
REPORT 3
(1215/53/IM)

GRANTING OF LEASES TO SIX 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 Recreation Reserve and the Wellington Town Belt to the following groups:

- Wellington British Railway Modellers Club
- Tawa Junior Soccer Club
- The Scout Association of New Zealand (Brooklyn Group)
- Central Allbreeds Dog Training School
- Wellington Chinese Sports and Cultural Centre Incorporated
- New Zealand Squash Incorporated (Club Kelburn)

2. Executive Summary

The report provides a description and assessment of six groups requesting a fresh lease together with officers' recommendations to grant a lease to each group.

The land being leased to five of the groups is classified as Recreation Reserve, three of these being on the Wellington Town Belt. One of the leases- Brooklyn Scout Group is on fee simple land which is used for community and childcare purposes. Five of the six leases will be granted under section 54 of the Reserves Act 1977. The lease on fee simple land will be granted under the Local Government Act 2002.

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 assessing the groups strategic fit and level of sustainability.

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:*

Group	Type of Lease	Location	Term (years)	Annual Rent (GST exclusive)
<i>Wellington British Railway Modellers Club</i>	<i>Premises</i>	<i>Grenada North Park</i>	<i>10 + 10</i>	<i>\$214 Maintenance fee Compliance fee</i>
<i>Tawa Junior Soccer Club</i>	<i>Premises</i>	<i>Grenada North Park</i>	<i>10 + 10</i>	<i>\$155 Maintenance fee Compliance fee</i>
<i>Scout Association of New Zealand (Brooklyn Group)</i>	<i>Ground</i>	<i>Harrison St</i>	<i>5</i>	<i>\$71</i>
<i>Central Allbreeds Dog Training School</i>	<i>Ground</i>	<i>Polhill Gully Recreation Reserve and (Town Belt)</i>	<i>10</i>	<i>\$552</i>
<i>Wellington Chinese Sports and Cultural Centre Inc.</i>	<i>Ground</i>	<i>Mt Albert Park (Town Belt)</i>	<i>10</i>	<i>\$962</i>
<i>New Zealand Squash Incorporated (Club Kelburn)</i>	<i>Ground</i>	<i>Salamanca Rd (Town Belt)</i>	<i>10</i>	<i>\$45,337.50 (reflecting the commercial nature of the club).</i>

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

- (a) appropriate consultation with Iwi being completed;*
- (b) each proposed lease 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; 89 of these leases are current, while 20 have committee approval subject to the public notification and Reserves Act 1977 processes and 43 are up for renewal and are part of the lease assessment process, which includes assessing the group's strategic fit and activity sustainability.

This report presents a further six groups of the 43 groups requesting a fresh lease on our open space/reserve land. Three of these six groups are on the Wellington Town Belt.

Over the last 8 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.
- Step 2. Officers evaluate information, including assessing whether the group will be sustainable (membership and financial), their activities are consistent with

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

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).

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.

It is predicted that by 2026 there will be:

- 2,000 fewer children aged 0-14
- 20,000 more people aged 40-64
- 14,000 more people aged 65 plus.

Soccer

Junior Soccer is the most popular sport for young people (5-17 yrs old) with 18% taking part in the last 2 weeks (SPARC 2001 Table - Participation in sport and active leisure by NZ young people).

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.

Scouts

Nationally membership has consistently declined over the past decade. In the 1980s there were over 50,000. In 2005 there were 12,436 youth members, following a 24% loss over the past 5 years. Numbers have been declining in Wellington with at least two clubs closing recently, however there are still strong clubs like the Ngaio Scouts. The Council is committed and actively engaged in ongoing discussions with the lower North Island region of Scouting. This year, Scouting NZ has launched a new strategic direction which hopes to see growth or at least stabilisation of membership numbers in the next few years.

Dog Training

There are currently around 8,500 registered dogs in Wellington with this number increasing at a rate of 200 annually. The Council has endorsed Wellington Canine Obedience as qualified organisations for training owners to achieve 'Responsible Dog Owner' (RDO) status.

Squash

Squash has recorded a decline in membership between 2002 & 2005 at the regional and national level (Squash New Zealand Benchmarking). However casual participation has increased, which is a trend occurring in many sports.

There has been fluctuating membership in all competitions (junior, senior, masters) in the Wellington Region (includes Wairarapa and Nelson/Marlborough) during this time. Squash NZ has a Strategic Plan which focuses on Growth, Best Practice and Performance. Relevant resources are provided to clubs to help grow the sport.

5. Discussion

5.1 Club Information

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

Wellington British Railway Modellers Club (Premises Lease)

History	<p>From 2001 until 2005 the top half of the Grenada North Clubrooms building was occupied by the Grenada North Residents Association.</p> <p>After seeking expressions of interest from the community to occupy the top floor of the building, the Wellington British Railway Modellers Club Inc. became the successful applicant. The club is an Incorporated Society and was formed in 1981. It has a specific interest in small scale modelling of British railways. The club has occupied the top floor of the Grenada North Clubrooms building since 2005.</p>	
Background	<p>The club operates all year round and has a current membership of 33. The aim of the club is building models of railways for club use and public display. The club along with two other local railway modelling clubs hosts the annual RailEx show which attracts approximately 7000 members of the public and is usually held at the Michael Fowler Centre.</p>	
Term	<p>10 + 10 year lease. This term is in accordance with the standard term outlined in the Leases Policy</p>	
Strategic Fit	<p>Contributes to More Liveable, More Eventful, and Better Connected Outcomes.</p>	
Club Sustainability	Membership	33
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Tawa Junior Soccer Club (Premises Lease)

History	<p>The club has been operating since the mid 1970s and is affiliated to the Tawa Soccer Club.</p>	
Background	<p>The club operates mainly during the winter season and has a current membership of 730 members, comprising 41 teams with two teams being college soccer teams. Over 420 Tawa families have a connection to the club.</p>	
Term	<p>10 + 10 year lease. This term is in accordance with the standard term outlined in the Leases Policy.</p>	
Strategic Fit	<p>Contributes to More Liveable, More actively engaged, Better Connected and Healthier Outcomes.</p> <p>Strong Local Family Focused Club.</p>	
Club Sustainability	Membership	730 juniors (45 college players)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Scout Association of New Zealand, Brooklyn Group (Ground Lease)

History	Brooklyn Scout Group was established in 1909, one of the first Scout groups established in Wellington. Lord Baden-Powell, the co-founder of the Scout movement visited the group on 24 February 1935.	
Background	The Scout group has a current membership of 28, comprised of scout leaders, keas, scouts and cubs. The facility is used six hours a week by the group. As with all Scout groups, the programme of activities is set by the National Scouting Association which is implemented and run by the individual Scout Groups.	
Term	5 year lease. This term has been determined by the declining numbers on a national scale and low use of the building which is approximately six hours per week. The building owned by the Scout Group is also hired out on a casual basis to Brooklyn Play centre for indoor recreation activities during inclement weather.	
Strategic Fit	Contributes To More Liveable, More actively engaged, Better Connected and Healthier Outcomes. Has a youth focus.	
Club Sustainability	Membership	28 (6 adult leaders, 12 scouts, 5 cubs and 5 keas)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Central Allbreeds Dog Training School (Ground Lease)

History	Central Allbreeds Dog Training School has operated on the Polhill Gully Recreation Reserve site for almost 45 years and is the second oldest dog obedience club in Wellington. The land commonly known as Polhill Gully Recreation Reserve was first used by a primary school but upon closure, the land was allocated to the club to use for training the communities dog owners.	
Background	The club is currently has over 100 members and uses the building and site approximately 15 hours a week for official classes. The club offers two courses for dog owners. The first teaches basic obedience and manners with a strong emphasis on socialising with other dogs and people. The second course builds on the basic skills learnt in the first course and focuses on the competent handling of dogs in any situation that may arise. On average, the club has 400 people attending the classes each year.	
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, Better Connected, Safer and Healthier Outcomes.	
Club Sustainability	Membership	100+
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Chinese Sports and Cultural Centre Incorporated (Ground Lease)

History	On 15 May 1977, the then mayor of Wellington, Michael Fowler officially opened the centre. The vision of the centre was to cater for the sporting, cultural and social needs of the Chinese community. The centre celebrated its 25 th anniversary in May 2002 and has become a prominent indoor sports venue available to the wider community to utilise and hire for sports and private functions. Historically the main sport played at the centre has been basketball, however dance classes, volleyball and indoor bowls have featured regularly at the stadium.	
Background	The Centre has a current membership of approximately 1300 members within the Wellington area and has approximately 100 other members that are based in other parts of New Zealand and overseas. The building is utilised approximately 30 hours per week.	
Term	10 year lease. This term is in accordance with the Town Belt Management Plan.	
Strategic Fit	Contribution to More Liveable, More Inclusive, More actively engaged, Better Connected and Healthier Outcomes. Adds to a variety of recreational opportunities.	
Club Sustainability	Membership	1300
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

New Zealand Squash Incorporated, Club Kelburn (Ground Lease)

History	The building was built and opened in 1962 as the John Reid Squash Centre. New Zealand Squash Incorporated has owned the premises since the early 1970s and named it Club Kelburn 12 years ago.	
Background	Club Kelburn is a commercial operation which provides fitness facilities and fitness expertise to members of the public at competitive rates. The agreed upon rental reflects the commercial nature of the lease and also takes into account the restrictions of the land due to the status being Town Belt. The core activity is squash and the club has a junior program, a beginners club, leagues, business house, coaching and casual play. The club boasts 10 squash courts, 6 Gymnasium areas, a sun tanning and sauna facility and an extensive squash retail shop and is open to members of the public for 95 hours per week.	
Term	10 year lease. This term is in accordance with the Town Belt Management Plan.	
Strategic Fit	Contributes to More Liveable, More Actively Engaged, Better Engaged and Healthier Outcomes Has Website	
Club Sustainability	Membership	400 gym members (squash players casual user pay in excess of 400 players)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

6. Conclusion

The six 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

Public Consultation will take place by way of two public notices in The Dominion Post and two in a local newspaper relevant to the location of the lease.

For leases over Town Belt land, a copy of the public 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.

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.

Wellington British Railway Modellers Club Aerial Photo

Tawa Junior Soccer Club Aerial Photo

The Scout Association of New Zealand (Brooklyn Group) Aerial Photo

Central Allbreeds Dog Training School Aerial Photo

**Wellington Chinese Sports and Cultural Centre
Incorporated Aerial Photo**

**New Zealand Squash Incorporated (Club Kelburn)
Aerial Photo**

