (years)</b>	<b>Annual Rent (GST exclusive)</b>
<i>Wellington Harrier Athletic Club</i>	<i>Premises</i>	<i>Alexandra Rd, (Town Belt)</i>	<i>10</i>	<i>\$247 Maintenance fee</i>
<i>Olympic Harrier Club</i>	<i>Ground</i>	<i>Alex Moore Park</i>	<i>10 +10</i>	<i>\$187</i>
<i>Vogelmorn Tennis Club</i>	<i>Ground</i>	<i>Vennell St</i>	<i>10 +10</i>	<i>\$1,197</i>
<i>Wellington Car Club</i>	<i>Ground</i>	<i>Mt Albert Park (Town Belt)</i>	<i>5 +5</i>	<i>\$194</i>
<i>Wellington Municipal Croquet Club</i>	<i>Premises</i>	<i>Alexandra Rd (Town Belt)</i>	<i>10</i>	<i>\$161 Maintenance fee</i>

*Note that any approval to grant fresh leases will be conditional on:*

- (a) consultation with appropriate Iwi being completed;*
- (b) each proposed lease being publicly notified in accordance with sections 119 and 120 of the Reserves Act 1977 together with any conditions set out in any approved Management Plans (e.g. Town Belt Management Plan);*
- (c) each Group reimbursing Council for any costs incurred in advertising;*
- (d) there being no objections or sustained objections resulting from the required consultation or notification.*

### 4. Background

#### 4.1 Overview of the Community & Recreation Leases

In February 2007 the Committee approved 15 fresh leases on Town Belt or reserve land, pursuant to Section 54 of the Reserve Act 1977, and in accordance with Council's

Leases Policy for Community and Recreation Groups 2001 and relevant Reserve Management Plans. The approval was conditional upon there being no objections or sustained objections during the public notification and Iwi consultation process.

In early February the Committee also approved the amendment to Clause 9.2 in the standard lease document. This clause clarifies the Council's rights as landowner when granting consent for the lessee to carry out building works.

Public notification on the above fresh leases is underway and progressing.

Currently there are 147 leases with sports, recreation and community groups; 89 of these leases are current, while 15 have committee approval subject to the public notification and Reserves Act 1977 processes and 43 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 five groups requesting a fresh lease on our open space/ reserve land. Three of these five groups are on the Wellington Town Belt.

#### **4.2 The Sports & Recreation Forum**

Over the last 8 months the Council has hosted two successful Sports and Recreation Forums. 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.

These forums aim 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.

#### **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:

- Social and Recreation Strategy
- Environment Strategy
- Leases Policy for Community and Recreation Groups
- Reserve Management Plans such as the Town Belt Management Plan.

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

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.

## **Environment Strategy**

Sport, recreation and community group leases also fit within the context of the Environment Strategy, which emphasises sustainable development and the protection and enhancement of our natural environment. The Strategy recognises the inter-relationship between social and cultural well being and the environment. It aims to make Wellington more liveable, where our natural environment is more accessible to all for a wide range of social and recreation opportunities while not compromising our environmental values.

## **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 to 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 organisation and groups to achieve and sustainable recreation opportunities for the city.

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

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.

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<sup>1</sup> Formerly known as the 'Recreation Strategy' before 2005/6 Strategic Review.

## **Reserve Management Plans (For example the 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 Leases Policy and Committee’s resolution of 7 February 2007. The standard leases cover the following terms and conditions:

- 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. (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 following circumstances:

*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.

#### **Athletics**

Nationally, the number of people registered participating in Athletic disciplines has slightly declined from 31,500 in 2000 to 28,345 in 2003. Wellington athletics clubs utilise the synthetic-athletic track located at Newtown Park. Junior programmes operate on two grass tracks and harriers clubs utilise the open space track networks.

#### **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.

#### **Croquet**

There are at least three croquet clubs in Wellington City. Nationally there were almost 3,850 croquet players in the 2005/6 season. There has been a decline in membership since 1997 (7%), but the men's competition is currently strong. Golf Croquet is also becoming a popular variation of the game.

#### **Motor Sport**

There is growing participation in this sport. Membership had grown to over 16,200 nationally (2003) - a 25% increase since 1997 (excluding motorcycles)

There are nine motor sport clubs in Wellington and four in Kapiti. Most clubs are specific to a brand of car e.g. Fiat, MG, Triumph.

## 5. Discussion

### 5.1 Club Information

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

#### Wellington Harrier Athletic Club (Premises Lease)

History	The club was founded in 1903 and was the first of its kind in the city. Wellington Track and Field Club was founded in 1995 and amalgamated with the Harrier Club to form Wellington Harrier Athletic Club in 1997. The club has occupied the site since 1963 when it relocated from Evans Bay.	
Background	The club operates all year round and caters for three main branches of sports: running, track and field and children's athletics.	
Term	10 year lease. This term is in accordance with the standard term outlined in the Town Belt Management Plan.	
Strategic Fit	Contribution to More Liveable, More Inclusive and Healthier outcomes	
Club Sustainability	Membership	324 (230 juniors and 94 seniors)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

#### Olympic Athletic Club (Ground Lease)

History	The club is one of the oldest clubs in the Wellington region and was formed in 1914 as an off-shoot of the former Brooklyn Harrier Club.	
Background	The club operates mainly during the winter for the cross- country and road season which runs from March to October. The club has a strong emphasis on coaching for all age groups, especially junior members.	
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 Healthier outcomes.	
Club Sustainability	Membership	150 (59 seniors and 91 juniors)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

### **Vogelmorn Tennis Club (Ground Lease)**

History	The club was established in 1929	
Background	The club has four plexipave courts with lights. The club won Tennis Club of the year in 1998 and 2002.	
Term	10 + 10 year lease. This term is in accordance with the standard term outlined in the Leases Policy.	
Strategic Fit	Contributes to the More Liveable, More Actively Engaged, Better Connected and Healthier outcomes.	
Club Sustainability	Membership	222 (173 seniors and 49 juniors)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

### **Wellington Car Club (Ground Lease)**

History	The club was established in 1942 and has a long history in Wellington with car enthusiasts.	
Background	The club is currently undergoing a revival and its main objective is to run sanctioned competition events enabling cars of all ranges to be enjoyed at competitive speeds in safe and legal environments. Speed events include hill climbs, circuit racing, sprints and rallies. The club also runs regular training days at Manfield speedway.	
Term	5 + 5 year lease. This term has been determined due to the club's declining membership and under utilisation of the building which is approximately 15 hours per week. The Council will consider granting the 5 year renewal term at the expiry of the initial term.	
Strategic Fit	Contributes to the More Liveable, More Actively Engaged, Better Connected and Healthier outcomes.	
Club Sustainability	Membership	58
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

### **Wellington Municipal Croquet Club (Premises Lease)**

History	The club was established in 1912 by Mrs J Luke, wife of the then Wellington Mayor. The Club was also used as a mortuary in 1917 during the influenza epidemic.	
Background	Over the years the club has produced several leading New Zealand players and enjoys use of the greens everyday. The club also runs an open night every Friday to introduce the game to members of the public.	
Term	10 year lease. This term is in accordance with the Town Belt Management Plan.	
Strategic Fit	Contributes to the More Liveable, More Actively Engaged, Better Connected and Healthier outcomes.	

Club Sustainability	Membership	50
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?		Yes

## 6. Conclusion

The five groups requesting a fresh lease on Reserve Land and the Wellington Town Belt have provided sufficient evidence to demonstrate their strategic fit and are sustainable for the proposed term of their lease. All groups are in agreement with the proposed terms and conditions, including the term of the lease.

Officers propose that the Committee exercise its delegated authority to approve the granting of leases to these groups, subject to the conditions identified in the Recommendations Section (Section 3) of this report.

Contact Officer: *David Shaw - Property Advisor, 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**

*This is a Corporate Services activity as opposed to an Annual Plan 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.*

*For leases over Town Belt land, a copy of the public notification will be sent to the Friends of the Town Belt, and leases will be publicly advertised in accordance with the Town Belt Management Plan 1995.*

### **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.*