
REPORT 1
(1215/53/IM)

REQUEST FOR A FRESH LEASE FROM THE NEWLANDS COMMUNITY HOUSE INCORPORATED

1. Purpose of Report

To seek the Committee's approval for the grant of a fresh lease to the Newlands Community House Incorporated over Local Purpose (Community Centre) Reserve land at Batchelor Reserve Newlands.

2. Executive Summary

This report discusses the request for a new three year ground lease from Newlands Community House Incorporated and officers' recommendation to grant a six month fresh lease to allow for the transition of existing users from the building to the new Newlands Community Centre.

The land is currently classified as Local Purpose (Community Centre) Reserve.

An application for a new lease has been received from Newlands Community House Incorporated ("the Society") for a fresh lease for a term of 3 years from 1 January 2009. The Society is requesting a fresh lease on the basis that a facility is required 'while the suitability of the new community centre is established'.

The Council has constructed a new community centre on an adjacent site to the Newlands Community House to provide a modern purpose built facility for the delivery of community services. The building will be ready for occupation in December 2008.

Officers are recommending that a short term lease, six months, be granted to allow a transition period for users to the new centre.

3. Recommendations

Officers recommend that the Committee:

- 1. Receives the information.*
- 2. Approves a fresh lease for six months to the Newlands Community House Incorporated to allow a period of transition into the new building, under the Reserves Act 1977, on the following basis:-*

<i>Location</i>	<i>Term</i>	<i>Rent for 6 month term</i>	<i>Lease Type</i>
<i>Batchelor Street Reserve, Newlands</i>	<i>6 Months</i>	<i>\$71 excl GST</i>	<i>Ground Lease</i>

3. *Incorporates provision in the lease giving the tenant the opportunity to remove the building from the Batchelor Street Reserve if desired.*
4. *Notes that Wellington City Council will take over the ongoing management and ownership of the building, if the option to remove the building is not exercised.*
5. *Requests officers investigate possible uses for the land and building, in accordance with the Northern Reserves Management Plan and the Newlands Town Centre Redevelopment Plan and report back to the Strategy and Policy Committee by December 2009.*

4. Background

4.1 Overview of the Leases Policy for Community and Recreation Groups

The Council leases 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.

4.2 Strategic Context and Direction

The lease assessment 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
- Reserve Management Plans (such as the Northern Reserves Management Plan)

Social and Recreational Strategy

The role of the Wellington City Council in the social domain is focussed at the community level. 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
- 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 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;
- 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.

When an assessment for a request for a Fresh Lease is made the criteria that the organisation must meet are Strategic Fit and Activity Sustainability.

- Strategic Fit requires the organisations activities to be consistent with the Council's Strategic direction.
- Activity Sustainability requires the organisation to be sustainable in terms of membership/users of the service and its financial position for the period of the lease.

Northern Reserves Management Plan

The Northern Reserves Management Plan was approved on 29 August 2008 following a period of public consultation and a review of comments made by submitters. The plan supports the provision of facilities suitable for recreational and leisure activities, specifically for established sport codes. Several submitters supported the retention of the Newlands Community House on this reserve.

Clause 8.4.2.2 of the plan states:-

- Investigate future options for the Community House Reserve and its integration into the Newlands Mall redevelopment.

All submitters on the Community House received the following response:-

- Future use of the Newlands Community House and reserve are linked to the future redevelopment of the Mall and in particular the development of a new community centre.
- The policy (8.4.2.2) indicates that any future options for the house and reserve should be aligned with these developments. The current tenancy of the house between Newlands Community House Trust and the Council expires on 31 December 2008. Review of this tenancy will be covered by the Council's Leases Policy.

Northern Growth Management - Newlands Town Centre

The Northern Growth Management Framework, developed in 2003, identified the need to redevelop and improve the Newlands Town Centre, including the need for a new community centre in Newlands. The Council is developing a long term development plan for the Newlands Town Centre in consultation with the community to help ensure the centre better meets the needs of local residents.

A draft long term development plan was consulted on in November 2006. The draft plan identified several opportunities for improving the Newlands Town Centre, for example, better utilising Council-owned land and assets, and encouraging private sector investment in more shops and housing.

The draft plan also identified the following principles to guide future development in the town centre:

- Encourage redevelopment in and around the town centre for mixed uses
- Improve the integration of the town centre with better and safer connections
- Ensure new buildings and spaces have high quality urban design
- Use the new Newlands Community Centre to enhance the integration of activities and spaces
- Provide a focal point for the town centre and its sense of place.

Feedback received on the draft plan showed a good level of support for the proposals. The Council is now working to finalise the long-term development plan. The Council is discussing redevelopment scenarios with a land-owner who has major holdings in the town centre. Options arising from the discussions will be incorporated into the final plan and will be the subject of further public consultation.

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.

5. Discussion

5.1 Community Centres

Community Centres make a significant contribution to Wellington City by identifying local need and planning and providing community activities, services and meeting spaces to meet this need. 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.

In 2007 Wellington City Council began the construction of a new community centre as a replacement building for the Newlands Community House. This will be ready for occupation by December 2008. There has been frequent engagement with the Newlands Community regarding the new centre and there is wide community support for this project.

The new Newlands Community Centre will provide several meeting rooms, a hall, performance space, toy library, cyber library and kitchen facilities for community use. The construction of the building has been funded by the Council and through significant support from the Johnsonville Licensing Trust. The centre, which is significantly larger, will provide a modern comfortable environment for the local community.

5.2 Newlands Community House Incorporated

Newlands Community House Incorporated was granted a ground lease in 1988 for a term of 21 years, which expires on 31 December 2008. During this time the society has met the terms and conditions of the existing lease.

The Community House provides facilities for many community groups to meet and charges a nominal fee for the use of the building. Under the terms of the lease the tenant has no right to a further lease term and must relinquish the building to the Council when the lease expires.

The current classification of the land and permitted use under the lease is that of a community centre. The lease allows for activities such as community group meetings, childcare assistance and advice programmes. Council has always

intended that the community groups using the Community House will transfer their activities to the new building on completion, given this; the activities proposed by the society for the Community House would be a duplication of services provided by the new centre.

Newlands Community House Incorporated has applied for a fresh lease under the Leases Policy; the aim of the society is to provide a facility known as the Newlands Community House Inc, a centre through which community needs may be met. The new centre takes over this role and whilst the importance of community support is necessary, two facilities offering the same services on adjacent sites could fragment the community rather than bring it together. The application advises that at the AGM a motion was passed "That a fresh Lease is applied for as a contingency for 3 years and the focus be on the setting up in the Newlands Community Centre." Officers have discussed the term of the lease with members of the incorporated society. It was agreed at a meeting on 6th October 2008 that a lease period of 6-12 months would enable a smooth transition of community groups from one facility to another.

Correspondence received to support the lease application suggests that the Newlands Community House may sub-let part of the building for office use to a long term tenant. Currently this is not an appropriate use of the land which is restricted to use as a community centre. Under the new lease format, which will be applied, amended earlier in 2008 as a result of the Property Law Act 2007, there is a complete prohibition on the ability of organisations to assign or sub-let the premises, although there is the ability to hire out the premises.

Any new lease would need to be considered on the basis that this is a transitional arrangement to allow groups sufficient time to move into the new centre, but is not to provide a secondary community centre location. Officers are recommending a 6 month lease.

5.3 The Building

Under the terms of the existing lease, on termination, the ownership of the building passes to Wellington City Council. Newlands Community House Incorporated have a strong affiliation with the building and it is proposed that the tenant is given the opportunity to remove the building from the site within six months of the end of the transitional lease, if they have provided written notice to the Council before the expiry of the transitional lease. This would allow the tenant to receive any benefit from the disposal of the building.

City Care have undertaken an assessment of the current condition of the premises, on behalf of the Council and reviewed what work would need to be undertaken to put the premises into good repair, if the building passed into Council ownership. Overall the premises are in reasonable condition apart from some areas requiring some exterior painting and weatherboard replacement. An approximate cost of around \$5,000 would be needed to undertake the items of required repair and maintenance.

The Newlands Town Centre plan, including the Batchelor Street Reserve, is under review and no final decision has been made. It is therefore proposed that until a decision has been made, if the tenant does not wish to remove the building, the Council takes over ownership of the building and incorporates the management of this building with the Newlands Community Centre for hiring out. This allows the

Council to manage the future of the building and efficient uses of the space in conjunction with the new centre until any decisions are made regarding the Town Centre redevelopment.

History	Newlands Community House Incorporated registered as an incorporated society in 1987. For 21 years they have had a ground lease on land at the Batchelor Street Reserve; this will expire on 31 December 2008.	
Background	The aim of the group, stated in their constitution, is to provide a facility through which community needs may be met. The building is well used by community groups of up to 20 people on a regular basis.	
Term	The term proposed is for 6 months. In arriving at this length, consideration has been given to the alternative accommodation provided by the new community centre.	
Rental	\$142 + GST annually. The proposed term is 6 months and therefore the rent will be \$71 + GST.	
LTCCP Implications	The granting of a fresh lease to the Newlands Community House 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 – Short term transitional lease only
	Financially viable	
Terms & Conditions of Previous Lease met?	Yes	

6. Conclusion

Officers recommend that the Committee grant a fresh lease to the Newlands Community House Incorporated (Recommendations) for six months to allow a transitional period of relocation to the new centre at which point the building is either removed by the Community House Trust or taken over by Council and managed in conjunction with the new community centre until a long term plan for the town centre is finalised.

Contact Officers: *Lucy Ross - Team Leader, Community Purpose, Property Services and Jenny Rains - Acting Manager, City Communities*

Supporting Information

1) Strategic Fit / Strategic Outcome

The Leases Policy supports Council's overall vision of Creative Wellington – Innovation Capital. The application for a fresh lease is inconsistent with the leases

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

The granting of a fresh lease to the Newlands Community House Inc is in accordance with the Social and Recreational Strategy

3) Treaty of Waitangi considerations

Not applicable.

4) Decision-Making

As the lease in question is a fresh lease for the same size footprint and required use as previously, decisions regarding Leases over the land are delegated to the Council as Local Authority.

5) Consultation

Not applicable

6) Legal Implications

Council's lawyers have been consulted during the decision making process.

7) Consistency with existing policy

- *This report recommends the grant of a six month fresh lease to the Newlands Community House Incorporated, which is consistent with the Council's Leases Policy.*

Appendix 1 – Leased Area