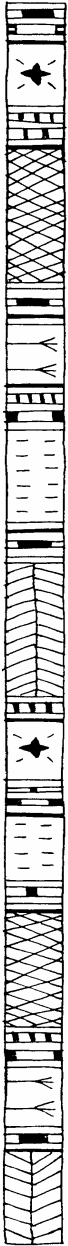


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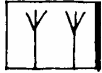
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## INTRODUCTION

Waitakere City Council supports a wide range of groups in the community, who provide local services and activities on a voluntary or 'not for profit' basis. As part of this support Council leases land and buildings to over 160 community groups in the City. This policy tells interested groups all they need to know about leasing land or a building from Council.



## COMMUNITY PROPERTY LEASES

A community property lease enables a group to use Council owned land for a wide range of purposes. Most of these leases are on public parks and reserves. There are two main types of lease:

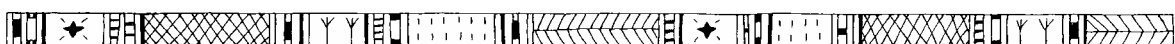
- Council building on Council land; or
- private or community owned building on Council land

The map at Appendix A at the back of this document shows the location of Council land currently leased to community groups.

Types of groups and activities currently on leased land include:

- Sports clubrooms (these make up around half of the current leases)
- Kindergartens, childcare centres, kohanga reo and other pre-school care and education providers
- Plunket
- Marae
- Scouts and guides
- Community halls
- Music and drama activities
- Social service activities such as the Lions, Salvation Army and St John's Ambulance Service

Not all groups require facilities on a full-time basis so Council encourages groups to share facilities wherever possible.





## WHO CAN APPLY FOR A LEASE

Council will consider requests to lease land from most community groups provided that they meet the following criteria.

### **Are a volunteer based, non-profit distributing organisation.**

This means that if a group's income exceeds its costs, funds must be used to maintain and develop the organisation and its activities. No private individual or group may receive a financial profit from the organisation (aside from wages or to cover costs).

### **Have a constitutionally "open" membership.**

This means that membership rules must not exclude any type of person and membership fees must be reasonable.

In addition Council will **not** lease land to:

- personal hobby groups
- groups whose purpose is to promote party-political goals

Being eligible to apply for a lease does not necessarily mean an application will be successful, as the supply of land is limited and Council needs to ensure the best possible use is made of the land.





## WHAT IF YOUR GROUP WOULD LIKE TO APPLY FOR A NEW LEASE OR A LEASE RENEWAL?

### New lease applications

Until **July 2000**, Council will only approve **new** applications for a lease in very exceptional circumstances. This relates only to applications for land which is currently not leased at all (ie is a bare park, reserve or non-park land on which a group wants to build), rather than to groups who want to apply for a piece of land or a building which is currently leased out. This is so that, by the end of 1999, Council can:

- Set up a register that clearly identifies those parks and reserves in the City that are suitable for locating any new community facilities
- Undertake a review of the need for community facilities in the City to better match facilities to needs

**In the meantime**, Council encourages groups seeking a new lease to try and come to an arrangement with a current leaseholder to share the use of their property. Interested groups should contact Council on 836-8045 to discuss their needs and obtain a list of current leaseholders.

Current leaseholders will make decisions as to which groups they are willing to share with or hire the facility to, but note that any potential formal subleasing arrangements must be approved by Council.

### Expired leases and renewal of existing leases

Council has a backlog of leases to be renewed. Due to this and because some significant changes are being introduced through this policy, the following will apply to all expired leases, or leases that expire before July 2000.

Groups whose lease has expired will be advised that their lease will automatically be rolled over on a month by month basis until at least 2001, unless a significant breach of the lease agreement occurs. The terms and conditions of the lease will be the same as those contained in the expired lease.

If a group wishes to renew its lease earlier for any reason (for example for the purpose of obtaining finance), it may apply to Council and will be treated as a priority for a lease renewal. All applications for a renewal will be subject to the same process and conditions as required for a new lease (see below). In addition Council will take into account whether the group has fulfilled the terms and conditions of its previous lease.

There are a number of groups with expired leases (which will be rolled over until 2001 under this policy), or with leases soon to expire, who may not get approval for a renewal unless they make some changes. Council will be working with those groups to identify and resolve areas of concern during this time. One of the biggest issues is that some facilities are being under-utilised and could be shared with other groups, or would be better used by another group. Groups will be encouraged to investigate options for sharing the facility with others before applying for a renewal.

If Council decides not to renew a lease or wishes to allow other groups a chance to lease the building (if it is Council owned), it will usually call for expressions of interest from other groups interested in leasing the land and/or buildings. It will then evaluate those applications, as detailed below, to determine the best use of the land.

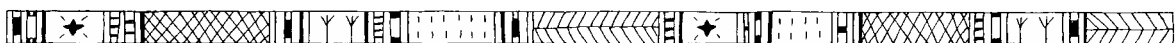


## HOW LEASE APPLICATIONS WILL BE ASSESSED

Applications for lease renewals will be assessed in the same way as applications for new leases.

**Priority will be given to:**

- Groups undertaking activities that will make a significant contribution to one or more of the following strategic outcomes:
  - Increasing participation in community activities.
  - Improving access to health, leisure, and other services essential to mental and physical wellbeing.
  - Improving access to information, education and learning opportunities.
  - Fostering iwi, hapu and Maori development.
  - Fostering cultural diversity in Waitakere City.
  - Encouraging the community to be involved in looking after the City's natural, heritage and cultural resources.
  - Improving safety for people in their homes, on the roads, in their local neighbourhood, and in town centres.
  - Fostering co-operation , partnership, and sharing of resources between groups in the not for profit sector.
  - Promoting a sense of belonging and identity for all people living in Waitakere City.
- Groups able to demonstrate a proven need for the services they offer and that this need will be maintained over the period of the lease.
- Groups able to demonstrate that there is strong community support for the services they offer.
- Groups who can show that they will remain viable over the period of the lease. In assessing this Council will consider:
  - the track record of the group
  - their ability to meet the terms of the lease (particularly their ability to pay for the maintenance of any new facilities that will be required, including parking, driveways, fencing, paving, planting, etc)
  - financial information provided by the group such as annual financial statements
- Groups who can demonstrate that they will use their facility on a regular basis, both during the day and in the evening, and/or that they will share with other groups to ensure the facility is fully utilised.
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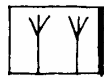


Groups who have investigated other alternatives such as seeking funding to purchase their own land and buildings, looking for other facilities, and sharing with existing leaseholders.

- Groups who can demonstrate that the impact of their service or activity on the park and local community will be minimal – taking into account noise, hours of activity, traffic generation, and compatibility with other activities in the area.

**NOTE:** Groups intending to carry out commercial activities on the site must use the profits to run the community service provided. These groups will have a lower priority.

Any group who wants to build, or extend a building will be required to get approval from their Community Board for the design of the building. The Community Board will assess the design against Council's guidelines for the design of community buildings on parks (which will be available from early 1999).



## WHO WILL ASSESS LEASE APPLICATIONS

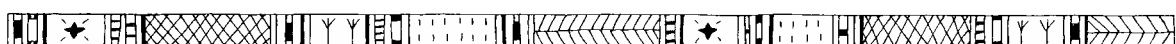
Applications will initially be considered by a group of Council staff with a wide range of expertise – in parks, property and community liaison. A Council representative will meet with applicants to discuss their application, the terms and conditions of the lease, including rent, the length of the lease and allocation of responsibilities between the group and Council.

If the application is for a lease on a **park or reserve** staff will make recommendations (including recommendations on the rent and other terms and conditions of the lease) to the relevant Community Board for a final decision.

If the application is for a lease on Council owned land that is **not** on a park or reserve staff will make recommendations to the appropriate Council Committee for a final decision.

Applicants may attend the relevant Community Board or Council Committee meeting and present their application in person.

After a lease application is approved a lease agreement will be drafted which will contain the terms and conditions of the lease. This will be fully explained to the community group by a Council staff member. All significant matters will have been jointly discussed and approved earlier by the relevant Community Board or Council Committee.





## STANDARD LEASE TERMS AND CONDITIONS

The following outlines the standard terms and conditions of leases – in certain situations a departure from these terms may be negotiated. Note that Council cannot change existing leases until they expire unless there is provision for review within the existing lease.

### Length of lease

The standard term of a lease is five years. Council will consider requests for 10 year leases or more in rare cases – for example if the group intends to build its own facilities and an ongoing need for the service provided can be demonstrated.

### Rent

Rent will be set at one of five levels:

- **Level 1**

The group pays a standard minimum fee of \$150 per annum.

- **Level 2**

The group pays 33 percent of the average actual cost to Council of establishing (or renewing) and administering a lease, and maintaining the property (ie it receives a 66 percent subsidy)

- **Level 3**

The group pays 66 percent of the average actual cost to Council of establishing (or renewing) and administering a lease, and maintaining the property (ie it receives a 33 percent subsidy)

- **Level 4**

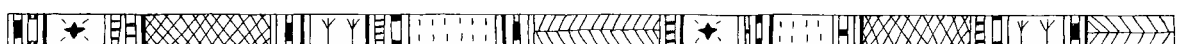
The group pays the full actual average cost to Council of providing the lease.

- **Level 5**

Council is able to set rents higher than the standard rents above, in specific cases where:

- the group has a significant income; or
- is operating a commercial enterprise on the site (such as a licensed premise or restaurant); or
- where the group gains significant revenue from activities on the site (such as grazing fees or high membership fees).

For groups building or owning their own buildings the maintenance costs for Council will be lower than for groups occupying Council owned buildings. A schedule of these costs as assessed in 1998 is included as Appendix B.



In determining the level of rent that the group will be required to pay the following three factors will be taken into account.

1. The “ability to pay” of the group: This is a key factor in determining rent. Membership fees, income from any commercial operations, financial assistance the group receives from other funding agencies, and other sources of income will be taken into account.
2. Demonstrated need and community support for the activities and services that the group offers.
3. The extent to which the facility will be used – both by the group holding the lease and by other groups who may share use of the facility.

If a group receives a rent subsidy (ie it pays a level 1, 2 or 3 rent) their lease agreement will show:

- a) The “base rent” – which is the average actual cost to Council of establishing and administering a lease and maintaining a property.
- b) The rent **the group has to pay**.

The difference between these two figures is the subsidy that the group receives from Council.

Note that the base rent is calculated from the standard costs that Council incurs. Any extra costs (such as surveying costs associated with a group building a new building) will normally be borne by the group and will be negotiated as part of the lease agreement.

### Rent reviews

All leases will contain a clause enabling Council to review the rent charged every two years. The level of subsidy received by a group may change when their rent is reviewed if there is a significant change in any of the three factors listed above. For example if their “ability to pay” improves due to a significant additional source of income, the subsidy could be reduced.

### New buildings on Council owned land

Any new buildings built on Council owned parks or reserves land must be easily removable. When the lease expires and if it is not renewed to the group they must remove the building (or the group may want to sell the building to Council or another group and this can be discussed). Any buildings or improvements that are not relocated will become the property of Council. This is a legal requirement for reserves under the Reserves Act. This policy will also apply to new buildings on non parks and reserve land owned by Council.

### Annual reporting to Council

Every group must supply an annual report to Council including financial statements, and a report on the extent to which the facility is being used. The lease agreement will specify measures of use which are appropriate to the group’s activities – for reporting to Council on an annual basis (these will be negotiated and agreed with the group).



### **Inspections by Council**

The lease agreement will specify the conditions under which Council may carry out a physical inspection of the land and buildings. In general Council may carry out an inspection if it has reason to believe that the terms of the lease are not being met.

### **Allocation of responsibilities between the lease holder and Council**

The community group will usually be responsible for:

- Legal obligations associated with any building or facilities it owns
- Rubbish control
- Maintenance of any building or facilities it owns
- Legal obligations associated with the activity of the group on that property
- Utilities including electricity, gas, water and telephone

Council will usually be responsible for:

- Legal obligations associated with any building or facilities it owns
- Maintenance of any building or facilities it owns

Any other responsibilities will be negotiated with the group.

### **Disputes and termination of leases**

Council policy is to discuss any concerns with the group as soon as a dispute is identified or a breach of the lease agreement is known to have occurred. If there is a serious breach of the lease agreement Council may terminate the lease but will use independent mediation before considering termination. If mediation fails the mediator will be requested to make recommendations to Council on what should occur.

