

# Lease matters - Pauanui Surf Life Saving Club Inc.

---

**TO** Tairua-Pauanui Community Board  
**FROM** Jan McNeil - Property Officer  
**DATE** 22 March 2017  
**SUBJECT** Lease matters - Pauanui Surf Life Saving Club Inc.

---

## 1 Purpose of Report

For consideration and recommendation to Council to approve an extension to the existing building, surrender of the current lease, then enter into a new ground lease comprising an extended footprint for a new term of 33 years, between the Council and the Pauanui Surf Life Saving Club Incorporated (Club) over part of the Recreation Reserve located at 27 Pauanui Boulevard, Pauanui (Land).

## 2 Background

The Club have leased the Land since December 1972, with the original term being 33 years at a peppercorn rental. The lease expired on 31 October 2005 and the existing lease commenced 1 November 2005 in accordance with the following resolution of 20 June 2007;

### **Resolved**

*That the Service Delivery Committee:*

1. *(Abridged);*
2. *(Abridged);*
3. *Approves a new lease for Pauanui Surf Lifesaving Club Inc. for the area occupied at 27 Pauanui Boulevard, Pauanui, being Pt Lot 1 DPS 13637 and Pt Lot 1 DPS 14816, Recreation Reserve, for a term of 19 years and 364 days, at a rental of \$100.00 plus GST p.a. commencing 1 November 2005.*

**Moved/Seconded By:** Hewlett/Wood

The Club has experienced continued growth and would like to expand the Club's building to accommodate further equipment storage and toilet, shower and changing facilities for lifeguards.

## 3 Issue

The current lease expires in eight years. The club is proposing to extend their building and needs security of tenure for a longer term before commencing fund raising for the proposed extension.

## 4 Discussion

The Club is in the early stage of planning the proposed extension, however the Club is requesting Council's approval in principle in the first instance, subject to obtaining the necessary regulatory consents together with other Council requirements being met, that will allow the Club to commence the necessary fund raising required to progress the proposal.

The proposal is to expand the rear of the existing building towards the Council toilet block and to extend the tower to the south. This will provide for much required space to

accommodate further equipment storage and facilities (two additional toilets, one additional shower and changing rooms).

The current lease expires 30 October 2025; however with the investment being made with the proposed extension, a variation for a further term of 20 years has been requested by the Club. The variation of 20 years would however make the total term of the lease 40 years, which is not in accordance with the Reserves Act 1977 (Act), that specifies that a lease on a recreation reserve must not exceed 33 years.

To manage the lease term within the provisions of the Act, it is suggested to surrender the current lease and enter into a new lease together with the proposed new footprint of land on the following terms;

Term:	33 years
Commencement Date:	When construction commences
Annual Rent:	\$100.00
Rent Review Dates:	Every three years in accordance with the Council lease policy

Given the above and to provide the Club with certainty of tenure prior to applying for the funding for the proposed building extension, the following resolution is requested.

## **5 Suggested Resolution(s)**

That the Tairua-Pauanui Community Board:

1. Receives the 'Lease matters - Pauanui Surf Life Saving Club Inc.' report, dated 22 March 2017.
2. Recommends to Council to approve the proposed surrender of the existing lease with the Pauanui Surf Life Saving Club Incorporated.
3. Recommends to Council to approve a new lease, which will include a new plan defining the footprint of the land area leased to incorporate the proposed extension, on the following terms;

Term:	33 years
Commencement Date:	When construction commences
Annual Rent:	\$100.00
Rent Review Dates:	Every three years in accordance with the Council lease policy

## **References-Tabled/Agenda Attachments**

**Attachment A** *Location plan of the existing Club building*

***Attachment A***

**Attachment A - Location plan of the existing Club building**