

16. PIONEER LEISURE CENTRE – SPORTSMED

Officer responsible Leisure Manager	Author Property Services Officer, Lewis Burn
Corporate Plan Output: Stadia	

The purpose of this report is to obtain the Council's approval to the issue of a lease for a sports medicine clinic (including a physiotherapy office) at the Pioneer Leisure Centre.

INTRODUCTION

As part of the swimming pool project that has been developed adjacent to the Pioneer Sports Stadium on Lyttelton Street, requests for proposals were called in June 1998 for the establishment and operation of a cafeteria and physiotherapy practice within the new pool complex. An area in the foyer next to the pool was let late last year with Council approval as a cafeteria and agreement (subject to Council approval) has now been reached with a company to be formed as Sportsmed Pioneer Limited, the only party to express an interest for the lease of a room on the first floor of the centre (see attached plan). The company's principal is Dr Robert Campbell, a renowned practitioner in the field of sports medicine.

The leased premises are to take in an area of approximately 50 m² and comprise a small lined windowless and carpeted room on the first floor level.

Reserve

The new Pioneer Pool is sited mostly on land held by the Council for public recreation purposes with part of the complex, including car parking being on the adjacent Council freehold. The lease area is entirely within the existing reserve boundary. The granting of a lease will need to be in accordance with the provisions of the Reserves Act 1977, which requires public notification and the consent of the Minister of Conservation.

DETAILS OF PROPOSED LEASE

The agreement to lease with Sportsmed Pioneer Limited provides for the following principal terms and conditions:

1. The term is to be for four years with two rights of renewal for a further term of three years each.
2. The design of the fitout of the physio office is to be first approved by the Pioneer Leisure Centre Manager.
3. The lease is to be prepared on the format of the Auckland District Law Society form. The Council and the tenant are to pay their own solicitor's costs in respect of the negotiation and preparation of the agreement and subsequent Deed of Lease.
4. The hours of operation will be at the tenant's discretion but within the open hours of the facility.

5. The lessee is to pay 100% of all usual outgoings excluding rates and fire insurance premiums. Lessee to insure fitout improvements and take out public liability insurance cover for \$500,000.
6. The lessee is not permitted to sell foodstuffs nor herbal remedies without the prior written consent of Council.
7. Part of the premises are to be sublet to Richard Newsham West for physiotherapy rooms.
8. The Council is to provide at its cost exterior signage of the Lessee's business on part of the existing billboard outside the entrance to Pioneer Pool.
9. The lease obligations are to be guaranteed by Dr Robert Campbell and his wife.

The rental details are contained in the public excluded section of this report.

CONCLUSION

The lease as negotiated is subject to Council approval. There has been no other interest expressed in taking up this lease and it is considered appropriate that the applicants be awarded the lease without going through a public tender process again. The provision of a sports medicine clinic within the new complex will complement the sporting and leisure activities at the leisure centre. The rental is the amount assessed by the Council's valuer. The rent compares favourably with similar facilities in other Council buildings.

Recommendation: That pursuant to Section 54(1)(d) of the Reserves Act 1977 the Council grant Sportsmed Pioneer Limited a lease for a total term of 10 years of approximately 50 m² on the first floor of the new Pioneer Pool Complex for the purposes of establishing and operating a Sports Medicine Clinic including a physiotherapy office subject to:

1. The public notification of the intended lease and no sustainable objections being received.
2. The consent of the Minister of Conservation.
3. The lease being granted on the terms and conditions outlined in this report.
4. The Property Manager being authorised to administer the terms and conditions of the lease in consultation with the Pioneer Leisure Centre Manager.

Deputy Chairman's

Recommendation: That the above recommendation be adopted.