

New Lease Mercury Bay Rugby and Sports Club Inc.

TO Thames Coromandel District Council
FROM Cathy Klouwens - Community Development Officer
DATE 24 October 2014
SUBJECT **New Lease - Mercury Bay Rugby and Sports Club Inc- Lyons Park, 86D Albert Street**

1 Purpose of Report

For consideration to approve a new lease between the Thames-Coromandel District Council and the Mercury Bay Rugby and Sports Club Inc. for part of the land located at Lyon Park, 86D Albert Street, Whitianga for a term of 15 years at a rental of \$350.00 per annum (plus GST).

2 Background

The land located at 86D Albert Street, Whitianga was gifted to the Coromandel County Council by Thomas Harwood Lyon to provide for facilities for recreation and sports. It was transferred on 21 March 1940.

The Mercury Bay Rugby and Sports Club Inc. (previously the Mercury Bay Rugby Football Club Incorporated) has held leases at Lyon Park since 1984.

The Mercury Bay Rugby and Sports Club Inc. entered into a lease for Lyon Park with the Council, for a term of 15 years commencing 1 August 1999, expiring 30 July 2014. The club is now operating on a "tenancy at will lease" agreement.

In the meeting held 9 September 2013 the Mercury Bay Community Board resolved to:

1. *Received the report.*
2. *Supported a lease being prepared between the Thames Coromandel District Council and the Mercury Bay Rugby and Sports Club Incorporated for the buildings located on Lyon Park for a term of 15 years as category two - club and community groups rental of \$350 per annum.*
3. *Recommends any further conditions or aspects to be considered in a lease to be prepared between the Thames Coromandel District Council and Mercury Bay Rugby and Sports Club Incorporated.*

Moved/Seconded By: Fox/Hopkins

3 Issue

Since early 2013 officers and designated Community Board representatives have met with Mercury Bay Rugby and Sports Club committee members to discuss the renewal options and terms for a new lease. As a result a new lease has been prepared and attached for consideration and recommendation by Council.

4 Discussion

As outlined above Lyon Park was gifted to Council in 1940 and was classified recreation reserve in accordance with the Reserves Act 1977 (the Act) on 1 June 2012, New Zealand Gazette, No. 67, p. 1878. Section 54 of the Act provides Council the authority to lease all or any part of the reserve.

A lease provides a legal right of exclusive possession of the land to the Mercury Bay Rugby Club Inc. Furthermore a lease provides Council the legal mechanism for the proper and beneficial management, administration, and control of the reserve and for the use of the reserve for the purpose specified.

It is proposed that a new lease (**Attachment A**) for the Mercury Bay Rugby and Sports Club Inc. would include the following:

- The existing lease would be used as a guideline to draft a new updated lease offer
- The term of the lease would be offered for a period of five years commencing 31 July 2014 and expiring on the 30th June 2019, with two further rights of renewal only of five years each
- The Lessee is recognised as the predominant user of the rugby playing fields, and has first rights of booking utilising the Thames Coromandel District Council's booking system for the purposes of rugby from 1 February to the week prior to Labour Weekend
- the Lessee acknowledges that the Lease does not provide any lease over the rugby playing fields.

Lease Rental

In accordance with the Council's Lease of Council Owned and Administered Land and Building Policy adopted 22 November 2006, the Mercury Bay Rugby and Sports Club Inc. is classified as Category 2 – Club and Community Groups and would be charged a rental of \$350.00 per annum (plus GST).

The policy states that "all groups are to pay the legal costs incurred by Council associated with setting up and administering its lease."

5 Suggested Resolution(s)

That the Thames-Coromandel District Council:

1. Receives the report.
2. Approves a new lease between the Thames-Coromandel District Council and the Mercury Bay Rugby Club Inc. on the following terms:

Term:	5 years
Commencement:	01 July 2014
Right of Renewal:	Two of five years
Renewal Dates:	01 July 2019 and 01 July 2024
Final Expiry:	30 June 2029
Rental:	\$350.00 per annum (plus GST) + outgoings (plus GST)
Rent Review:	01 July 2019 and 01 July 2024

References-Tabled/Agenda Attachments

Attachment A *New Deed of Lease Mercury Bay Rugby and Sports Club Inc*

Attachment A

Attachment A - New Deed of Lease Mercury Bay Rugby and Sports Club Inc...