

Transfer of Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated

File No.: CP2016/14033

Item 14

Purpose

1. To seek approval from the Finance and Performance Committee for Moire Road Hall (the community hall) to be transferred to the Leataata O Le Lumanai Samoan Trust Incorporated to enable the trust to demolish the community hall and build a new community owned facility on the site. (Attachment A)

Executive summary

2. The community hall is located at 93 Moire Road, West Harbour. The building sits on a reserve that is held by the Crown through DOC and vested in Auckland Council. It is a council owned building, managed by the Leataata O Le Lumanai Samoan Trust Incorporated (the trust) through a lease that expires in 2025.
3. The trust have long held a desire to demolish the community hall and build a new facility that will better cater for the needs of their community, with a strong focus on empowering Samoan children and their families and preparing them for long term education.
4. The community hall is a 1960's prefab and was not designed to last as long as it has. Its condition is of concern and to bring it up to standard for long term occupancy would require significant work, including removal of asbestos cladding and replacement with new cladding, replacement of the floor, sub-floor repairs, new toilets, insulation etc.
5. A needs assessment undertaken in 2015 recommended that Council consider divesting this facility to the community.
6. Key stakeholders in the area were consulted and are in support of the asset transfer.
7. In September 2015 an agenda report to the Henderson-Massey local board approved the following resolution:
That the Henderson-Massey Local Board:
 - a) Approves the public notification process for the proposed asset transfer of the Moire Road Hall to the Leataata O Le Lumanai Samoan Trust and report back to the Henderson-Massey Local Board the outcome.

HM/2015/123
8. Legal advice was sought around the public notification process. Their advice was that the council is not obligated to publically notify, but should inform the community through a press release in any publications that the local board may release.
9. In June 2016 an agenda report to the Henderson-Massey Local Board approved recommending to the Governing Body the transfer of the community Hall to the trust.
That the Henderson-Massey Local Board:
 - a) recommend to the Governing Body that the Moire Road Hall be transferred at nil value to the Leataata O Le Lumanai Samoan Trust Incorporated.
 - b) request officers liaise with the trust to surrender the current lease and apply for a new agreement to lease outlining demolition and future development plans and timeframes, (pending the successful transfer of the Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated)

HM/2016/84
10. The responsibility for all divestment of community facilities lies with the governing body.

Recommendation/s

That the Finance and Performance Committee:

- a) approve the asset transfer of the Moire Road Hall at nil value to the Leataata O Le Lumanai Samoan Trust Incorporated.
- b) pending the successful transfer of the Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated, request officers liaise with the trust to surrender the current deed of lease of land and building dated 2 December 2010 and enter into an agreement to lease and community lease for the land to enable the trust to build the proposed new community facility.
- c) agree that demolition and future development plans and timeframes will be subject to Council's prior approval.

Comments

11. The trust has managed the community hall since 1999; it runs a range of programmes mostly around community education, health and wellbeing workshops and exercise classes. The facility is booked every morning, afternoon and evening from Monday to Saturday each week.
12. The trust holds a current lease of the building with a right of renewal for a further nine years and a final expiry date of 31 October 2025.
13. The community hall is co-located on the site with a pre-school building that is owned by the trust; the land lease for the preschool expires on 31 October 2017. Under the Community Occupancy Guidelines adopted in July 2012, the trust have automatic right to re-apply at the end of their occupancy terms without public notification and be entitled to a term of 10 years with a further right of renewal of 10 years.
14. The community hall is a 1960's prefab and was not designed to last as long as it has. There are significant issues that would need to be addressed if this building was to stay long term as part of the network of community facilities. These include:
 - uplift of all of all the existing floors and relaying with new flooring
 - new carpet and vinyl throughout
 - sub-floor repairs
 - removal and replacement of asbestos cladding
 - installation of insulation
 - replacement of some of the windows
 - toilet and kitchen upgrades
 - wiring upgrade
 - full interior and exterior repaint.
15. Various options regarding the future of the site were considered, these include:
 - **Demolish existing building and council build new community facility to replace it.** This would:
 - create a council asset at a cost of \$1.2m, which has not been identified in the Community Facilities Network Plan as a priority or budgeted in councils Long Term Plan
 - require ongoing consequential OPEX
 - duplicate a recently completed community facility 350 metres away
 - not respond to the trusts wish to own their own building, rather than lease a council owned building

- reduce the potential to leverage external funding comes with community ownership of facilities.
 - **Demolish existing building.** This would:
 - see removal of a not fit for purpose asset at a cost of \$80,000
 - reduce maintenance and consequential costs
 - mean the loss of a key community service that has been delivered since 1999
 - require reinstatement of the park with its associated costs.
 - **Go out to expression of interest (EOI) for use of the site.** This would:
 - allow for open and transparent process of allocating council resources
 - identify other service providers who may address different community needs
 - be contractually difficult as the trust has an existing lease with a right of renewal until 2025
 - compromise the operation of the existing preschool that is on the same site
 - **Sale of the building and/or the land.** This would:
 - return a small investment for council, but it is not seen as an option as the condition of the building is such that there would be very little value in it
 - the building sits on Crown owned land vested in council by DOC and a sale is not an option as we have no ownership of the land
16. The conclusion of the needs assessment and consideration of the options identified was that council divest the facility to the trust because of:
- the age and the condition of the Hall
 - the fact that Council has recently opened a new community facility (Manatewhau Hub) within 350 metres from the community hall
 - there are other non council community facilities in the area that have capacity for community use
 - population projections show that there will be low population growth between now and 2033
 - the trust has a deed of lease with council with final expiry in 2025
 - the trust is delivering quality services to their community
 - the desire of the Leataata O Le Lumanai Samoan Trust to develop a purpose built facility that would meet the long term needs of the area specifically around educational outcomes for the Pacific Island community.
17. It will be necessary to make sure that the building is in a safe condition before approval of any asset transfer, as the process of designing and funding the proposed facility could take three to five years. Budget has been sourced for this work and it is planned to be completed within the next month with an expected cost of around \$20,000.
18. The Community Facilities Network Plan (the network plan) provides guidance on how Auckland Council will invest in community facilities over the next 20 years, in section 2.8 of the network plan it states:
- "A significant proportion of the existing network of facilities are old, in poor condition or not fit for purpose and either need to be upgraded or considered for divestment".*
- The needs assessment clearly identifies the community hall to be old, in poor condition and not fit for purpose and as such fit within the criteria of divestment in the network plan.
19. Consultation with key community stakeholders has occurred and all those spoken with have indicated their support for the proposal to transfer the asset to the trust.
20. Auckland Council legal advice has been obtained on the process and advised in regards to the asset transfer:

- “we consider that you do not need to publish anything in the newspaper or mail any affected parties as consultation is not required”
 - “that the existing lease will need to be surrendered and a new agreement to lease should be drafted that incorporates a development agreement. In the development agreement it will put an obligation onto the tenant to demolish and rebuild (get resource consents – have building design approved by council). The agreement to lease would include matters such as a sunset clause, i.e. council could cancel the lease if the tenant fails to progress the demolition and rebuild within a certain time frame”.
21. The trust will be required to follow all necessary processes in regard to their proposal to demolish and build a new community facility on the site, including landowner approval, building and resource consents.

Consideration

Local board views and implications

22. Discussion around asset transfer of the community hall has occurred with the Henderson-Massey Local Board at workshops in September 2015 and February 2016. In June 2016 the local board resolved to recommend to the Governing Body that the asset transfer be approved.

Māori impact statement

23. One kilometre from the community hall is the Te Piringatahi O Te Maunga Rongo Marae who delivers services to their community. Throughout the process of consultation the Marae has been kept informed by phone and emails of the proposal of the asset transfer, council requested to meet with the Marae but this request was not accepted. No response either in support or against the asset transfer was received from the Marae.
24. Should the asset transfer be successful and the trust wish to pursue development of the site, any new lease or development plans would require consultation with mana whenua.

Implementation

25. Should recommendation of the asset transfer be granted by the Finance and Performance Committee the following implementation steps need to occur:
- formal legal asset transfer of building
 - surrender of existing building lease, and grant of an agreement to lease and new community ground lease.

Attachments

| No. | Title | Page |
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| A | Aerial of site of Moire Road Hall | 165 |

Signatories

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| Author | Jan Brown - Principal Policy Analyst |
| Authorisers | Rod Sheridan - General Manager Community Facilities Ian Maxwell - Director Community Services Sue Tindal - Group Chief Financial Officer |



Item 14

Attachment A

Resolution number FIN/2016/106

MOVED by Cr LA Cooper, seconded by Deputy Mayor PA Hulse:

That the Finance and Performance Committee:

a) approve the asset transfer of the Moire Road Hall at nil value to the Leataata O Le Lumanai Samoan Trust Incorporated.

b) pending the successful transfer of the Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated, request officers liaise with the trust to surrender the current deed of lease of land and building dated 2 December 2010 and enter into an agreement to lease and community lease for the land to enable the trust to build the proposed new community facility.

c) agree that demolition and future development plans and timeframes will be subject to Council's prior approval.

CARRIED

