
REPORT 5
(1215/52/IM)

GRANTING OF PREMISES LEASE TO BUILDING BIOLOGY AND ECOLOGY INSTITUTE LIMITED

1. Purpose of Report

To recommend the Committee approves a new premises lease to Building Biology and Ecology Institute Limited over part of Truby King House, in Melrose.

2. Executive Summary

Building Biology and Ecology Institute Limited is an organisation that encourages the design and construction of healthy and sustainable homes; it also undertakes some commercial design work. It was registered in 1999 and has occupied part of the Truby King House since 2000, as lessee of part of the house.

The house is located in Truby King Park, on Manchester Terrace, in Melrose. It is a historic building that is opened to the public twice annually, and is available for ad hoc uses such as wedding receptions.

The director of Building Biology and Ecology Institute Limited lives in Truby King House in his capacity as custodian of the property for the Truby King House and Garden Trust. The custodian has exclusive use of parts of the house and other areas of the house are available for hire.

Reports recommending a lease to a recreational, community, or cultural group on reserve would normally be presented to the Regulatory Processes Committee. However, in this case the lessee is a commercial entity and the custodian resides on the property so it is appropriate that the lease is presented to the Strategy and Policy Committee.

3. Recommendations

Officers recommended that the Committee:

- 1. Receives the information.*
- 2. Approves, subject to the terms and conditions noted in recommendations 3 and 4, the granting of a fresh premises lease to Building Biology and Ecology Institute Limited in accordance with the Reserves Act 1977.*

3. *Notes that the terms of the lease are:*

Location:	<i>Truby King House, Truby King Park, Melrose</i>
Term:	<i>5 years</i>
Annual Rental:	<i>\$9,100 + GST</i>
Annual Maintenance Fee:	<i>\$1,389.66 + GST</i>

4. *Notes that any approval to grant the lease is conditional on:*

- (i) Appropriate consultation with iwi.*
- (ii) The lease being publicly notified in accordance with sections 119 and 120 of the Reserves Act 1977.*
- (iii) There being no sustained objections resulting from the abovementioned consultation or notification.*
- (iv) Building Biology and Ecology Institute Limited pays for the legal and advertising costs associated with preparing the lease.*

4. Background

The premises is known as Truby King House and is situated in Truby King Park which is accessed from Manchester Terrace, Melrose. The Truby King House is marked in red on the aerial photograph in Appendix 1. The Lessee holds a lease over parts of the building that are used for residential purposes and to accommodate their business, and does not include the museum and meeting room. The leased areas of the house are shown in yellow in Appendix 2.

The Council leases land and buildings to a wide range of lessees undertaking various activities. Leases are important to provide certainty for the Council and lessees in regard to their property obligations and to provide a framework for asset management.

A lease to a commercial entity that is not associated with a recreational or cultural group is not anticipated by the Leases Policy for Recreation and Community Groups 2001 (Leases Policy). However, similar assessment criteria and processes have been adapted from the Leases Policy because the land is reserve and the tenant provides a custodian service to the house and land.

The custodian lives in the house and provides a 24 hour security presence at no cost to the Council.

4.1 The Site

The land is designated Open Space B and adjoins Town Belt land. The Truby King House, gardens, and mausoleum are situated on the land which is classified Historic Reserve under the Reserves Act 1977 (the Reserves Act).

4.2 The House

Truby King House was built in 1923 and is located on a ridge in Melrose with expansive views of Evans Bay, Lyall Bay, Newtown, and the Hutt Valley. Sir Frederic Truby King (known as Truby King) is probably New Zealand's most widely known medical practitioner. He influenced the course of health care in New Zealand, both in mental health and more particularly in the health and welfare of mothers and babies. He founded the Plunket Society in 1907, was knighted for his work and accorded a state funeral on his death - the first ever granted to a private individual.

The house and land were donated to the Plunket Society in 1932. In 1988 the house and grounds became available for sale. In September of that year, the Council resolved to purchase the house and grounds, and both were acquired by the Council in 1990 to retain and preserve this important piece of Wellington's heritage.

The house is open twice a year to the public; people may visit the areas of the house that are not leased to the lessee during these times. Visits by individuals or groups also occur at other times by arrangement. This is in line with a Memorandum of Understanding with the Truby King House and Garden Trust.

Public parts of the house are also available for uses such as wedding receptions, seminars, and filming on an ad-hoc basis. The Trust collects revenue generated from open days and other uses, and applies it to conserving the site's heritage values, and encouraging visitors to the house.

4.3 The Lessee

Building Biology and Ecology Institute Limited (BBE) was originally established in 1999. It fosters and encourages the design and construction of healthier and more sustainable homes, and promotes the principles of ecological building/design. BBE offers workshops, courses, seminars, research and publications to support this movement, while offering some commercial design and architectural services. BBE meets all utility costs for the house.

5. Assessment Considerations

5.1 Strategic Fit

The lease is subject to the Reserves Act and the Truby King Park Conservation and Management Plan, and is in line with the Council's Social and Recreation Strategy.

Truby King Park Conservation and Management Plan

The Truby King Park Conservation and Management Plan 1993 (Management Plan) is primarily concerned with conserving the park and the house as a passive recreational amenity for the use and enjoyment of the public, and to protect and manage the house in a sensitive and dignified manner appropriate to its significant heritage value.

Use of the house as a base for BBE's activities and providing a security presence is an appropriate and sustainable use of this important heritage building.

Social and Recreation Strategy

The Social and Recreation Strategy identifies strong communities as those that:

- have a robust social infrastructure; that is, there is sound provision of amenities, facilities and key social services; and
- are cohesive; that is, there is a high level of community participation, strong networks and empowered community groups.

In this context, facilitation of public access to the garden and the house by the custodian can be considered informal recreation and is consistent with the intent of the Social and Recreation Strategy.

5.2 Legislation

The land in Truby King Park is classified Historic Reserve under the Reserves Act, and therefore the lease is governed by this legislation. Under section 58A, the Council may lease the land to any person, body, or organisation for domestic residential purposes or for the carrying on of any activity, trade business or occupation where there is a benefit to the public. This benefit comes in the form of a significant caretaking and security role that the custodian provides.

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

6. Discussion

One of the objectives of the Management Plan is to “protect and manage the house... in a sensitive and dignified manner...” and Policy 10 of section 4.4.3 of the Management Plan states that the Council should retain a resident caretaker to discourage vandalism and to enhance security of the house and its contents. The custodian reduces opportunities for vandalism as the house is located in a remote site – the custodian is the eyes and ears for the Council. This represents a significant benefit to the Council by providing a presence by day and night for no cost.

The provision of a lease with BBE is consistent with the Social and Recreational Strategy by facilitating open days inside the Truby King House, hosting events such as receptions, filming, and other social activities.

6.2 Lease Rental and Maintenance Fee

Section 4.5.3 of the Management Plan outlines that a concessionary lease for a commercial activity may be appropriate if the lessee facilitates public use, enjoyment, and protection of the facilities.

The annual rent has been set at \$9,100 excluding GST per annum. This amount has been set with consideration to the lessee’s commercial activities but also in recognition of the contributing role that it plays in maintaining a security presence for the house at nil cost to the Council.

The lessee will be charged a maintenance fee of \$1,389.66 + GST per annum. This is based on the current facilities maintenance contract cost that the Council holds with CityCare and is apportioned to the lessee. The fee is reviewable annually so that the amount can be set appropriately.

6.3 Lease Tenure

A unique situation exists at Truby King House, with BBE acting both as custodian and undertaking its own commercial activities. Therefore a “standard term” does not exist. The custodian, in discussions with officers, has indicated that a 5-year term is suitable, and officers agree.

7. Conclusion

The Building Biology and Ecology Institute Limited undertakes an essential role as custodian of Truby King House, in addition to the operation of their business. The lessee has been an excellent tenant, and has consistently gone beyond the call of duty in regard to protecting the house.

The activities that the Lessee undertakes are consistent with the Truby King Management Plan and policies, are a good fit with ensuring a sustainable use of the heritage building, and provide a public good. Therefore a new lease is recommended for this lessee.

Contact Officer: *Heather Cotton, Property Advisor;*
David Sole, Manger, Botanic 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.

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

The building is owned by the Council and it is responsible for maintaining the building; the lessee is responsible for all outgoings. The expenditure falls within the Botanic Gardens budget PGC560, PGCX468 and is accounted for annually as part of the Council's Annual Plan.

3) Treaty of Waitangi considerations

There are no known considerations.

4) Decision-Making

This is not 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

Council's lawyers have been consulted during the development of this report. The provision of the lease is consistent with the Reserves Act 1977.

7) Consistency with existing policy

The provision of this lease is not specifically contained within the Leases Policy for Community and Recreation Groups; however it is consistent with this policy and with the Truby King Park Conservation and Management Plan.

APPENDIX 1

Aerial Photograph of Lease Site

APPENDIX 2

Leased Area of Truby King House