

2. **DENTON PARK – PEGASUS CYCLE CLUB’S APPLICATION TO ASSIGN THEIR LEASE TO THE HORNBY SOCCER CLUB, AND TO GRANT PERMISSION FOR THE HORNBY SOCCER CLUB TO SUBLEASE PART OF THE GROUND FLOOR BACK TO THE PEGASUS CYCLE CLUB**

General Manager responsible:	General Manager City Environment, DDI 941- 8656
Officer responsible:	Michael Aitken, Greenspace Manager
Author:	John Allen, Policy & Leasing Administrator

PURPOSE OF REPORT

1. The purpose of this report is to recommend that the Board:
 - (a) Approves the assignment of the Pegasus Cycling Club's Inc (Cycling Club) ground lease under their clubroom site at Denton Park as shown on the **attached** aerial photograph to the Hornby Soccer Club.
 - (b) Grants permission to the Hornby Soccer Club Inc (Soccer Club) to sublease part of the ground floor back to the Cycling Club for storage purposes.

EXECUTIVE SUMMARY

2. On 15 February 2005 an application was received from the Cycling Club to surrender their ground lease over part of Denton Park on which their clubrooms are built, the reason being that because of the changing nature of their club activities, that being mainly road racing, they no longer required the clubrooms for their weekly activities.
3. The Soccer Club has been using the Cycling Club's clubrooms for the social part of their activities during the winter for a number of years. The Soccer Club wishes to continue to use the building for this part of their activities, and so have negotiated and signed a sale and purchase agreement with the Cycling Club for the building, thereby complying with standard practice as set out in the First Schedule to the Reserves Act 1977. The building is of two floors, covering approximately 227 square metres of Denton Park.
4. The two Clubs have agreed, it being enshrined in the signed sale and purchase agreement, that the Cycling Club will sub-lease back approximately 102 square metres of the ground floor in which they store all their equipment and vehicles, at a rental of not more than a third of the ground lease charged by the Council, which is charged in accordance with Council policy.
5. Officers are recommending that the Council approves the assignment of the ground lease from the Cycling Club to the Soccer Club, and grants the Soccer Club permission to sub-lease part of the ground floor back to the Cycling Club for storage purposes.

FINANCIAL AND LEGAL CONSIDERATIONS

6. The Cycling Club wrote to the Council on 15 February 2005 making application to surrender their lease. The Club's current lease expires on 1 January 2024. The Club acknowledged that Council officers did not want the building to transfer to the Council's ownership, but rather delay the surrender approval until a new owner for the building was found. This has been done, the Soccer Club making application to have the ground lease on which the building is situated assigned to them.
7. The Soccer Club did not want this assignment to occur until they had raised the money to pay for the building and chattels, this to occur 14 days after permission from the Council is obtained for the assignment of the lease. The Hornby Soccer Club has now raised the money required to purchase the building and contents as agreed with the Cycling Club.
8. The Community Board has delegated authority from Council to make this decision:

“The power to approve an assignment, sublease, or mortgage of the lease of land under the Reserves Act where the lease provides such consent will not be unreasonable withheld (ss 114 and 115 of the Reserves Act 1977)”.

9. The area of Denton Park which the ground lease is on is a classified (page 1130 NZG 1981) recreation reserve vested in the Council under the Reserves Act 1977, which has a legal description of RS 41304 (SO 15376).
10. The lease which is dated 14 August 1991 is for a period of 33 years commencing on 1 January 1991.

BACKGROUND

11. Hornby United AFC was established in 1953, in the Hornby area. The Club was originally founded by a group of Dutch immigrants, but later the Club changed its name from Zealandia United to Hornby United AFC.
12. The Club's membership is approximately 400 members with most of them being school age children. The Club runs a competition for 4 to 10 year olds, in which age group they have approximately 200 members, while in the grades 11 to 19 year olds they have approximately 150 members. There are approximately 60 members which are in the adult competition.
13. The Club has grown year by year and consequently has had to change the venue they use for their weekly prize giving due to the increasing size of the group involved. They have shifted around various venues in the Hornby area over the years, in the last few years using the Pegasus Cycling Club Premises for their weekly prize giving, which consists of two functions after the end of their games, which they find ideal. The Cycling Club approached the Soccer Club to buy their premises.
14. The Club believes that this purchase will give their club a positive identity in the community, and give members a sense of club spirit by having their own facilities. They will also be able to use the extra space for storage in the off season for their ever increasing amount of gear.

STAFF RECOMMENDATIONS

That the Board approves:

- (a) The assignment of the lease dated 14 August 1991 over 227 square metres of Denton Park from the Pegasus Cycling Club to the Hornby Soccer Club.
- (b) The Hornby Soccer Club being granted the right to sublease 102 square metres of the ground floor of the premises to the Pegasus Cycling Club for storage purposes.