

Chairperson and Committee Members

ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

26 JUNE 2014

Meeting Status: **Public**

Purpose of Report: For Decision

GRANTING OF A NEW LEASE FOR THE PAEKĀKĀRIKI SPORTS CLUB FOR THE BASEMENT AREA OF THE PAEKĀKĀRIKI MEMORIAL HALL

PURPOSE OF REPORT

- 1 This report is to seek landowner approval from Council to enter into a new Lease Agreement with the Paekākāriki Sports Club for the occupation of the basement area of the Paekākāriki Memorial Hall, The Parade, Paekākāriki.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger the Council's significance policy.

BACKGROUND

- 3 The Paekākāriki Sports Club have rented the basement area of the Paekākāriki Memorial Hall since 1988, when they entered into a five year lease. A number of lease renewals have been undertaken, and the current lease ends on 30 June 2014.
- 4 The lease in place is a Reserves lease (Premises), rather than a Property lease, as the leased basement space is within the Paekākāriki Memorial Hall on Campbell Park Reserve, a recreation reserve vested under the Reserves Act (1977).
- 5 The basement area being leased is very basic in design, layout and finish. In its current form it has proved very suitable for the Paekākāriki Sports Club, providing changing rooms, toilets and showering facilities for sports teams associated with the Paekākāriki Sports Club. The applicable wording in the lease for their use is "Ablution and kitchen facilities, and Club administration associated with Club activities".
- 6 The Paekākāriki Sports Club has a good working relationship with Council Officers, has kept up to date with all rental payments, and generally been very responsible in the use of this space. The Club is very self sufficient, and undertakes all associated tasks to do with its operation, including cleaning and minor maintenance.

CONSIDERATIONS

Issues

- 7 There are three main issues regarding this basement that apply regarding leasing space to the Paekākāriki Sports Club.

Reserves Status

- 8 There are limitations on activities that can be allowed in this venue, which is subject to the Reserves Act (1977). The purpose of this Recreation Reserve is to allow for the recreational needs of residents and visitors to Paekākāriki to be met. There is a management plan in place for this Reserve. The Paekākāriki Sports Club lease and activities are consistent with the principles of the Management Plan and public notification of this lease is not required.

Condition and Layout of Basement

- 9 The physical space of the basement itself is limited in design and layout. It consists largely of concrete walls, floors and ceiling, and overall provides a very basic amenity. Council officers are currently working with a Fire Engineer to provide a report on the space, so that all compliance matters are addressed.
- 10 The Lessee is also going through the process of applying for an alcohol licence for Club related activity. The Property team will work closely with the Environmental Health team to ensure all requirements for the basement space in relation to that alcohol licence are met.

Earthquake prone policy implications

- 11 As a result of the Christchurch earthquakes, Central Government is currently reviewing how earthquake prone buildings will be assessed and managed.
- 12 During the term of this lease, it is anticipated that Council will need to undertake a structural assessment of the Paekākāriki Memorial Hall building (which this Basement lease is within), and will need to make decisions regarding the building once it has the results of that assessment. Should approval be granted to proceed with a new lease with the Paekākāriki Sports Club, additional clauses would need to be included which state that the lessee acknowledges that Council may wish or be required to undertake earthquake improvement works during the term of this lease. This clause would be drafted to allow Council to have the ability to terminate the lease with six months written notice.
- 13 These clauses are a safeguard for Council to allow for a worst case scenario. Namely, that should the costs of bringing this building up to an acceptable level of code under the Earthquake Prone Buildings Policy be significant, that Council still has a number of options open to it in considering the building's (and subsequently this basement lease's) future.

Financial Considerations

Asset Management Plan considerations

- 14 In Year 2018/19 there is \$10,000 budgeted for improvements on this space, which would include replacement of plumbing components where required.

Lease Agreement

- 15 Council officers are proposing a new lease term of five years, plus a five year right of renewal, at a new rental rate of \$480 per annum. This is based on a consumer price index movement on the current rental. Future rental reviews on a three year basis will be included in the lease agreement. These will be based on consumer price index movements over the applicable term.

Legal Considerations

- 16 Council's Solicitors would draft a new lease agreement should approval to proceed be granted.

Delegation

- 17 The Environment and Community Development Committee may make a decision under the following delegation:

7.3 *Authority to exercise the functions, powers and duties of the Council under the Reserves Act 1977 including those delegated from the Minister of Conservation, or any other statute, regulation or bylaw relating to the management and control, maintenance and operation of parks and reserves, except as delegated to Community Boards or officers. This authority encompasses the power to:*

- *grant leases for reserve land*

Consultation

- 18 There are no public consultation requirements.

Policy Implications

- 19 There are no policy implications related to this lease.

Tāngata Whenua Considerations

- 20 There are no tangata whenua issues related to this lease.

Publicity Considerations

- 21 There are no publicity considerations related to this lease.

RECOMMENDATIONS

- 22 That the Committee authorise the Chief Executive to enter into a new lease with Paekākāriki Sports Club Incorporated for five years from 1 July 2014 at a rental rate of \$480 per annum plus GST, plus a five year right of renewal, for the basement area of the Paekākāriki Memorial Hall, The Parade Paekākāriki, outlined in Appendix 1 to report CS-14-1142.

Report prepared by:

Approved for submission by:

Sean Hester

Tamsin Evans

PROPERTY ASSET PLANNER

GROUP MANAGER COMMUNITY SERVICES

Approved for submission by:

Stephen McArthur

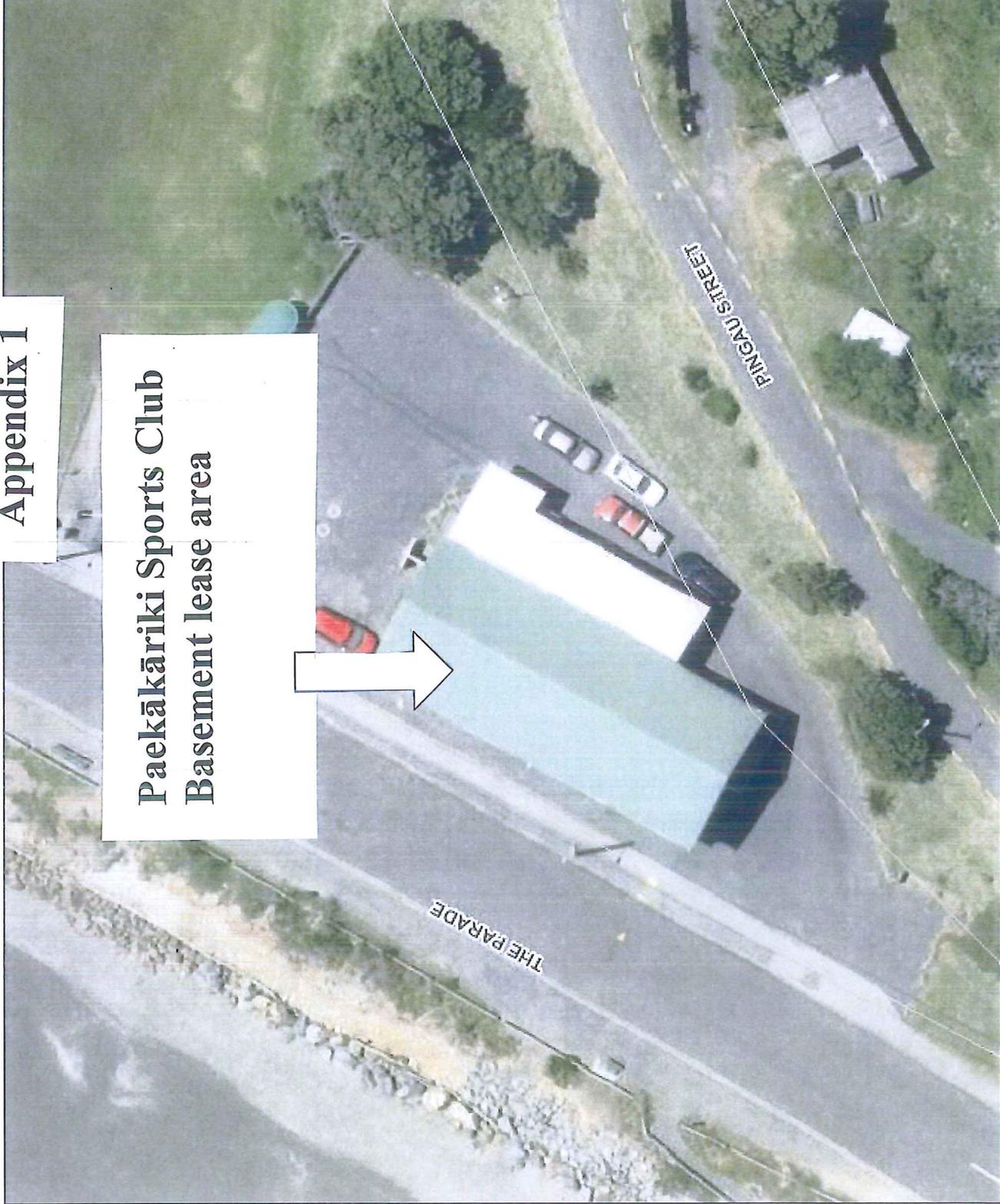
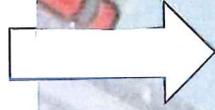
**GROUP MANAGER STRATEGY &
PARTNERSHIPS**

ATTACHMENTS:

Appendix 1 Aerial plan of Paekākāriki Basement within the Paekākāriki Memorial Hall, The Parade, Paekākāriki.

Appendix 1

**Paekākāriki Sports Club
Basement lease area**



Legend

Parcel



SCALE 1: 372

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