

Leasing Policy for Community Organisations

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| TO | Mercury Bay Community Board |
| FROM | Allan Tiplady - District Manager North |
| DATE | 16 February 2018 |
| SUBJECT | Leasing Policy for Community Organisations |

1 Purpose of Report

To review the implementation of the Council's leasing policy in relation to community organisations.

2 Background

Council has adopted a reviewed leasing policy for the leasing of land to community organisations. The policy has the following provision:

On-charging of Rates and Other Costs

Council will on-charge rates and other outgoings to the lessee unless otherwise determined by Council or the relevant Community Board.

Each Community Board is able to determine whether or not to on-charge the rates for tenants in its area.

Historically the rates for community organisations who lease Council land have been paid and not on-charged.

The organisations and the rating amount that has not been on-charged is set out in **Attachment A**. The \$33,272 cost of this has been met from the Mercury Bay budget.

The Council policy also provides that the annual rental for emergency services is \$100 per annum and for community organisations \$350 per annum.

The outcome of the Community Board's decision would be implemented in the 2018/2019 financial year.

3 Issue

The issue to be considered is whether the Community Board wish to continue its historical practice of not on-charging rates to emergency service and community organisations who lease land from Council.

4 Discussion

The Community Board has in the past met the cost of rates to emergency and community organisations. If this practice is to change then there will be a significant change for them and the costs they incur for their operational costs. For many this will mean additional fundraising efforts required to cover the costs.

In previous discussion on this matter the Community Board has raised the issue of equity with community organisations which do not lease land from Council and the fact that they own their own property and pay rates without any Community Board support.

In considering this, the question of defining what is and what is not a "community organisation" arises as well as questions around the nature of the business such as whether

they have a bar that generates income or whether they rely principally on member subscriptions and fund raising from the community. Also those organisations have an asset that appreciates in value and so provides equity, security and a stronger financial base from which to operate. In Mercury Bay these organisations include activities such as the Mercury Bay Club, Mercury Bay Golf Club and the Game Fishing Club.

It could be argued that if a club chooses to provide its own premises then it is accepting the costs and benefits that arise from that. If the Community Board consider the current situation to be inequitable then the way to put all on an equal footing would be to on-charge rates to all emergency services and community organisations.

Options available in relation to the matter include.

1. On-charge rates to the emergency services and community organisations set out in Attachment A to this report.
2. Not on-charge rates to the emergency services and community organisations set out in Attachment A to this report.
3. Not on-charge the rates to the emergency services and community organisations except on-charge those with the legal ability to operate a bar for the sale of alcohol.
4. Not on-charge the rates to the emergency services and on-charge rates to the community organisations set out in Attachment A to this report.

5 Suggested Resolution(s)

That the Mercury Bay Community Board:

1. Receives the 'Leasing Policy for Community Organisations' report dated 16 February 2018.
2. On-charge rates to the emergency services and community organisations set out in Attachment A to this report or;
3. Not on-charge rates to the emergency services and community organisations set out in Attachment A to this report or; [delete if not applicable]
4. Not on-charge the rates to the emergency services and community organisations except on-charge those with the legal ability to operate a bar for the sale of alcohol or; [delete if not applicable]
5. Not on-charge the rates to the emergency services and on-charge rates to the community organisations set out in Attachment A to this report [delete if not applicable].

References-Tabled/Agenda Attachments

Attachment A *Rates paid for Community Organisations*

Attachment A - Rates Paid for Community Organisations