

**REPORT 1**  
 (1215/53/IM)

## **GRANTING OF A FRESH PREMISES LEASE TO BROOKLYN COMMUNITY ASSOCIATION INCORPORATED**

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

To seek the Committee's approval for the granting of a fresh lease over land at 18-26 Harrison Street, Brooklyn as identified on the attached plan (appendix 1).

### **2. Executive Summary**

This report provides a description of the Brooklyn Community Association (Association) and their requirement for an increased land area requiring a fresh lease and officers' recommendations to grant the lease.

The land being leased to the group is classified as Open Space A. This lease will be granted under the Local Government Act 2002.

The Leases Policy for Community and Recreation Groups (Leases Policy) provides guidance for the granting of new leases; this process includes assessing the organisation's strategic fit and level of sustainability. Officers have outlined how the proposed Lease fits the Council's strategies and priorities.

The report outlines Council's strategic direction and priorities and describes the lease assessment process. Officers have outlined how the proposed lease fits the Council's strategies and priorities.

### **3. Recommendations**

*Officers recommend that the Committee:*

1. *Receives the information.*
2. *Approves, subject to the conditions noted below, the granting of a new lease to the following group under the Local Government Act 2002, subject to the surrender of the existing lease.*

<b>Location</b>	<b>Term</b>	<b>Annual Rental</b>	<b>Annual Maintenance Fee</b>	<b>Type of Lease</b>
<i>Land at 18-26 Harrison Street, Brooklyn</i>	<i>10 years + one renewal of 10 years</i>	<i>\$231 + GST per annum</i>	<i>N/A</i>	<i>Ground lease</i>

3. *Any approval to grant fresh leases is conditional upon:*
- (a) *Appropriate consultation with iwi;*
  - (b) *The Lease being publicly notified in accordance with the Leases Policy for Community and Recreation Groups (Leases Policy);*
  - (c) *The Club reimbursing the Council for legal and advertisement costs;*
  - (d) *There being no objections or sustained objections resulting from the consultation or notification.*
  - (e) *No requirement to provide funding for the construction of the extension by Wellington City Council.*
  - (f) *Note no Minister of Conservation approval is required as the land does not have Reserve status.*

## **4. Background**

### **4.1 Overview of the Community & Recreation Leases**

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

The land at Harrison Street is held in fee simple for the purpose of a public hall or other community/recreation use. The land has not been designated as a Reserve as defined by the Reserves Act 1977 but is managed in accordance with the Leases Policy which is directly concerned with the management of Council-owned land and associated buildings through leases to recreation and community groups. The Leases Policy applies to all community and recreation leases of open space and reserve land. As this particular land does not have Reserve status, there is no requirement for Minister of Conservation consent to the lease.

### **4.2 Strategic Context and Direction**

The lease renewal process provides the Council with an opportunity to evaluate a group's community value and contribution to the various Council strategies and policies relevant to recreation and community groups. These strategies and policies are:

- Social and Recreation Strategy
- Environmental Strategy
- Leases Policy for Community and Recreation Groups

## ***Social Strategy***

The role of the Wellington City Council in the social domain is focussed at the community level. The Social and Recreation Strategy is premised on the basis that strong communities are those that have

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

In some respects infrastructure is concerned with buildings and organisations and cohesion is concerned with relationships and engagement. Both aspects are interdependent and critical to strong communities.

## ***Leases Policy for Community and Recreation Groups***

The Leases Policy 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;
- ensure that the provision of leases is fair, equitable and responsive to community needs; and
- 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.

### ***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:

1. Applicant provides Council officers with relevant information including financial information, historical patterns of use, and future prospects.
2. Officers evaluate information and assess whether the group will be sustainable (membership numbers and financially), their activities are consistent with the Council's strategic direction and objectives, and consider their previous lease performance. Unless there is breach of the lease or the criteria are not met, a fresh lease is offered.
3. Communicate officers' decision to the applicant. If a fresh lease is recommended then the officer negotiates lease tenure, rental and terms and conditions.
4. Seek approval in principle from Regulatory Committee.
5. Public notification following the Reserves Act process.

6. If all approvals are granted and no objections are sustained, lease documents will be prepared.

#### **4.4 Lease Agreement and Documentation**

The Lease Policy provides guidance and a framework for the lease agreement process 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.

Leases offered to community groups are a standard format in accordance with Leases Policy and Committee's resolution of 7 February 2007, as amended by the Property law Act 2008. 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
- 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 and one further term of ten years (the renewal). 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.*

<b>Shorter Tenure</b>	<b>Longer Tenure</b>
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 a number of 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 different 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 groups Council. Reporting generally includes the requirement for:

- Membership numbers and usage rates
- Community events run through the leases
- Financial information

#### **4.7 Community centres**

Community centres make a significant contribution to Wellington City by providing community activities, services and meeting spaces for local people. The Council aims to maximise the use of amenities and resources such as community centres by working collaboratively with communities to ensure the best delivery of services and programmes, and improve social cohesion.

Community centres are one of the Council's responses to fulfil its vision for the city's communities. A community centre is part of an integrated city-wide network of community resources. It is a facility that provides opportunities for social interaction, activities, recreation, events, programmes, interest-based courses and meeting spaces that benefit the local community. Community centres identify and meet local community needs in interactive ways, are open to all people, and complement other resources in the community.

Department of Statistics 2006 Census survey details the population of Brooklyn and Brooklyn South as 4,764. This has increased from 4,545 in the 2001 Census.

Brooklyn Community Centre has 20 regular users for the facilities on either a weekly or monthly basis. These include: Barnardos, after school care, Brownies, Pippins, Christian city church, dance classes, friends of Owhiro stream, Brooklyn walkers, heart children foundation, karate, kung fu, table tennis, rock 'n roll, pilates, pre-school music, Sahaja yoga meditation, St John youth, Brooklyn market, holiday programmes. Brooklyn Community Centre estimates

at least 500 people of all ages used the centre last year, from around 170 families.

## 5. Discussion

### **Brooklyn Community Association Incorporated**

History	<p>Brooklyn Community Association Incorporated was originally formed in 1947 with the purpose of raising funds to build a large community hall and subsidiary rooms and to manage the complex on behalf of community groups. The main hall, kitchen, toilets and storage (approximately 2/3 of the total area) were destroyed in a fire in 1997 leaving only the meeting and Plunket rooms intact. In 2002 consent was given to extend the building to the North and create a lounge and meeting room and a part time club room for the RSA.</p> <p>The Brooklyn Community Association provides a part time administrator/coordinator whose role includes management of the hall and room bookings. There are 20 regular users as well as numerous one off functions which are held at the building throughout the year.</p>
Background	<p>Brooklyn Community Association provides a facility and programme of events for the local community to provide and encourage social, recreational, health and cultural benefits within the community.</p> <p>The Association have requested permission to build a new equipment room on the southern end of the building, approximately 25 sq m in total, which will then allow further internal alterations to the building to improve compliance standards as well as the internal layout.</p> <p>The Association have fundraised for the cost of the extension and no funding is required from Wellington City Council for this project.</p>
Term	10 year lease plus one renewal of 10 years. This term is in accordance with the standard term outlined in the Leases Policy.
Rental	\$231 + GST annually.
LTCCP Implications	The granting of a fresh lease to the Brooklyn Community Association Inc. is in alignment with the Social and Recreational Strategy.
Strategic Fit	Contributes to Better Connected and More Liveable Outcomes.

Club Sustainability	Membership	N/A
	Financially viable	Yes
Terms & Conditions of Previous Lease met?		Yes

## 6. Conclusion

Officers recommend that the Committee exercises its delegated authority to approve the granting of a new lease to the Brooklyn Community Association Incorporated, subject to the conditions identified in section 3, (Recommendations).

Contact Officers: *Lucy Ross - Team Leader, Community Purpose, Property Services and Mark Farrar - Senior Advisor, City Communities*

## **Supporting Information**

### **1) Strategic Fit / Strategic Outcome**

*The Leases Policy supports Council's overall vision of Creative Wellington – Innovation Capital. This fresh lease supports Council's activities as promoter of social well being of communities in the present and the future Agreement to the granting of a fresh lease will contribute to Council ensuring the best delivery of services and programmes (see outcomes 6.1-6.5 Social and Recreation Strategy).*

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

*There are no financial or LTCCP implications arising from the recommendations. All costs associated with preparing the new Lease are met by the Lessee.*

### **3) Treaty of Waitangi considerations**

*Iwi will be consulted.*

### **4) Decision-Making**

*The land upon which the lease sits is Fee simple and therefore decisions regarding Leases over the land are delegated to the Council as Local Authority.*

### **5) Consultation**

#### **a) General Consultation**

*The Council will call for submissions as envisaged by the Leases Policy for Community and Recreational Groups.*

#### **b) Consultation with Maori**

*Iwi will be consulted.*

### **6) Legal Implications**

*Council's lawyers will be consulted during the development of a solicitor's certificate.*

### **7) Consistency with existing policy**

*This report recommends a fresh lease with Brooklyn Community Association Incorporated which is consistent with the Council's LTCCP in regard to Strategy 6: Social and Recreation. Directly related to:*

- More liveable
- More actively engaged
- More inclusive
- Better connected