

2. LEASED FACILITIES - REVIEW OF RENTAL CHARGES

RR 10171

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Corporate Plan Output: Stadia - Leased - Rugby League Park	

The purpose of this report is to submit a request by Canterbury Rugby Football League Inc for financial assistance for their Property Trust which manages the operation of Rugby League Park, and to review the rental payments for Canterbury Hockey Inc, Canterbury Softball and Canterbury Soccer.

RUGBY LEAGUE PARK

The Canterbury Rugby Football League Inc has formally leased Rugby League Park (formerly Addington Showgrounds) from the Council since 1 June 1997. The lease covers the land or pitch area and the rental is \$11,560 plus GST per annum.

Since taking over the maintenance and care of the two rugby league pitches, the CRFL has experienced a much higher level of expenditure than anticipated. The grounds are used for in excess of 120 games each season, from school-boy grades to representative matches and internationals. The pitch was not in good condition when the CRFL took it over and problems have also been experienced with the ground drainage.

The Parks Unit has provided advice on turf care and the Leisure Unit has contributed \$7,800 to the drainage works which have greatly improved the standard of the pitch.

The CRFL have provided a copy of the financial performance of the Property Trust to 31 May 1999 which shows that \$42,000 has been expended on the grounds in maintenance and rent, etc, while income of only \$5,700 has been received for the same period.

The CRFL has the ability to sell signage for the park which could generate revenue in excess of \$150,000 per annum. The NZRFL is proposing to provide assistance to enable the CRFL to engage a professional organisation to undertake the marketing, promotion and selling of signage, as volunteers in this position have been unsuccessful.

OTHER COUNCIL LEASED FACILITIES

In September 1997, the Council agreed to reduce the rent paid by the three other associations - Canterbury Hockey, Canterbury Softball and Canterbury Soccer - which lease Council facilities. The amount of the reduction was \$6,250 p.a. and was approved until 30 June 1999. The reduction has enabled the Associations to concentrate on organising and promoting their sport rather than fundraising to meet the costs of rent on their facilities. Canterbury Hockey are desperately in need of a second artificial turf; there are major plans for the upgrading of English Park while Canterbury Softball want to make minor alterations to the internal layout of the Cuthberts Green softball pavilion.

A review of the three associations' financial performances over the previous year's operation does not indicate any significant change in circumstances that should preclude the rent reduction. The 1999/2000 Annual Plan also makes provision for the lower rental. The area leased to Canterbury Soccer will reduce following the redevelopment of English Park and the rental will be further reviewed during preparation of the new lease documents.

- Recommendation:**
1. That the lease payment for Canterbury Rugby Football League Inc for Rugby League Park be reduced by \$6,250 to \$5,010 p.a. for a period of two years to 30 June 2001.
 2. That the lease payments for Canterbury Softball, Canterbury Hockey and Canterbury Soccer for their respective facilities be retained at the same level for a further period of 2 years to 30 June 2001.

Cuthberts Green - \$4,556

Porritt Park - \$4,522

English Park - \$8,642