

QLDC Council
27 November 2014

Report for Agenda Item: 6

Department:
Operations

6: New Grazing Lease – Judge and Jury Drive

Purpose

- 1 To consider a new grazing lease to Mike Smith at Judge and Jury Drive.

Recommendation

- 2 *That the Queenstown Lakes District Council*

- a. **Agree** to notification of the intention to grant a grazing lease over Lot 400 Deposited Plan 445230 to M Smith as per the attached plans, for a period of 5 years with one renewal of 5 years mutually agreed, rent of \$950+GST per annum and rent review provision at renewal. To appoint three commissioners to hear submissions if required and make a recommendation to full Council.

Advice Prepared by:	Report Advice Reviewed and Recommended by:	Reviewed and Authorised by:
		
Dan Cruickshank Senior Property Manager, APL Property 11/11/2014	Mike Weaver Manager, Parks and Operations 11/11/2014	Ruth Stokes General Manager, Operations 11/11/2014

Background

- 3 Council purchased and gazetted Lot 400 Deposited Plan 445230 Lake Hayes Estate as Recreation Reserve Land in 2012. At purchase, the land was grazed informally by Mike Smith in conjunction with the neighbouring property owned by the Allen family.

- 4 The land is grazed and is clear of noxious plants; however there are extensive thistle areas which need to be dealt with. Council will be required to maintain the reserve more proactively over the coming years, should it not be grazed or used for other recreation activities.
- 5 The Queenstown Trail traverses past the Southern Boundary of the Reserve adjacent to the Kawarau River. The main access to this section of trail is through the adjacent road at Widgeon Place where there is well formed access via a separate block of Recreation Reserve.
- 6 Council has not previously considered or notified suitable uses of the land through a Reserve Management Plan process.

Comment

- 7 APL has approached the existing grazer of this land, to confirm if they wish to continue grazing the site at commercial rates. The applicant is happy to graze the land until such point as the reserve is developed into sports fields.
- 8 The applicant is Mike Smith, a long time local who lives and farms from Alec Robins Road, Lake Hayes. Mr Smith has grazed what is now the reserve with approval for three years firstly with the Allen family, and then in agreement with Paul Horrell who purchased it from the Allen family.
- 9 Council's Operations team does not have plans to form the sports fields at this time. A condition will be included in the lease to allow Council to terminate with 12 months notice, if the land is required for another purpose.
- 10 The land is already clear of broom due to regular grazing and cropping of the land, and it is suggested that as the grazing is a commercial operation, that normal grazing rates should apply. APL has been advised that for medium quality pasture, the current market rate is approximately \$95+GST per ha. We therefore suggest that the applicant should pay \$950+GST per annum.
- 11 As the land is recreation reserve, there will be a requirement for Council to advertise the intention to grant a lease under section 73(4) of the Reserves Act 1977. It is suggested that QLDC meet the costs of this advertising of approximately \$250, given the prospect of future rental income from the lease.
- 12 If there are any submissions against the grazing lease, then a commissioners hearing will be required. We request the committee appoint three commissioners to hear any submissions if required and to make a recommendation back to full Council.

13 Options

- a. Approve notification of the intention to grant a grazing lease over Lot 400 Deposited Plan 445230 to M Smith as per the attached plans, for a period of 5 years with one renewal of 5 years mutually agreed, rent of \$950+GST per annum and rent review provision at renewal. To appoint three commissioners to hear submissions if required and make a recommendation to full Council.
- b. Approve notification of the intention to grant a grazing lease over Lot 400 Deposited Plan 445230 to M Smith as per the attached plans, with other terms and conditions. To appoint three commissioners to hear submissions if required and make a recommendation back to full Council.
- c. Decline the grazing lease and/or investigate other options for utilising the recreation reserve.

Financial Implications

- 14 Costs relating to public notification and lease preparation will be met by the Council. This is estimated to be less than \$1,000 in total. Council will benefit from rental income as well as limiting reserve maintenance costs that would otherwise need to be spent on mowing the fields.

Local Government Act 2002 Purpose Provisions

- 15 The notification of the intention to grant a lease to a commercial entity over disused land is consistent with Section 10 of the Local Government Act as it supports local involvement in decisions on the administration of local public services.

Council Policies

- 16 The following Council Policies were considered:
- Policy on Significance 2013 – notifying a new lease is not deemed significant as it does not impact Council assets, or affect a large number of residents and ratepayers to a moderate extent

Consultation

- 17 Consultation will be undertaken in accordance with section 119 of the Reserves Act 1977, requiring public notification of the intention to grant a lease over a reserve.

Publicity

- 18 There is no requirement for a media statement or public communication to support this decision at this time.

Attachments

- A: Site Plan of proposed grazing lease.