

0.0 Santoft Domain - Site for Proposed Building

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1. Reason for Report

- 1.1 This report seeks Council authority and directive for the Chief Executive to negotiate and sign all documents to enable construction of a public building on the Santoft Domain.

2. Context

- 2.1 Santoft Domain is Crown Land which was set apart in 1963 as a reserve for recreation purposes. In the same action, the Crown declared the area to be a public domain, to be administered by a Domain Board.
- 2.2 On 26 March 1985 the Domain was classified as a recreation reserve and vested in Rangitikei County Council. The recreation reserve subsequently vested in Rangitikei District Council as part of the 1989 reorganisation of local government. It has continued to be known as "Santoft Domain" (referred to in this paper as "the Domain").
- 2.3 The Reserves Act 1977 sets out all of Council's authorities and obligations in management of the Domain.
- 2.4 Council has appointed The Santoft Domain Reserve Management Committee ("the Committee") to act on Council's behalf; that appointment is for a term aligned to the triennial election cycle for Council. The Terms of Reference for that appointment are attached.
- 2.5 Expenditure by the Committee is limited to pre-approved budgets adopted by Council within the Long Term Plan and Annual Plan for the relevant period. No other authority for significant works or expenditure is provided.
- 2.6 Santoft Domain Incorporated was recently established and registered as an incorporated society with declared charitable purpose being to "benefit the community by providing recreational facilities". The society wishes to develop a building on the Domain to provide for its stated purpose.
- 2.7 No provision is made in the current Long Term Plan or Annual Plan for such a significant development on the Domain by Council.
- 2.8 The Society intends to apply for funding assistance from JBS Dudding Trust. Applications for the next round of JBS Dudding Trust funding close on 30 June 2023. The Society's application must display certainty of building ownership and certainty of landowner agreement to the proposal.
- 2.9 Application is also being made to the TG McCarthy Trust. Officers are not aware of any possible constraints on approval from that funding source.
- 2.10 The Reserve Management Committee is a sub-committee of Council; JBS Dudding Trust does not make grants directly to local authority projects. It may grant funding assistance to non-Council entities with buildings on Council land.

3. Discussion and Options Considered

- 3.1 The Reserves Act 1977 (“the Act”) specifically authorises Council to develop buildings and amenities on recreation reserve.
- 3.2 Development of amenities on recreation reserve by another entity is, likewise, specifically authorised in the Act. For such developments a ground lease is required for the applicable part of the reserved land. The Act sets out essential clauses required in these leases and also provides for other terms and conditions to be tailored to suit requirements of individual arrangements.
- 3.3 Local sports and community groups own their own amenities on recreation reserve lands in Bulls, Hunterville and Taihape, all with ground leases as in 3.2. Most of these lessees are Incorporated Societies.
- 3.4 There is another arrangement in Hunterville, where the Town Hall and Swimming Pool are held by a local charitable trust, subject to ground leases from Council as in 3.2.
- 3.5 To assist Santoft Domain Incorporated with its urgent need to lodge the Dudding Trust application by 30 June, Council may consider endorsing the building proposal and undertake to grant a lease of part of the reserved land to enable the project to proceed.
- 3.6 It is imperative that any such endorsement and/or undertaking (if approved) is clearly stated to be from Council as the vested owner of the Domain and it does not suggest or imply any building or other consent will be granted. As Crown appointee of the Domain, Council must at all times stand completely separate from any of its other statutory rights and obligations as the territorial authority.
- 3.7 The suggested approval in principle of a ground lease would also assist the funding application to JBS Dudding Trust. Details and terms of lease could be refined in negotiations to be conducted at a later date, and prior to any building work commencing. More advanced concept design will by then better inform the lease preparation.
- 3.8 Potential risk to Council has been reviewed, with the same or similar risk having been identified whether the building is to be owned by a lessee or by Council. Risk can be covered as far as reasonably and fairly possible by agreement on standard obligations to manage, repair, maintain, renew, replace, etc. These standard terms apply to all ground leases granted by Council under the Reserves Act.
- 3.9 There may come a time when the Society goes into recess or is permanently disestablished. As unlikely as that may seem at present, any improvements on the Domain would then revert to Council (is also a requirement of leases granted under the Reserves Act). Exposure to unknown future risk and un-budgeted expenditure in that situation is impossible to quantify, but it should be acknowledged as a possibility.

4. Financial Implications

- 4.1 No immediate or short term costs to Council are envisaged by the recommendation in this Report. Potential for future costs is unknown (Clause 3.9)
- 4.2 Officers recommend the proposed lease be treated as a stand alone consideration and no implied assistance with funding, waiver of fees, or otherwise is suggested in this report.

5. Mana whenua implications

5.1 There are no mana whenua implications for this report.

6. Statutory Implications

6.1 The Reserves Act 1977 fully supports and authorises development of facilities on recreation reserve land which will enable and/or enhance public use and enjoyment of the reserve.

6.2 Council's current Reserve Management Plan (required under the Reserves Act 1977) envisages and supports the recommendation in this Report

Recommendation 1:

That the report Santoft Domain – Site for Proposed Building be received.

Recommendation 2:

That Council endorses and supports the Santoft Domain Incorporated proposal to develop a building on the Reserve; and

Recommendation 3:

That Council supports the Society's funding application to J B S Dudding Trust; and

Recommendation 4:

That Council directs and authorises the Chief Executive to negotiate and sign a lease to Santoft Domain Incorporated as authorised and prescribed in the Reserves Act 1977, to give effect to Resolution 23/RDC/.....; and

Recommendation 5:

That Council confirms that any requests for funding or fee waivers be considered independently of these recommendations.