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

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## **MARANUI SURF CLUB BUILDING AND LYALL BAY BEACH BUILDINGS – PROPOSAL TO CONSIDER A LEASE TO THE MARANUI SURF LIFE SAVING CLUB INCORPORATED**

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

On the basis that the Council approves the transfer of ownership of the Maranui building located on Lyall Bay beach to the Maranui Surf Life Saving Club, this paper recommends the granting of a ground lease to the Maranui Surf Life Saving Club.

### **2. Executive Summary**

In its meeting of 19 November 2009, the Strategy and Policy Committee will consider whether it will recommend to full Council that the ownership of the Maranui building will transfer from Council to the Maranui Surf Life Saving Club. The decision to transfer the building ownership would be subject to a number of conditions, including the approval of a new ground lease to the club.

The authority to grant approval for leases of Council owned land to recreation and community groups is delegated to the Regulatory Processes Committee.

### **3. Recommendations**

Officers recommend that the Committee:

1. *Receive the information.*
2. *Agree that any approval to grant a new ground lease is conditional on Council approval of the transfer of ownership of the Maranui building to the Maranui Surf Life Saving Club (or Council approved nominee), and the conditions of transfer being satisfied.*
3. *Approve, subject to the terms and conditions noted below, the granting of a new ground lease to Maranui Surf Life Saving Club, or with the approval of the Chief Executive its nominee in accordance with the Local Government Act 2002.*

4. *Note that the terms of the lease are:*

*Location: Lyall Bay Parade*

*Leased Area: Footprint of the Maranui Surf Life Saving Club building*

*Term: Ten years and one right of renewal for ten years*

*Annual rent: \$2,600 per annum plus GST*

*Sub lease: Limited to the first floor of the building to Maranui Café Limited*

#### 4. Consideration

In May 2008 the Council resolved to classify Lyall Bay Beach as Recreation Reserve, with the area surrounding the four existing buildings to become Local Purpose (Community) Reserve in accordance with the Reserves Act 1977. The classification does not have legal effect until a Gazette notice has been published. To date this notice has not been published as officers are still working with surveyors and solicitors to finalise the survey plans for Lyall Bay beach.

Therefore the proposed leased area is still held as fee simple land and accordingly the granting of any lease is subject to the general provisions of the Local Government Act 2002.

The granting of a lease under the Local Government Act 2002 does not require the same processes as the Reserves Act 1977; however the Leases Policy for Community and Recreation Groups applies to the assessment of the suitability of the Maranui Surf Life Saving Club for a lease.

This assessment was carried out in full at the time the previous premises lease was granted to the club in 2008 and further considered in the paper to the Strategy and Policy Committee of 17 November 2009 titled 'The Future of the Four Lyall Bay Beach Buildings'.

The assessment made under the Leases Policy for Community and Recreation Groups is as follows:

<b>Criteria</b>		<b>Assessment</b>
<b>1. Strategic Fit</b>	<b>Social and Recreation Strategy</b>	Surf Lifesaving contributes towards recreational activity and encourages awareness of water safety.  These activities are consistent with the Social and Recreation Strategy which aims to build strong, safe and healthy communities for a better quality of life.
	<b>South Coast Management Plan</b>	This lease is consistent with the requirements of the South Coast Management Plan.

<b>2. Activity Sustainability</b>	<b>Membership</b>	The Lessee has a membership of over 150 and numbers continue to increase.
	<b>Financial Position</b>	The lessee will have a sub lease to a commercial operation that will provide a steady stream of revenue to provide additional support to the club. Accordingly officers consider the club has a sound financial position.
<b>3. Terms and Conditions of Lease Met</b>	<b>Reliability</b>	The previous lease was granted in 2008, all terms and conditions of this lease had been met.

Contact Officer: *Lucy Ross, Team Leader, 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.

The facilitation, provision and funding of community participation and support contributes to the Council's long term outcomes of a city that is:

- more liveable
- more inclusive
- more actively engaged
- better connected
- healthier

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

The granting of this ground lease has a minor financial impact on LTCCP.

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

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

While this is not a significant decision, the requirements of Part 6 of the Local Government Act 2002 have been met through the consideration of the issues when the premises lease was considered in 2008, the proposed transfer of the building and the consideration of the ground lease under the Leases Policy for Community and Recreation Groups.

### **5) Consultation**

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

A variety of methods of community engagement were used during the development of these recommendations, including a public meeting, gathering of community feedback from correspondence, stakeholder meetings and an ePetition.

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

The outcomes of discussions with iwi will be reported at the Regulatory Processes Committee.

### **6) Legal Implications**

Council's lawyers have been consulted during the development of this report.

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

This report recommends a new ground lease to an existing recreation group. This recommendation is consistent with the Leases Policy for Community and Recreation Groups.