

3. NEW BRIGHTON TENNIS CLUB - LOAN

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Corporate Plan Output: Consents, Sub Output: Leases 9.4.8	

The purpose of this report is to seek approval to write off the balance of the loan to the New Brighton Lawn Tennis Club up to a maximum of \$7,416. This is the amount still owing to the Council on the original \$18,000 loan made to the club in 1996 for the reconstruction of two tennis courts.

The New Brighton Tennis Club was established in 1895, and since 1981 has been located at Rawhiti Domain. The club has a 21-year lease (expires 2003) over part of Rawhiti Domain with the Council. The site includes four tennis courts and a clubhouse. The club constructed a new clubhouse following the destruction of the previous clubhouse by fire in 1993. Two of the tennis courts were reconstructed in 1996.

The club finds itself in a serious situation where it cannot meet its financial and game management responsibilities. There has been a major decline in membership from over 100 in the early 1990s to fewer than 20 at present. The club has given notice that it will wind up on 30 June 2001, the end of its financial year. The remaining members have indicated that they will maintain the premises and pay the power accounts until that date.

The club still owes \$7,416 to the Council in respect of the loan made to the club in 1996 from the Community Organisations Loans Scheme. The Council should have first call on any resources that the club may have to repay this loan and any other outstanding debts owing to the Council. The Council will then need to write off the outstanding balance of the loan.

The club holds a lease over the site it occupies in the Rawhiti Domain which it now wishes to surrender. The lease surrender issue was the subject of a report to the May meeting of the Parks and Recreation Committee.

Officers are working with other interested parties in the community who may wish to lease the premises from the Council for their particular sport. Any future lessee of the premises will need to fulfil the requirements of Section 54 of the Reserves Act 1977 (Leasing of Recreation Reserves). Once a firm proposal comes forward this will be placed before the Community Board, Parks and Recreation Committee and Council for consideration.

Over the past four years the Council has made 45 loans totalling \$1,270,900 to sports clubs and community groups. As this is only the second occasion since amalgamation it has been necessary to write-off part of a loan the default rate is very low.

The Burwood/Pegasus Community Board endorsed the above proposal at its meeting on 30 April.

The Committee noted the information that the lease agreement provides for the clubrooms to revert to the Council in the event of the lease being surrendered.

Recommendation: That, in view of the fact that the Council is acquiring an asset, the Council write off the balance of the loan to the New Brighton Lawn Tennis Club up to a maximum of \$7,416.