

**18. RAWHITI DOMAIN- NEW BRIGHTON ATHLETIC CLUB
PROPOSED RESTRUCTURING OF LEASE**

Officer responsible Parks and Waterways Manager	Author John Allen Policy and Leasing Administrator, DDI 941-8699
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The purpose of this report is to recommend to the Parks Gardens and Waterways Committee that it favourably consider an application from the New Brighton Athletic Club (the Club), requesting the Council to consider the restructuring of their present lease agreement over part of Rawhiti Domain, into a lease/licence agreement. The proposed restructuring will bring the Club's lease arrangement into line with other lease/licence arrangements for a number of other Clubs that occupy reasonably large areas of Council owned park land. The New Brighton Athletic Club presently lease approximately 2.2250 hectares of Rawhiti Domain from the Council.

If approved, the Club will occupy the area of the building footprint.

This matter has arisen for two reasons:

1. The Club, who maintain their own grass athletic track is aware that a similar club, the St Martins Athletic and Harrier Club which leases part of Hansen Park, upon which they have erected clubrooms, do not have the expense of maintaining their grass running track, the reason being this is situated outside their lease area.
2. The Club's present lease is due for renewal, being initially signed by the Club and Council on 27 July 1983 for a period of 21 years, with a right of renewal subject to the same covenants and conditions as are in the present lease, for a further 21 years subject to there being no greater need for the area for another recreational activity. Council staff believe that the Club is a viable entity, having been established in the area for over 21 years, and that there is no greater recreational need for another recreational activity.

This report is being brought before the Committee for a decision, because the proposed lease restructuring will require a small increase in the maintenance budget for Rawhiti Domain, a responsibility of the Parks, Gardens and Waterways Committee.

RELEVANT CURRENT POLICY

It is Council Policy (adopted 2002 annual plan) to charge sports clubs a rental for the area of park and reserve land that they lease off the Council. The current charges are approximately 6 cents per square metre for playing surface and 24 cents per square metre for buildings. These charges are linked to a return on the Council asset, discounted back to reflect the benefit of the Club's assets to the community.

As part of that policy it is the responsibility of the lessee to construct and maintain all the structures and playing surfaces within the leased area, including the payment for all water used inside the area.

The Club have indicated that they do not wish to exercise their right to renew their right of occupation in its present form, because of the ongoing maintenance costs to maintain the sports field area sited within their present leased area.

It has been estimated that Council budgets will need to be increased by approximately \$4950 to undertake the maintenance of this area. A breakdown of costs is given in the Budget Matters section of this report.

PRESENT SITUATION

Within the Club's present lease area the club has its clubhouse, starter's box, grass running track, discus/shot-put circles (four), long jump track, high jump artificial surface, and pole vault track. Their running track is irrigated with an automatic pop-up irrigation system.

The Council at present mows the outfield area on an informal basis; however all other grounds maintenance costs, including the cost of the water used to irrigate the running track are paid for by the Club.

The Club presently spends about \$900 per annum on materials for field maintenance, the labour to undertake the work being provided on a voluntary basis.

THE CLUB

The Club is reasonably strong the membership figures over the last three years being:

Year	Adults	Children
2000	40	120
2001	55	80
2002	50	130

The junior section has regular coaching sessions for various track and field events. The senior section has a coach working with several track and field athletes who compete at a high level. During the winter season the coach works with the cross-country and road athletes of their club.

OTHER ISSUES

Under a lease/licence situation, the Club will have exclusive rights to use its facilities situated upon the field as per the clubs activity programme calendar as do all clubs who use Council owned park and reserve land. However the Council reserves the right for other like-minded sporting organizations to book the facilities upon payment of a fee (to the Council), and use them outside the Clubs activity calendar. The Council also reserves the right, if required, to programme another type of sport to utilise the grass area, which is located within the running track during the off season. This has occurred in the past with the playing of soccer.

The ownership of the automatic irrigation system will transfer to the Council at no cost to the Council, however the responsibility for the cost of operating, maintaining, and the water used will also transfer to the Council.

The Council will require the club to install at their expense a water meter into their building, it being a lessees responsibility to pay for the water they use (as per Council policy).

The Council will undertake the maintenance of the running track to cricket wicket outfield standards, which is the standard that the St Martins Athletic Club's track at Hansen Park is maintained at. If the club requires a higher standard of turf surface, the responsibility for paying for this extra work will be the Club's as is the case with cricket wicket preparation for cricket clubs.

The above issues have been discussed with the committee of the club, who have formally signified that they are in agreement with the above-mentioned conditions.

CONSULTATION

Staff are of the view that the proposed lease/licence arrangement is a lesser action than formally renewing the present lease. The only area that it is proposed to lease to the Club is the area upon which the clubrooms are built, therefore the leased area is being greatly reduced. The licence area will be granted over the athletic structures owned by the club upon the field. The balance of the area, which is the bulk of the present leased area, will be available for the general public to use. No resource or building consents are required. The present area occupied by the Club is shown as such in the present Rawhiti Management Plan, which is currently being reviewed.

Although the agreement that is going to be put in place will be different than the present lease agreement, it contains the same right of renewal period as contained in the present lease. In light of the above information, Council staff see no necessity to advertise the Council's intention to grant a further term of occupation to the Club. We understand that all that is required is a formal resolution of the Council.

BUDGET MATTERS

As indicated above, the proposed change to the way in which the Club has formal occupation rights over the area of Rawhiti Domain as presently leased, will result in a small increase in the sum of \$4,950 budgeted annually to the Council's maintenance vote for Rawhiti Domain. This is required to pay mowing costs, fertilising the area twice yearly, drill seeding the track yearly, weed spraying the area once every five years and irrigation costs, which include operation, maintenance and water use costs. It should be remembered, however, that currently the Council is paying for outfield mowing on an informal basis.

CONCLUSION

The restructuring of the present lease agreement into a lease/licence agreement will rectify an anomaly in how similar clubs hold tenure over Council owned park and reserve land. The Council will be able to hire the facilities to other groups to use for the purposes for which they were built, (currently undertaken to some extent by the Club). The Council will be able to use the grassed area within the running track for other uses should the need arise during the off-season, (eg junior soccer).

The Club's leased area has never been fenced off to exclude the general public, and although the Club have no intention of doing so, under the present lease agreement they could fence the area off if they so wished. Under the proposed restructured agreement, the general public will have the right legally to use the area when not being used by the Club, a booked group, or some other sport sanctioned by the Council.

While it is acknowledged that the proposed restructured agreement will add a small amount to the Council maintenance costs, it will assist the Club financially, thereby allowing it invest more to support and promote the sport of athletics.

This report was considered by the Burwood/Pegasus Community Board at its meeting on 17 November 2003. The Board decided to support the recommendation set out below.

Staff

- Recommendation:**
1. That the Parks, Gardens and Waterways Committee approve the granting of lease under Section 54 (1) (b) of the Reserves Act 1977 to the New Brighton Athletic Club Inc. over approximately 436 square metres of Rawhiti Domain upon which their present building is situated for a period of approximately 20 years subject to the following conditions.
 - (a) The new lease/licence agreement terminating on the 1 January 2024, being the term the Club have the right to renew their present lease for.
 - (b) The New Brighton Athletic Club installing a water meter into their building at their cost.
 2. That the Parks Gardens and Waterways Committee approve the granting of a licence under Section 54 (1) © of the Reserves Act 1977 to the New Brighton Athletic Club Inc. over approximately 296 square metres of Rawhiti Domain upon which they have a starter box, 4 discus/shot-put circles, long jump track, high jump artificial surface, and pole vault track subject to the following conditions.
 - (a) The licence period to be concurrent with the lease period. Should the lease be cancelled or surrendered, this licence is to terminate automatically at the same time.
 - (b) The ownership of the irrigation system is to transfer to the Council at no cost to the Council.
 - (c) All bookings for use of the sports field facilities by other than the New Brighton Athletic Club are to be made through the Council, the fees charged for so doing to be retained by the Council.
 - (d) The Council reserves the right to allocate the grass area inside the running track to another sporting code during the off-season.
 - (e) If the New Brighton Athletic Club require the standard of maintenance of the grass running track to be increased above that of a cricket wicket outfield, then they are to pay the cost for the work so required.

- (f) The New Brighton Athletic Club is to obtain \$1,000,000 Public Liability Insurance (if it has not already done so) which must be kept current for the duration of the lease/licence agreement.
- (g) The New Brighton Athletic Club is to maintain all structures within it's licensed areas in a good serviceable condition at all times at their cost.
- (h) The New Brighton Athletic Club is to indemnify the Council against all actions and/or proceedings that may be taken against it, because of the Club's structures within the licensed areas.

Chairman's

Recommendation:

That the above recommendation be adopted.