
REPORT 1
(1215/53/IM)

GRANTING OF LEASES TO FIVE GROUPS OCCUPYING COUNCIL RECREATION RESERVE AND WELLINGTON TOWN BELT

1. Purpose of Report

This report seeks Committee approval to the granting of fresh leases over Local Purpose Reserve, Recreation Reserve and the Wellington Town Belt to the following groups:

- Kelburn Park Sports Association Incorporated
- Wellington Region Free Kindergarten Association – Tawa Central
- Wellington Region Free Kindergarten Association – Johnsonville West
- Wellington Region Free Kindergarten Association – Miramar North
- Wellington Region Free Kindergarten Association – Tui Park, Linden

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 four kindergarten groups is classified as Local Purpose Reserve (rather than Recreation Reserve) so the leases must be granted under the Public Bodies Leases Act 1969 rather than the Reserves Act 1977.

The lease for the Kelburn Park Sports Association Incorporated is on Recreation Reserve and Town Belt land and 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 assessment of the strategic fit and level of sustainability for each group.

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 and the Public Bodies Leases Act 1969:

Group	Type of Lease	Location	Term (years)	Annual Rent (GST exclusive)
<i>Kelburn Park Sports Association Incorporated</i>	<i>Premises</i>	<i>Kelburn Park</i>	<i>10</i>	<i>\$98</i> <i>Maintenance fee</i> <i>Compliance fee</i>
<i>Wellington Region Free Kindergarten Association (Tawa Central)</i>	<i>Ground</i>	<i>Coronation Park</i>	<i>10 + 10</i>	<i>\$450</i>
<i>Wellington Region Free Kindergarten Association (Johnsonville West)</i>	<i>Ground</i> <i>(Lease for car park and play area)</i>	<i>Kipling St</i>	<i>10 + 10</i>	<i>\$90</i>
<i>Wellington Region Free Kindergarten Association (Miramar North)</i>	<i>Ground</i>	<i>Miramar Park</i>	<i>10 + 10</i>	<i>\$472</i>
<i>Wellington Region Free Kindergarten Association (Tui Park, Linden)</i>	<i>Ground</i>	<i>Tui Park, Linden</i>	<i>10 + 10</i>	<i>\$428</i>

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

- (a) appropriate consultation with Iwi being completed;*
- (b) The proposed lease on Recreation Reserve 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

Currently there are 147 leases with sports, recreation and community groups; 87 of these leases are current, while 26 have committee approval subject to the public notification and Reserves Act 1977 processes.

This report presents a further five groups requesting a fresh lease on our open space/reserve land. One of these five groups is on the Wellington Town Belt.

Over the last 10 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. One of the key issues is leases, which the Council has given a commitment to process in a timely manner.

4.2 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)¹

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.

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.

4.3 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.

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

- 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.

4.4 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 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 expectations. 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.

Shorter Tenure	Longer Tenure
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	

4.6 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

4.7 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% (SPARC Physical Activity Survey²).

It is predicted that by 2026 there will be:

- 2,000 fewer children aged 0-14
- 20,000 more people aged 40-64

² No recent data is available. Youth2007 is a nationwide survey currently underway that will examine the “health and wellbeing of the next generation of Kiwi adults” (Ministry of Health/Ministry of Youth Development). Results will be available in mid 2008.

- 14,000 more people aged 65 plus.

Soccer

Wellington has the highest proportion of adults throughout the country that play soccer. (SPARC 2001 Table - Adult Soccer Players in RST Areas).

Soccer NZ has developed the Small Whites initiative to encourage and reward achievement and participation in junior soccer. Sponsorship with McDonalds has allowed a high-profile recruitment drive via TV and the internet – www.juniorsport.co.nz - which puts interested players in contact with their local club, and also provides equipment for soccer training and participation.

Cricket

Membership levels have increased in Wellington across all levels, especially at the junior level. From 2005 to 2006, adult membership in the Wellington region has increased 5 % and junior membership has enjoyed a 48% increase during the same period.

The Wellington Cricket Association is actively promoting the sport to schools in response to the competitive environment of the range of sports school children have to choose from. (Cricket Wellington, 2007 Annual Report).

Kindergartens

There is currently over 46,000 children enrolled at over 600 kindergartens and early childcare services nationwide. Nationally, the number of children (pre-schoolers) enrolled in early childhood education (licensed centres) has increased 5.8% or 9,067 between 1 July 2002 - 1 July 2006. Enrolments in kindergartens declined by 1.6% during this time. Kindergartens do not offer full time care services and mainly cater for 3 and 4 yr olds.

In the Wellington region, enrolments in early childhood education (licensed centres) increased by 2.3% or 444 pre-schoolers between 2005 and 2006. A total of 19,457 pre-schoolers were enrolled and a further 3,284 were enrolled in licensed-exempt centres.

According to the Ministry of Education’s website there are 185 licensed providers in Wellington City, consisting of 56 kindergartens, with 29 of these in Wellington City with a total of 2,211 pre-schoolers enrolled (Early Childhood Education Statistics 2006, Ministry of Education Website).

5. Discussion

5.1 Club Information

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

Kelburn Park Sports Association Incorporated (Premises Lease)

History	The VUWCC was founded in 1906 and is currently made up of 10 teams made up of students and non-students. The club consists of the Victoria University of Wellington Football Association (VUW AFC) and the Victoria University of Wellington Cricket Club (VUWCC).
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Background	The club operates all year round due to being made up of two sporting codes- Soccer and Cricket and has a current combined membership of around 250. The VUW AFC is the biggest senior football club in Wellington, consisting of 16 teams (12 Mens teams and 4 Womens teams). The club caters to men and women players of all abilities and offers competitive joining fees.	
Term	10 year lease. This term is in accordance with the Town Belt Management Plan.	
Strategic Fit	Contributes to More Liveable, More inclusive, More actively engaged and Better Connected Outcomes Healthier Outcomes Has a website.	
Club Sustainability	Membership	250 (approximately 140 Cricket members)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Region Free Kindergarten – Tawa Central (Ground Lease)

History	The Kindergarten has leased the site for over 30 years with the first lease commencing in 1975.	
Background	The Kindergarten has a current roll of 80 children made up of 8 different ethnicities and has morning and afternoon session times during the week.	
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, More Inclusive and Better connected outcomes.	
Group Sustainability	Membership (Roll)	80 (44 Boys and 36 Girls)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Region Free Kindergarten – Johnsonville West (Ground Lease)

History	The Kindergarten has occupied the site at Kipling Street Reserve since 1974.	
Background	The Kindergarten has a current roll of 86 children made up of a wide range of ethnic groups. The Kindergarten provides morning and afternoon sessions. The kindergarten is mainly situated on land owned by the Ministry of Education but requires a lease over a portion of the adjoining Local Purpose Reserve land (approximately 240m2) for a play area and car park.	
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, More Inclusive and Better connected outcomes.	
Group Sustainability	Membership (Roll)	86 (36 Boys and 50 Girls)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Region Free Kindergarten – Miramar North (Ground Lease)

History	The Kindergarten has leased the site at Miramar Park since 1975.	
Background	The Kindergarten has a current roll of 89 children made up of 40 boys and 49 girls. Like all of the other Wellington Region Free Kindergartens, it operates morning and afternoon sessions. The Kindergarten has a very attractive and spacious outdoor environment which allows children to explore and develop physical skills.	
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, More Inclusive and Better connected outcomes.	
Group Sustainability	Membership (Roll)	89 (40 Boys and 49 Girls)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Region Free Kindergarten – Tui Park, Linden (Ground Lease)

History	The Linden Kindergarten has occupied the site at Tui Park since 1965.	
Background	Since 2005, the Kindergarten has been operating a unique system whereby the younger children attend the Kindergarten in the morning for two three hour sessions and the older children attend for three mornings and two afternoon sessions per week.	
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, More Inclusive and Better connected outcomes.	
Group Sustainability	Membership	61 (27 Boys and 34 Girls)
	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

A copy of the 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.

Public notification is not required for leases granted under the Public Bodies Leases Act 1969.

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.

**AERIAL PHOTO - KELBURN PARK SPORTS
ASSOCIATION INCORPORATED**

**AERIAL PHOTO - WELLINGTON REGION FREE
KINDERGARTEN ASSOCIATION – TAWA CENTRAL**

**AERIAL PHOTO - WELLINGTON REGION FREE
KINDERGARTEN ASSOCIATION – JOHNSONVILLE
WEST**

**AERIAL PHOTO - WELLINGTON REGION FREE
KINDERGARTEN ASSOCIATION – MIRAMAR NORTH**

**AERIAL PHOTO - WELLINGTON REGION FREE
KINDERGARTEN ASSOCIATION – TUI PARK,
LINDEN**