

10. ST MARTINS PARK – ST MARTINS BOWLS INC – LEASE

General Manager responsible:	General Manager City Environment
Officer responsible:	Michel Aitken, Greenspace Manager
Author:	Lewis Burn, Property Consultant, DDI 941-8522

PURPOSE OF REPORT

1. The purpose of this report is to seek the Spreydon/Heathcote Community Board's recommendation to the Council to grant a new lease to St Martins Bowls Inc over the existing men's and women's bowling facilities which have been amalgamated under one new not-for-profit organisation.

EXECUTIVE SUMMARY

2. The lease to the former Men's Bowling Club premises expired on 31 October 2005 while the women's lease agreement expired on 30 May 2004. Both leases contain a perpetual right of renewal for terms of 21 years.
3. In 2001 the Men's and Women's Clubs amalgamated to form a new Incorporated Society registered as St Martins Bowls Inc. The rent accounts with the Council were combined for billing purposes and tacit agreement was reached with the clubs that one new lease would be put in place at the time the existing agreements expired, to reflect that the combined facilities are now the asset and responsibility of the newly constituted club.
4. Agreement has been reached with the new club for a lease to commence from 1 April 2006 for an initial term of 10 years with two rights of renewal for terms of 10 years each, and one final term of 5 years less one day (the maximum term permitted by subdivision rules) in the form of Council's generic ground sports lease. The lease final expiry date is 30 March 2041 if all renewals are exercised, and will take in the existing site, buildings and carpark, a total area of approximately 5669 square metres (refer plan SM1625-01 attached).

FINANCIAL AND LEGAL CONSIDERATIONS

5. The Board does not have delegated authority to authorise the granting of the proposed new lease as such a decision needs to be made by the full Council. The Board does however have recommendatory powers to the Council.
6. The land involved is held by the Council under the Local Government Act 2002 so the notification procedures and consent process under the Reserves Act will not apply.
7. There is an obligation on the Council to renew the present agreements subject only to lease compliance and that Council considers there is sufficient need to continue to provide facilities for bowls (that is there is not a greater demand for some other sport or recreational activity that would provide a higher public benefit). The Greenspace Unit considers that presently the benefit to the greater community would be the continued use of the site by the St Martins Bowls Club. The new lease, which will be for a finite term (i.e. not perpetually renewable), will contain this same renewal qualification.
8. The annual rental for this lease will be set in accordance with the Council's existing charging policy for sports organisations.
9. The club is responsible for lease preparation costs and these are assessed at \$300 plus GST.
10. The existing lease agreements to the former men's and women's clubs are to be simultaneously surrendered.

BACKGROUND ON ST MARTINS BOWLS INC

11. The Men's Bowling Club was established on St Martins Park soon after the Council took title to the sports ground in the early 1950's. The Women's Club opened as a separate facility in October 1957, by which time the Council had acquired the adjacent title on which part of the Council's Cresselly Place housing complex is established. The present carpark off Clouston Street was formally incorporated into the Men's Bowling Club lease in October 1987.
12. The former men's and women's clubs at their annual general meetings in mid 2001 formally resolved to transfer the funds, assets and membership to the new club which was registered as an Incorporated Society on 23 March 2001. The constitution of the new club was approved by Bowls Canterbury and Bowls New Zealand.
13. Membership of the new Club as at 31 December 2005 stands at 108 made up of:
 - Life Members and Full members (80)
 - Social Members (21)
 - Honorary Members (6)
 - Associate member (1)
14. A copy of the Financial Statements for the year ended 30 April 2005 has been sighted. The Club is operating with modest excess income over expenditure. The balance sheet confirms that the Club is a viable entity.

STAFF RECOMMENDATIONS

It is recommended that the Board recommends to the Council that it:

- (a) Approve the grant of a new lease (in the form of the Council's generic sports ground lease) to St Martins Bowls Inc. for a term (including renewals) not exceeding 35 years less one day commencing 1 April 2006 of the existing bowling facility comprising approximately 5669 square metres shown as parcels A and B on SM 1625-01.
- (b) Accept a surrender of the lease agreements with the St Martins Women's Bowling Club and the St Martins Bowling Club effective on 30 March 2006.
- (c) Authorise the Corporate Support Manager to conclude and administer the terms of the lease.

CHAIRPERSON'S RECOMMENDATION

For discussion.