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**REPORT 2**  
*(1215/52/IM)*

## **GRANTING OF A GROUND LEASE TO THE BROOKLYN SMALLBORE RIFLE CLUB INCORPORATED**

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

To recommend the Committee approves a ground lease to the Brooklyn Smallbore Rifle Club Incorporated of Town Belt land at 2 Bell Road, Brooklyn as outlined in red on Appendix one.

### **2. Executive Summary**

The Brooklyn Northern United Association Football Club Incorporated (the current ground leaseholder), is disposing of its building at 2 Bell Road, Brooklyn with the assistance of Council officers.

The sale of the building is contingent upon the proposed tenant obtaining a lease from the Council. The proposed tenant is the Brooklyn Smallbore Rifle Club Incorporated who would purchase the building and will use the facility as a rifle range.

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) and (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 Brooklyn Smallbore Rifle Club Incorporated in accordance with the Reserves Act 1977.*
3. *Note that the terms of the lease are as follows:*  
*Location: 2 Bell Road, Brooklyn*  
*Term: 10 years*  
*Annual Rental: \$716.00 per annum plus GST*

4. *Note that any approval to grant the lease is conditional on:*
  - (i) *appropriate consultation with Iwi and Friends of the Town Belt 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 subject land at 2 Bell Road, Brooklyn (land) forms part of the Town Belt. In the late 1950s the Athletic Football Club erected a building to use as their club rooms. The Brooklyn Northern United Association Football Club (BNU) acquired the building from them in the late 1980s (refer to Appendix two to see a photograph of the building). In 1988 the Council granted BNU a 21 year ground lease for this land.

In 2008 BNU had reached a decision that they would not be able to continue meeting the ongoing maintenance, compliance and insurance costs. In addition there had been a fire in the building in 2004 which had badly affected the facility and BNU was unable to repair the damage caused by the fire. Council had no wish to take over ownership of this building and therefore has worked with BNU in the process to dispose of their asset.

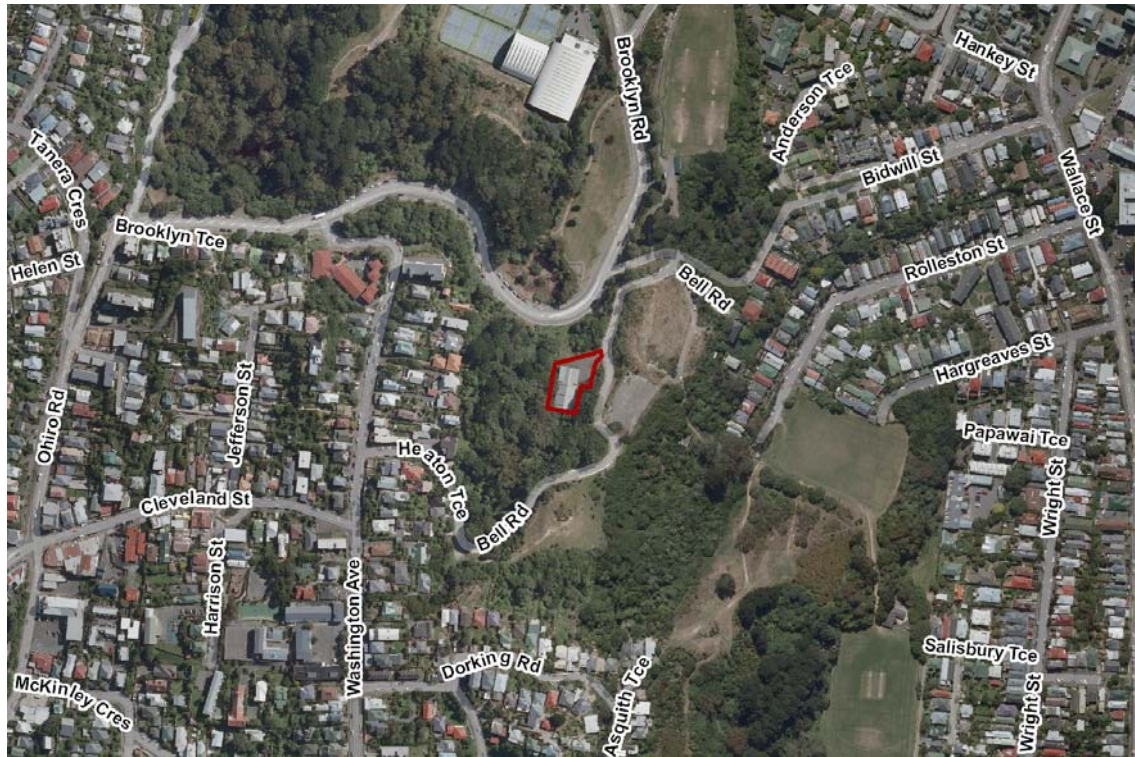
Originally BNU approached the Council to assist in finding another group who was prepared to share the building with the group and provide a capital injection to the Club to allow for deferred maintenance and restoration of the upper floor. Officers have worked with BNU to firstly try to find a compatible group and when this could not be progressed, to find a purchaser for the entire building.

The sale process began with registrations of interest being sought. Three groups expressed an interest in acquiring the building from BNU. These were the Wellington Gilbert and Sullivan Society, the Kung Fu School, which is not an incorporated society and the Brooklyn Smallbore Rifle Club Incorporated (Rifle Club). The Wellington Gilbert and Sullivan Society withdrew their interest due to a lack of immediate funds.

Council officers assessed the two groups against the criteria of the Leases Policy for Community and Recreation Groups (Leases Policy) and then advised BNU that both groups met the criteria and were in a position to make an offer for the building. BNU was left to negotiate the disposal of their building with the two groups and the Brooklyn Smallbore Rifle Club Incorporated has been selected as their preferred purchaser.

#### **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 leased area is marked in red on the aerial photograph below.



The building is an older style community sports hall which is in fair condition with some deferred maintenance required. The area of the land to be leased is approximately 1513m<sup>2</sup> and is legally described as Lot 1 Deposited Plan 10337 and is contained in Computer Freehold Register WN46D/917.

#### **4.2 The Lessee**

The Rifle Club currently owns its own premises at 24A Bruce Avenue, Brooklyn and has done so since the early 1930s. There has been an increase in people wanting to engage in smallbore rifle shooting in the last five years and their premises is no longer large enough to cope with the demand. Rather than having to turn away potential members, the Rifle Club's Committee was been actively seeking an alternative site for a number of years.

Smallbore rifle shooting can be regarded as an indoor and outdoor activity. The Rifle Club is keen to obtain a facility which will allow them to provide an indoor shooting range.

The Rifle Club will fund the purchase of the building through the disposal of their current premises. The Rifle Club has advised that it will also be using the money from the disposal of their building to refit and refurbish the building to suit its needs. This includes sound proofing the building as well as the possibility of demolishing the top floor.

## **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 how the Rifle Club and how it fits within these criteria is outlined in section 6.

This lease is consistent with the provisions of the Social and Recreation Strategy.

### **5.2 Legislation**

The land at 2 Bell Road is held subject to the Town Belt Deed and managed in accordance with the Reserves Act and therefore the lease will be governed by these statutes.

The Wellington Town Belt was vested in the Wellington City Council by the Town Belt and Basin Reserve Deed of 1873. 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'.

A lease is appropriate for the Rifle Club as they will have the right to exclusive use of the land.

The Town Belt Management Plan allows for leases on Town Belt land for a term no longer than 10 years.

## **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:

<b>Criteria</b>		<b>Assessment</b>
<b>1. Strategic Fit</b>	<b>Social &amp; Recreation Strategy</b>	While the Town Belt Management Plan indicates a preference towards outdoor informal recreational activity, the Rifle Club's activities are consistent with other activities on Town Belt land and satisfy the criteria of recreational use.
<b>2. Activity Sustainability</b>	<b>Membership</b>	The Rifle Club has been in existence since 1915. The Rifle Club currently has 31 members plus 10 regular college training squad members.
	<b>Financial Position</b>	The club is in a good financial position and has the funds to fulfil their lease obligations of maintenance, repair and insurance.
<b>3. Use of Resources</b>	<b>Land Utilisation</b>	The building will be used for a minimum of 12 hours a week. The Rifle Club's Committee will also meet once a month with meetings lasting approximately 2 – 3 hours. The Rifle Club are currently looking into hiring the building out to the Deerstalkers Association for their monthly meetings. The building area will be fully utilised.
<b>4. Environmental Impact</b>	<b>Location</b>	The activity does not have the potential to adversely effect open space values as the Rifle Club will sound proof the building.
<b>5. Demonstrated Need &amp; Support from the Community</b>	<b>People</b>	There are 33 Smallbore rifle associations across the Country which supports 150 clubs. The Rifle Club has a large number of casual and social shooters wanting to use their facilities.
<b>6. Need for a Lease</b>	<b>Capability</b>	A lease is appropriate as the Rifle Club will have exclusive use of the land as outlined in red on Appendix One.

## **6.2 Lease Rental**

The lease rental has been assessed in accordance with the rental framework outlined in the Leases Policy. The annual rent has been assessed as \$716.00 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. As the Rifle Club will be investing substantial capital to upgrade and alter the building, it is recommended that a maximum term of 10 years is granted.

## **7. Conclusion**

The Brooklyn Smallbore Rifle Club Incorporated has demonstrated that they are 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 Rifle Club shows it is in a sustainable position.

Council officers recommend that the Regulatory Processes Committee approve the granting of a ground lease to the Brooklyn Smallbore Rifle Club Incorporated.

Contact Officer: *Hanita Shantilal, Senior Property Advisor, Property Management & Amber Bill, Manger, Community Engagement & Reserves, Parks & Gardens*

## **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 and safety and community strength.*

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

*There is no financial impact as the lessee will be responsible for all building repairs, maintenance, insurance and utility costs.*

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