
REPORT 2
(1215/53/IM)

GRANTING OF A NEW LEASE TO THE WELLINGTON CADET CENTRE TRUST

1. Purpose of Report

The purpose of this report is to obtain Committee approval to grant a new ground lease to the Wellington Cadet Centre Trust over Open Space A zoned land comprising part of Cog Park.

2. Executive Summary

In February 2006, the Council approved the Concept Plan for the redevelopment of Cog Park. The approved plan included construction of two new buildings funded and owned by the Wellington Cadet Centre Trust (the Cadet Trust).

Approval to site the buildings on Cog Park was conditional on the Cadet Trust providing sufficient evidence to the Council of their ability to fund construction of the buildings, and meet all regulatory approvals and tender processes. All these conditions have been met.

The proposed ground lease is confined to the footprint of the buildings with the surrounding area being open space for the purpose of public recreation and enjoyment. The new buildings comprise 839 square metres or 6.3% of the redeveloped park area.

The key driver for the redevelopment of Cog Park is the dilapidated condition of the Council-owned buildings that the clubs currently occupy. In December 2005, the largest of the buildings leased by TS Amokura Sea Cadets, was destroyed by fire due to an apparent electrical fault. This further hastened the need for the proposed Cadet Trust buildings.

In December 2006, Councillor Gill informed Committee members of the need to progress matters in preparation for the lease consistent with Cog Park's approved Concept Plan. Members provided their approval in principal to a Development Agreement being signed between the Council and the Cadet Trust that acknowledges the requirement for Committee approval to ratify the ground lease for the buildings. Accordingly work is planned to begin in late January 2007.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Agree to grant a new ground lease of 10 years with two further renewals of the same term to the Wellington Cadet Centre Trust for the footprint of the Club Room and Boats shed buildings as depicted on the Boffa Miskell Cog Park Landscape Masterplan (1A-01-003, Revision 04) attached to this report (Appendix One).*

4. Background

In February 2006, the Council approved the concept plan for the redevelopment of Cog Park (the resolution is attached as Appendix Two). The approved concept plan included construction of two new buildings funded and owned by the Wellington Cadet Centre Trust. The buildings comprise a boat shed and the main clubroom facility with kitchen, toilet facilities and meeting and activity rooms.

Prior to the December 2005 fire, there were 6 buildings comprising 1,266 square metres, but effectively consuming half the park area because of their spread layout in the park. Under the new regime, the usable park area will increase by approximately 5,000 square metres, or 40%, of the open space area.

Part of the underlying rationale to allow the Cadet Trust to erect new buildings on the Park was the optimising of resources by eliminating duplication of facilities such as toilets, boat storage areas, kitchens, lecture rooms as well as maximising utilisation of these.

Approval to site the buildings on Cog Park was conditional on the Cadet Trust providing sufficient evidence to Council of their ability to fund construction of the buildings, and meeting all regulatory approvals and tender processes. Councillors resolved that approval of the ground lease for these buildings would be subject to a separate approval process once lease details has been resolved.

The participant clubs have raised \$416,474 in the last year reflecting the significance of their role, and support, in the community. In addition to the \$416,474 raised, the Cadet Trust also has access to considerable volunteer labour from professional organisations and companies, as well as free or discounted construction materials. The raised funds, together with other contributions, provide the Cadet Trust with sufficient resources to construct their buildings.

5. Discussion

5.1 Park Concept Design

Since the Cog Park Concept Design was approved in February 2006, Council officers have been working closely with the Cadet Trust to ensure that the design of the building's exterior is aesthetically sympathetic to the surrounding open space area and beyond. This not only applies to the public using the park, but also neighbouring residents, who generally overlook the park towards Evans Bay. Personnel safety issues were also taken into account in designing the buildings and the park layout.

5.2 Resource Consent

Resource consent for the Park's redevelopment, including the two buildings, was granted on 15 August 2006. No changes were made to the plans since the Concept Design was approved.

5.3 Building Consent

Building Consent for the two club buildings was granted on 13th December 2006.

5.4 Lease Agreement and Documentation

The ground lease, that has been conditionally offered by officers, and accepted by the Cadet Centre Trust, is a negotiated standard Council ground lease for recreation reserve and open space land. The lease is based on the guidelines outlined in the Leases Policy for Community and Recreation Groups (the Policy).

Officers are recommending that the Trust be granted the option of a lease of 10 years with two further renewals of the same term.

Under the Policy the standard tenure for leases is ten years plus one further term of ten years. 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 it to respond to changing community needs and asset management issues. Reasons outlined in the Policy for granting a longer term include the proposed investment in the asset and to provide certainty for external funding purposes.

The financial assistance provided to the Cadet Trust by members of the community was supplied in the belief that the facility they were contributing to would provide for the needs of the community for a significant period of time and that the Council would grant security of tenure to reflect this.

The Cadet Trust has also asked the Council to take the considerable investment that they are making and the historical ties the groups comprising the Cadet Trust have with the area into account. In a letter attached (appendix Three) the Cadet Trust ask that

these factors be considered when deciding whether to grant them a lease of 10 years with two further renewals of the same term.

6. Conclusion

The Council approved the Concept Plan for the redevelopment of Cog Park in February 2006. The approved plan included the construction of two new buildings funded and owned by the Wellington Cadet Centre Trust (the Cadet Trust). The planned new club buildings will provide a far higher quality and more efficient use of the space.

Approval to site the buildings on Cog Park was conditional on the Cadet Trust providing sufficient evidence to Council of their ability to fund construction of the buildings, and meeting all regulatory approvals and tender processes. The Cadet Trust has subsequently provided this evidence to officers' satisfaction.

For the above reasons officers recommend that the Committee exercise its delegated authority to approve in principle the granting of a ground lease to the Cadet Trust.

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Supporting Information

1) Strategic Fit / Strategic Outcome

The Cog Park redevelopment concept design and new lease contributes to:

Outcome 1.1: Liveable City

Wellington is a great place to live and offers a variety of places to live, work and play within a high quality public environment.

Outcome 1.2: Memorable City

Wellington is a memorable, beautiful city, celebrating its distinctive landmarks, defining features and heritage.

Outcome 2.1 Safety

To ensure that people in Wellington feel safe at any time.

Outcome 5.3: Open Space Recreation

Accessibility to Wellington's open spaces, including the coastline harbour, parks, Town Belt and Outer Green Belt and the provision of a wide range of recreational opportunities that do not compromise environmental values.

Outcome 7.1: Recreation Opportunities

To offer a diverse range and abundance of quality recreation and leisure activities.

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

Funding for construction of the replacement club buildings will be provided by the clubs.

3) Treaty of Waitangi considerations

No known Treaty issues apply in relation to the proposals to redevelop Cog Park and Council Officers will consult with Local Iwi.

4) Decision-Making

Resource and Building consents have been granted.

5) Consultation

a) General Consultation

Public consultation will take place by way of a single public notification in The Dominion Post.

b) Consultation with Maori

Council Officers will consult with Local Iwi

6) Legal Implications

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

7) Consistency with existing policy

The recommendations and the project outcomes are completely consistent with the Recreation Policy, and the draft Social and Recreation priorities for 2006-2016, especially those related to youth and the need to provide active.

Appendix One

Appendix Two

Appendix Three