



# Community Organisation Leases Policy

DECEMBER 2008

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# 1 Introduction

The Wanganui District Council has a critical role to play in fostering the well-being and strength of communities. This role includes facilitating community networks, providing recreation opportunities, and supporting community facilities. The Council is always looking to find the best ways to do this.

Council provides leases (of land and/or buildings) to a wide range of groups undertaking a wide range of activities. The land and buildings are limited resources that have competing interests for their use. The Council needs to be able to say with some degree of certainty that the resource is being put to the best possible use to meet the Wanganui District's Community Outcomes and, for example, Council's Parks and Open Spaces Strategy 2007.

While the Council has a role in supporting community, recreation and pre-school groups, it also has the role of being the steward of public land and resources. This involves balancing needs between different sections of the community. For example, leases and buildings may limit the amount of open space available for use by the public.

The objectives of the Leases Policy are:

- To strengthen communities through leasing land and buildings to groups at concessional rentals (i.e. at less than market-based rentals).
- To ensure that the provision of leases is fair, equitable and responsive to community needs.
- To formally standardise the requirements of leases (such as insurance, maintenance responsibilities and legal obligations).
- To establish a new base for setting concessional rentals.
- To make transparent the true cost of Council's subsidisation for groups that lease Council-owned or administered land and/or buildings.

This Policy does not choose particular groups that the Council will support. Rather it provides a process whereby the types of activities that generally assist the Council in achieving its strategic direction can be supported.

Because of the complex background to this issue, there can be no hard and fast rules. Groups have made different contributions in the past, their resource requirements are different and changing, and their activities have differing abilities to generate revenue and support.

Negotiating leases that reflect particular circumstances will be the norm rather than the exception.

## 1.1 Structure of the policy

This Policy is in four main parts. Section 1 describes general principles about the Council's administration of leases. Sections 2 and 3 outline the leasing, and assessment process, respectively. Section 4 deals with lease rental and tenure, procedural matters, and the responsibilities and requirements of the lessee and lessor.

## **1.2 Policy implementation**

It is important to note the following about the implementation of this Policy:

- Implementation will occur as new or renewed leases are signed under this Policy.
- Groups will continue to be provided with assistance whether entering a Council lease, exiting, or altering their circumstances (for example, amalgamating with another group).
- In the application of this Policy, the Council will attempt to be consistent and as fair as possible to community, recreation and pre-school groups.
- Implementation will be undertaken with the firm understanding that the success of such groups relates significantly to the energy and commitment of the parent community (voluntary labour, fund raising, and personal effort). The Council recognizes that these groups make an investment of time and energy in the well-being of the community. It is not an environment where strict market principles can be readily applied.
- Very few leases are similar in nature. The location, activities, land area and quality of buildings or facilities differ from lease to lease. There are also disparities in the amount of rental paid between groups.

## **1.3 What does the policy cover?**

The Leases Policy is directly concerned with the management of Council-owned or administered land and associated buildings through leases to community, recreation and pre-school groups. Leases may relate to land, land and buildings, or just buildings. The Policy also covers how the land and buildings are to be managed to ensure proper asset management and that risks are addressed.

In the broadest sense, the Policy is seeking to ensure that applications for leases are consistent with Council's strategic direction and the Wanganui District's Community Outcomes.

This Policy applies to all community, recreation and pre-school leases of open space and reserve land. Pre-school groups must have an open membership and be run on a not-for-profit basis.

## **1.4 What does the policy not cover?**

The Policy does not apply, or applies only in part to commercial activities on open space and reserve land.

Leases to groups for the purpose of making private profits are not subject to this Policy and will be negotiated on a commercial basis. Rentals in these cases will be established on the basis of assessed market rates or by tender. Tenure will also be subject to negotiation but the Council will try to avoid long-term leasing of public land (which may become useful for alternative uses in the future) for profit making operations.

Where leases that are subject to this Policy have a semi-commercial nature or have activities that consistently allow a group to generate surplus funds over and above funds needed to support the activities that are linked to the lease, the Council may look to increase rentals above those derived from the methodology in section 4.1.1.

#### **1.4.1 Leases of commercial space** (such as within suburban centres or the Central Area)

Certain recreation or community activities may need to locate in commercial or urban areas to provide particular services or services to particular groups. Such leases will not fit within the rental and tenure framework described by this Policy.

In such cases, the Council may make a judgment that the social benefits of the activity are worth a higher subsidy than that which would have been provided under this Policy. Leases are usually highly specific in such cases and are negotiated between the Council and the group. The lease may include a number of special terms and conditions or agreements for shared responsibilities.

#### **1.4.2 Existing legal agreements for leases**

If there are specific cases where legally binding agreements exist, Council will remain bound by agreements. This Policy does not supersede any such agreements. Where an existing formal agreement does not cover all the necessary aspects of leasing public land this Policy will be used to address any gaps.

#### **1.4.3 Areas of non-exclusive use**

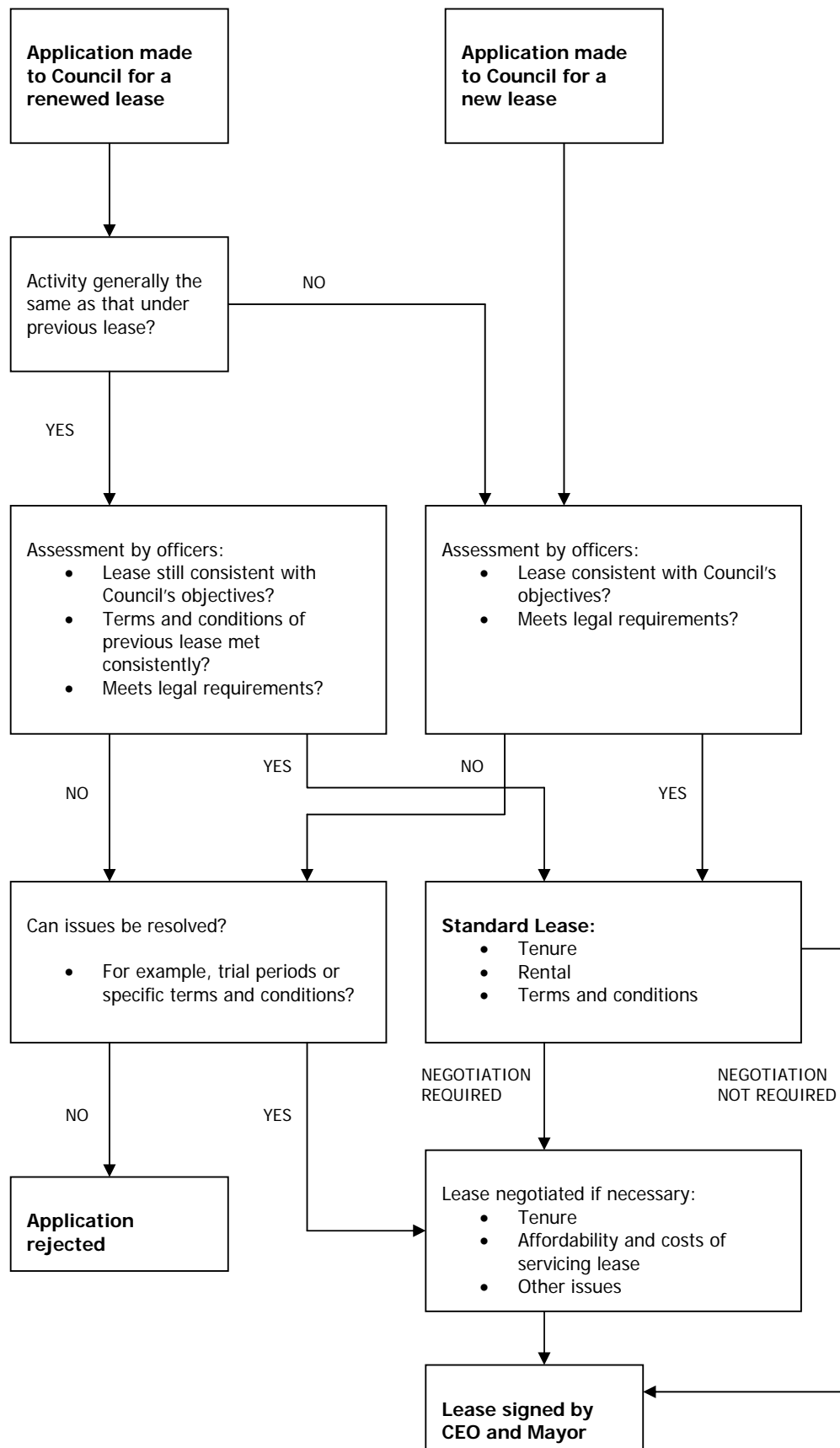
This policy does not cover areas that the group does not have exclusive possession of, i.e. where the group does not have the ability to control who enters the premises (including land). In this situation, groups can be granted a licence to occupy areas of non-exclusive use.

## 2 The leasing process

The following process will be used for taking an application through to a lease:

- A A group approaches the Council seeking a lease (new or renewed). Officers discuss the application process and whether a lease can be considered or is appropriate.
- B The group makes an application.
- C Officers assess the application (see section 3).
- D If the application meets the assessment criteria, officers seek the approval of the Department of Conservation under the Reserves Act, if applicable.
- E Public advertising, submissions and a hearing will be undertaken if necessary. Public consultation will usually be required for reserve land and land managed as reserve.
- F If all approvals are granted and no objections are sustained, then lease documents will be prepared for execution by the Chief Executive Officer and the Mayor.

## 2.1 Overview of the process



## **2.2 Ability to consider lease applications**

Where applications do not meet legal requirements (such as those defined in the Reserves Act 1977) or Council's strategic direction or the objectives of management plans, then the Council is unlikely to accept the application.

The Council is also unlikely to accept applications from groups that do not have open membership (that is where the group excludes certain people). Exclusion by way of excessively high membership or user fees will also be considered in this respect.

## **2.3 Leasing of public land and the Reserves Act 1977**

As the steward of community facilities, open space and reserve land, the Council's main concern is the protection of the assets land and their availability for public use and enjoyment.

Land that is held for reserve purposes (under the Reserves Act 1977)<sup>1</sup> can be leased where this will result in the provision of facilities which will benefit the people of Wanganui. The primary objective of leasing reserve land is to enable facilities to be established which will facilitate the public's recreational use of the land. However, leases may also be granted to voluntary groups where this will enable a service, which is not directly associated with recreation, to be provided for community or pre-school purposes.

All non-reserve land that is held by the Council for public amenity or open space purposes will be treated as if it was land held under the Reserves Act. This will ensure a consistency of decision making and public scrutiny. However, no consent will be required from the Department of Conservation for non-reserve land.

Any granting of a lease, which in effect gives a group rights over public land, must be tested against the purpose for which the land is held and the provisions of the legislation.

## **2.4 Management plans**

When granting leases where a management plan exists, the appropriate provisions of the plan must be observed. Where there is no management plan, the proposed activity should be tested against the purpose for which the land is held and/or the classification of the land. Management plans provide a degree of clarification which can be valuable when deciding what activity or structure can or cannot be accommodated on an area of land or the use to which the land can be put.

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<sup>1</sup> The Reserves Act 1977 defines the procedures that must be followed for leasing land classified as reserve. This includes public consultation.

## **2.5 Ongoing communication**

The signing of a lease does not signal the end of communication between the parties until the lease comes up for renewal. A lease should be seen as a partnership and ongoing dialogue is expected to occur.

The reporting requirements of the lease (see section 4.4.1) are designed to assist the Council in knowing that activities are meeting its objectives for the community and the city. The Council will also endeavour to communicate to the lessee any matters that may impact on their activities, for example, discussing other proposals to use adjoining reserve land or consulting on management plans.

In situations where groups are facing declining membership, cuts to funding support or other difficulties (financial or non-financial), this should be discussed with Council. The Council will be able to work with groups to look at their options and perhaps to provide solutions.



### 3 Assessment process

This section looks at the process of assessing applications for a lease and the criteria by which Council officers will make decisions. Leases are evaluated as either new or renewed leases.

It will be important that enough information is available to make robust decisions. The provision of this information is the ultimate responsibility of the applicant but the process should occur in partnership.

#### 3.1 Assessment criteria

By asking a number of questions Council officers will be able to develop a picture of how well the application supports Council's objectives for strengthening communities. Appendix One provides an Assessment Matrix for completion by Council officers.

The following criteria will be used to assess the activity or activities that the lease application is for:

- **Strategic Fit**  
Criterion 1: Are the group's activities consistent with the Council's strategic direction and the Wanganui District's Community Outcomes?
  
- **Activity sustainability**  
Criterion 2: Will the group be sustainable in terms of membership or users of the service and its financial position for the period of the lease?
  
- **Optimal use of Resources**  
Criterion 3: At what level is it intended that the resource (land and/or buildings) will be used?
  
- **Environmental Impact**  
Criterion 4: Does the activity have the potential to adversely affect open space/reserve values or other legitimate activities?
  
- **Demonstrated Need and Support from the Community**  
Criterion 5: Is there demonstrated support and need within the community for the activity?
  
- **Need for a Lease**  
Criterion 6: Are other options available instead of a lease?

The outcome of this assessment process is a decision whether or not to recommend that a lease is granted.

### 3.2 Assessment of renewed leases

**Renewed leases** are those where the current lessee is seeking to renew the existing lease. The Council recognises that most groups have made investments in assets and this is a key consideration in the evaluation of a renewed lease. The applications for lease renewal will involve the applicant providing such information to the Council as is necessary for officers to be satisfied that they can knowledgeably assess the application. This will include information on financial matters, historical patterns of use and future prospects.

The assessment process will be used to check that the:

- lease will continue to be consistent with Council's objectives.
- terms and conditions of the previous lease were met consistently.

Unless there is evidence that the above are not met to a significant extent, a renewed lease will be available to the lessee. If the activity that the lease was originally for has changed significantly, the Council may require an application for a new lease.

Officers will document any decisions and will communicate these to the applicant. Communication prior to and during the process of assessment, as well as past information sharing on the group's activities (such as annual returns), will assist this process.

### 3.3 Assessment of new leases

**New leases** apply in instances where either:

- The land and/or buildings have not previously been leased; or
- There has been an existing lease, but the lessee has elected not to renew it and it is available to be leased to another group.

New leases will be looked at more critically than renewed leases, as there is a greater opportunity to use the lease resource in a different way.

New leases will have a greater degree of stringency and critical appraisal (particularly those anticipating constructing new buildings where Criteria 4 and 6 will be important). The qualitative assessment will be more difficult and officers will need to take a careful approach to the assessment.

Consideration of the criteria will be in terms of future potential rather than past performance.

For example:

- Criterion 1 becomes “What is the likely contribution that the stated aims of the applicant will make to delivering Council’s community/recreation or pre-school objectives?”
- Criterion 2 becomes “How likely is it that the group will be sustainable in terms of membership or users of the service and its financial position for the next X years?”

Criterion 4 may require consultation with the community to establish whether a lease is appropriate or whether there may be particular concerns associated with neighbouring or potentially conflicting uses.

The experience of the performance of similar groups will assist in assessing new leases. If the applicant/activity was previously in operation elsewhere and is changing sites or amalgamating with another group, then the information on past performance will be useful for the assessment.

Officers will need to satisfy themselves that the information provided is robust and that any predictions are as accurate as is relevant to the situation.

The assessment will be undertaken and officers will then decide whether a lease should be granted and what terms and conditions may be relevant. The uncertainty associated with a new group’s performance may be reflected in lease tenure. For example, it may be felt that a trial period may be useful.

Officers will document any decisions that have been reached and will communicate these to the applicant. Communication prior to and during the process of assessment will assist this process.

Where an established building has become vacant the lease will be advertised to the community as being available.

## 4 Lease terms and conditions

### 4.1 Rental framework

#### 4.1.1 Concessional rentals are a subsidy to the lessee from the Council.

Concessional leases are, by their very nature, leased at annual rentals which are less than potential market-based rentals. The difference between these rentals is effectively a subsidy provided by the Council which enables groups to pay significantly less than they might otherwise pay for privately-owned alternative facilities in an open-market situation.

While this assists the Council in achieving its desired community outcomes, there is a cost to the Council because it is foregoing the additional potential income available should the land be able to be leased on the open market on a market-based rental.

For so long as concessional rentals are assessed without recognizing what the potential market-based rentals or opportunity cost conceded might be, the true cost of supporting community, recreation and pre-school groups is largely hidden, as is the true return on the Council's assets.

Recognition of the difference between the concessional and market rentals will provide transparency to the quantum of this support and enable the true return on the assets to be shown.

#### 4.1.2 Setting rentals on basis of ranking

The following process is used to set the rental for a lease:

1. The **area** of the lease is established taking into account all ancillary areas used exclusively, such as parking, boundary set-offs required under the Building Act, outdoor amenity areas, etc.
2. The **Rateable Value** of the land and/or buildings is identified. If no separate rating plate exists one is requested and Quotable Value assesses the rateable value. Separate rating plates will be procured for all leases to streamline future rent reviews.
3. The Council's current borrowing rate (cost of capital) is applied to the rateable value to arrive at the **assessed rental** which is equivalent to the annual opportunity cost of the Council holding the asset.
4. A **subsidy** is then applied to the assessed rental on the basis of the application's ranking.
5. The annual rental will be the greater of \$200 or the assessed rental after the subsidy has been applied.

These subsidies attempt to reflect the differing levels of benefits that are gained from the activities of community, recreation and pre-school groups.

The following table shows the subsidy levels for each ranking:

<b>Ranking</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
<b>Rental subsidy</b>	90%	65%	40%

#### **4.1.3 Rental phase-in period**

Where a group faces a rental increase as a result of signing a renewed lease, the following phase-in periods to increase to the full amount will apply:

- Under \$100 per annum: None – increase is paid immediately.
- Between \$100 and \$500 per annum: First year 50%, second and subsequent years 100%.
- Greater than \$500 per annum: First year 33%, second year 66%, third and subsequent years 100%.

This phase-in period only applies to the first renewed lease signed under this Policy and only applies to leases signed before this policy is adopted. After this time there will be no phase-in period as groups will have had time to prepare and budget for any rental increases.

#### **4.1.4 Rental review**

Rentals will generally be reviewed every three years. However, the review period may be shortened where the lease is for a shorter period than 6 years.

On rent review both the new assessed rental and the level of subsidy will be reviewed. The level of subsidy may rise, fall, or stay the same and lessees will be required to establish that they are entitled to the same level of subsidy or a greater subsidy.

## 4.2 Tenure framework

### 4.2.1 Lease tenure on basis of ranking

The ranking of the lease application provides the basis for applying terms of tenure. Applications that fit strongly with Council's strategic direction and Wanganui District's Community Outcomes will generally be supported through longer tenure.

The following table shows the lengths of tenure that will generally apply for each ranking:

Ranking	High	Medium	Low
Lease Tenure (Yrs)	9	6	3

There may be the occasional, specific case where it is appropriate to use a degree of flexibility in the length of tenure for a lease. For example, there may be asset investments on behalf of a group or the Council that need to be recognized. Alternatively, shorter tenure may be used to recognize declining trends or uncertainty in an activity.

Reasons for shorter or longer tenure that may be considered include:

Shorter Tenure	Longer Tenure
<ul style="list-style-type: none"><li>Declining trends in an activity</li><li>Evolution of activities that will compete for assets</li><li>Alternative uses are planned by the Council for the lease asset (for example, demolition of buildings in X years)</li><li>Life expectancy of facilities/assets is less than lease tenure</li><li>Group asks for a shorter tenure</li></ul>	<ul style="list-style-type: none"><li>Recognition of past asset investment</li><li>Proposes asset investment</li><li>To provide certainty for external funding purposes</li><li>Dependence by community or membership on continuity of a key activity</li></ul>

This flexibility should be used carefully and is at Council's discretion. It is designed to allow Council to respond to changing community needs and asset management issues.

If there are reasonable grounds, the Council may seek early termination of a lease. The grounds where Council might seek to terminate a lease will be included in the standard lease document. Such grounds include the situation where a group or organisation is:

- declining to a level where it cannot function or remain sustainable,
- becoming or is bankrupt or insolvent,
- unable to meet the terms and conditions of the lease,

- proposing to change its activity to one that is not supported by Council.
- The Council decides an alternative use will provide greater value to the community. In this instance the Council will use its best endeavours to assist the outgoing tenant with finding alternative accommodation.

Before the Council undertakes any action to terminate a lease, it will seek other solutions in discussion with the lessee (see also section 2.5).

### **4.3 Assessment of affordability**

An assessment of affordability will only be undertaken if an applicant believes that they cannot meet the costs of servicing the lease terms and conditions (such as maintenance, rental and insurance costs).

Affordability will look at the sum total of costs incurred by the group. This includes the rent, utility charges, loan repayments, maintenance costs, rates and any other costs and payments.

It should be noted that only in exceptional cases will the Council consider affordability issues where a group is in effect transferring liabilities to the Council. This may occur where a group proposes capital investment on the basis of a loan that means that it is not able to meet the costs of servicing a lease.

In recognising the importance of addressing affordability it should be noted that the initial position of the Council is that the subsidies are already significant. If a group wishes to seek an increase in subsidy it will need to provide the Council with enough information to establish why affordability is an issue. This may include information on:

- Size/number of members/users,
- Membership/user group demographic profile,
- Short and medium term financial position (including ability to raise revenue),
- Asset ownership,
- Access to external funding sources.

If necessary, Council officers will make an assessment of the situation to determine appropriate changes to the lease terms and conditions.

## 4.4 Standard lease format

The Council will use a standard lease format based on the appropriate Brookers lease template that will incorporate the following terms and conditions:

### 4.4.1 Reporting requirements

The Council is interested in the ongoing performance of community, recreation and pre-school groups so that it can monitor the achievement of the strategic objectives for the city. Of particular relevance to this Policy are the areas of recreation, community development, education, arts and culture. The provision of leases is only one of a number of ways of meeting these objectives. Sharing information allows the Council to look at the health of the community.

The reporting requirements should not be seen as the only communication pathway between the lease partners and are not a control mechanism. The Council will assist groups with their reporting requirements so that the information is useful to both parties. Reporting may be tailored to a particular group but will generally include:

- Membership numbers and usage rates,
- Community events run through the lease,
- Financial information.

Reporting requirements will be tailored to reflect the size and activities of each group, asset ownership and any risk. The reporting requirements will be included in the lease.

### 4.4.2 Allocation of responsibilities between lessee and lessor

The community/recreation/pre-school group will be responsible for:

- Legal obligations associated with any **community group owned** building or facilities (including holding appropriate insurance),
- Exterior maintenance and deferred maintenance of any **community group owned** building or facilities,
- Interior maintenance of all buildings or facilities,
- Rubbish control and grounds maintenance for the area of land subject to the lease,
- Legal obligations associated with the activities of the group,
- Utilities including water, electricity, gas, telephone as applicable,
- Payment of rates if applicable.

The Council will be responsible for:

- Legal obligations associated with any **Council owned** building or facilities (including holding appropriate insurance),
- Exterior maintenance and capital replacement of any **Council owned** building, assets, or facilities,
- Monitoring of compliance with lease terms and conditions (such as maintenance).



For more detail, see also Section 4.4.4.

#### **4.4.3 Rates, water and other utilities**

Lessees of Council land are responsible for rates and utilities just as private property owners are. Water charges may be on a metered basis or incorporated into the rates charge.

- Rates are the responsibility of the lessee.
- Water charges are the responsibility of the lessee except where public facilities (such as dressing rooms, shower or toilets) are contained within the leased building or area and these do not have a separately metered supply. In the case where a water meter is not, or cannot, be installed a specific water charge will be negotiated as part of the lease.
- The cost of other utilities (such as electricity) is the responsibility of the lessee. Where public facilities are a significant component of the lease the Council may contribute towards the public use of the utilities.

#### **4.4.4 Maintenance of buildings, structures, vegetation and land**

All buildings and structures must be maintained to a standard that meets the requirements of legislation relating to buildings (such as the Building Act 1991). In addition, all buildings, structures and vegetation should be kept in a condition that does not detract from the environment. Vegetation must not become a hazard to personal safety.

As a general rule, **prior written approval** is required from Council before any work is undertaken on Council buildings, vegetation or on the exterior of buildings owned by lessees. The respective responsibilities of the Council and Lessees are:

- The lessee is responsible for the interior maintenance of all buildings, and the exterior maintenance of buildings owned by the lessee.
- The Council is responsible for the exterior maintenance of Council-owned buildings and will recover a proportion of the cost of the maintenance from the lessee as a charge associated with the lease. This charge is based on a standard figure that applies to all Council-owned buildings. It is based on average maintenance costs and excludes the characteristics of heritage, age, location or design that may increase the maintenance costs for specific buildings. The charge also recognises issues of affordability.
- A rental rebate may be considered where a lessee offers to maintain Council-owned dressing rooms/shower blocks/toilets that are located in the proximity of, or part of, the lease.
- The lessee is responsible for the proper maintenance of all structures (such as fences, paths), vegetation (such as trees and hedges) and land (such as litter control) for the leased area, as well as on the boundaries of the leased area.
- The lessee must consult the Council where tree removal and exterior painting is being considered prior to any work being undertaken.
- Where a lessee has an exclusive access-way the lessee is responsible for its maintenance. Where an access-way is shared between lessees the responsibility for maintenance is also appropriately shared.

- Where an access-way is shared between the public and a lessee, and the public specifically needs the access, the Council will have responsibility for maintenance of the portion of the access-way that is shared.

#### **4.4.5 Insurance**

The Council wishes to see a standardisation of insurance cover. This may impose an extra cost on groups but is done to reduce the need for the Council to fund shortfalls between insured amounts and actual costs to restart an activity following a destructive event.

All lessees must hold **full replacement** insurance cover for community group-owned buildings, structures and significant equipment except in exceptional circumstances where specific arrangements are negotiated with the Council. Where the Council is the owner of the leased assets, a proportion of the insurance cost will be charged to the lessee depending on the number of groups using the building and whether there is any public access separate from the group's activities.

Lessees must also hold public liability insurance. Generally cover to \$1 million will be required.

#### **4.4.6 Subleasing**

Lessees may not transfer, sublet, or dispose of their interest in a lease without prior written approval from Council. This is to ensure that leases remain consistent with Council's objectives. In general, subleases will only be considered where the transferee or sublessee is an organisation whose aims and objectives are the same as those of the head lessee. The Reserves Act 1977 also places restrictions on the types of activities that subleases may be granted to. In addition:

- The head lessee will be responsible for the preparation of the sublease documents and the recovery of all fees and charges from the sublessee.
- A copy of the sublease agreement must be provided to the Council.

#### **4.4.7 Granting security against a lease**

There may be instances where a group wishes to secure finance using a lease as a form of security. However, any security will be bound by the conditions of the lease and by Council policy on the use to which leases are put. In particular, the following provisions apply regarding security:

- Registration of security against a lease will generally only occur where the lessee owns the buildings associated with the lease.
- Assignment or transfer of rights under a lease will be subject to the prior written approval from Council as to the solvency and suitability of an assignee or transferee.
- Leases will be specific as to what uses are permitted.
- Where a lease is reassigned as a result of a loan default the rental will be reviewed.

The above provisions will be specifically written into the lease so that all parties are aware of the requirements.

#### **4.4.8 Additions and alterations**

Where a group wishes to extend or make alterations to their premises, permission must first be obtained from the Council. The start of this process is to seek endorsement from the Council's property officers to any building plans.

Where the addition or alteration does not require additional land prior written approval from council is required. Where extra land is required the lessee will need to seek a variation to the lease.

In all cases any addition or alteration must also meet any relevant requirements of the Building Act, Resource Management Act or Reserves Act. This process is separate from the approval of Council as landowner.

#### **4.4.9 Determination of leases: buildings and structures**

Leases will identify the ownership of buildings and structures. Where a lease is expiring and will not be renewed or where a lease is being relinquished, any buildings or structures owned by the lessee:

- may be removed by the lessee,
- may be assigned to another lessee subject to Council's permission,
- may be transferred to the ownership of the Council if Council wishes to accept ownership.

Where Council does not wish to accept ownership (for example, if the buildings or structures are in a dilapidated condition or in an inappropriate location) they will need to be removed at the lessee's expense as per the lease agreement. The Council may wish to move buildings or structures that are transferred to its ownership to another part of the city or to sell them.

The Council will discuss with the lessee the future of any buildings or structures at least three months before a lease expires.

If Council decides not to issue a renewed lease, and the lessee has met the terms and conditions of the lease and has met Council's objectives over the term of the lease, then compensation for buildings and structures may be claimed from Council.

#### **4.4.10 External signs**

As many leases are on reserve or open space land, the Council is conscious of the impact on public amenity that activities can have. Signs can add significantly to this impact. In respect of this:

- All signs must comply with the relevant Council Bylaws, District Plan, management plans, strategies (such as the Parks and Open Spaces Strategy 2007) and guidelines.
- One sign may be erected per lease showing the name and any logo of the lessee and/or sponsor as well as the use of the premises and contact details.
- Additional signs may be erected where these are required to give effect to the approved use of the land and prior written approval is obtained from Council.

- The design and appearance of the signs must not detract significantly from the amenity of the area by being obtrusive. No flashing, illuminated or moving signs or signs painted with fluorescent colours will be permitted.
- The Council reserves the right to refuse permission for the display of material that may offend any section of the community.
- Temporary signs relating to special events are permitted with the prior written approval of the Council.

Where a lease is on land that is not managed as open space the above criteria may be waived at the discretion of the Council. Existing Council signs cannot be removed or modified without Council permission.

#### **4.4.11 External commercial advertising within leased areas**

In general, commercial advertising will not be allowed in leased areas (including on buildings). However, some sponsorship advertising may be appropriate where it relates to the activities of the lessee. An organisation/individual shall be considered to be a sponsor where funding is specifically provided for the activities involved (for example, funding competitions, events, uniforms or equipment).

- Other commercial advertising must only be readable from within the leased area and any structures supporting the advertising must be sited as unobtrusively as possible.

### **4.5 Registration of leases**

If a group has a valid reason for seeking to have a lease registered against the title (such as to secure a loan to develop facilities) they may do so provided the Council's agreement is obtained prior to a lease being drafted. A memorandum of lease can then be drafted. The lessee is liable for all costs associated with registration including the issuing of a title if this is required.

### **4.6 Fees and charges**

Applicants are liable for any application fees, legal costs associated with document preparation and any other costs that may arise as part of the lease application process (such as survey costs, hearing and the obtaining of resource consents). The Council will not charge for its own internal administration costs associated with applications.

The Council has the ability to waive any or all of these fees and charges. Waivers are more likely to be considered in relation to ability-to-pay and less likely to be considered where applicants are seeking extensive changes to standard documents (such as the standard lease format).

## **4.7 Disputes and termination**

The Council will endeavour to maintain an open communication approach so that issues or breaches of lease agreements are addressed as they are identified. If there is a serious or ongoing breach then the Council may terminate the lease. Where possible, independent mediation will be used to resolve disputes.

## Appendix 1: Assessment matrix

### LEASE APPLICATION ASSESSMENT MATRIX

Applicant:

Facility:

Type of lease: land only/ land and building (circle one)

Land status: city endowment, harbour endowment, city freehold  
(Council Officer to circle one)

Date:

CRITERIA	RANKING					RANKING CONSIDERATIONS
	Weighting	High	Medium	Low	Weighted Score *	
Points to award:		3	2	1		
<b>Strategic Fit</b>	2.5					How strongly does this fit with strategic objectives/Wanganui District Community Outcomes? Eg points of difference; social, arts, cultural & recreational strategies. High = strong fit with a significant objective, or strong fit across many objectives
<b>Activity Sustainability</b>	1.5					Membership, no of users, financial position. High = sustainable over long term Medium = generally stable
<b>Optimal Use of Resources</b>	1.5					At what level is the resource used? High = Multiple groups using for more than 50 hrs per week Low = One group, weekends only
<b>Environmental Impact</b>	1.5					Could activity have adverse effect on open space value or other legitimate activities? Eg noise, parking, exclusion of other activities (fenced areas) High = low impact Low = high impact
<b>Demonstrated Need &amp; Support from Community</b>	1.5					How strong is community support for the activity? Activities that attract users from across community rather than narrow user group profile preferred. Activities that duplicate existing ones have low priority (unless established demand unmet) High = strong
<b>Need for a Lease</b>	1.5					Are other options available to the group? High = activity can't occur without WDC lease Med = WDC lease provides significant assistance Low = WDC lease not critical

SCORE 0 out of possible 30 points

OVERALL RANKING:

HIGH 26-30  
MED 16-25  
LOW 10-15

\* Weighted Score = Weighting x Points Awarded

