

**QLDC Council****27 August 2015****Report for Agenda Item: 13****Department: Operations****Skyline Enterprises Request for Lessor's Approval for temporary office****Purpose**

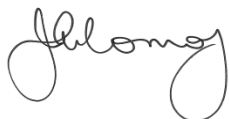
- 1 To consider a request for Lessor approval for a temporary office Portacom to Skyline Enterprises.

**Recommendation**

That Council:

1. Note the contents of this report;
2. Agree to grant Lessor's approval to Skyline Enterprises Limited (Skyline) under the lease of the land described in computer interest register 3417 (Lease) for a temporary office cabin on recreation reserve legally described as Section 1 SO 24832 computer interest register 3417 subject to the following terms:
  - a. Cabin is located within lease area (as detailed in Appendix B);
  - b. Term for a maximum of 12 months from approval;
  - c. On expiry of term, cabin to be removed, and area to be reinstated to original condition
3. Grant lessor's approval as a delegate of the Minister of Conservation.
4. Delegate authority to approve final terms and conditions and execution authority to the General Manager, Infrastructure.

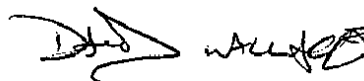
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Property Manager - APL

7/08/2015

Reviewed and Authorised by:



Senior Planner – Parks and  
Reserves

7/08/2015

## Background

- 2 Skyline Enterprises Limited (Skyline) was granted a lease over Bob's Peak in April 1995 for five years, with the ability to renew for a further five years (provided the total term of the lease does not exceed seventy five years). The Lease has been renewed through to 2015, and is currently considering a renewal through to 2020. The lease area is legally described as Section 1 Survey Office Plan 22971 and Section 1 Survey Office Plan 24832 described in computer interest register 3417 (Lease), and is classified as recreation reserve.
- 3 The site includes gondola access and restaurant building, containing a restaurant and function facilities, a cafeteria and souvenir shops, specialist stargazing site, confectionary store and kiwi haka. The site has a luge track, with associated chair lift, a helicopter landing area and access to public walking and mountain biking tracks.
- 4 Given time constraints and the need for Skyline to carry out construction work (if approved) in accordance with its projected schedules and timeframes, it is not possible to delay the consideration of this further report to a later meeting. However, it is noted that the outcome of this report and acceptance of its recommendations is dependent upon the Council approving the renewal and variation of the Lease under the earlier report.

## Comment

- 5 Lessor's approval has been sought for a 12.6m<sup>2</sup> portable office cabin to be placed outside the top terminal building of the Skyline Gondola, on a temporary basis. This is to be used as a temporary work space during a phased refurbishment of Skyline's administration office which is expected to take approximately 12 months.
- 6 The portable office cabin measures 4.2m long by 3.0m wide, with a 1.6m sliding door length wise. A photograph of a similar cabin is attached as Appendix A. The office cabin will accommodate a maximum of five work stations. It is proposed that the cabin will be located approximately in the area indicated on the photograph attached as Appendix B.
- 7 To accommodate the refurbishment, the temporary office space is required for approximately 12 months, from 1<sup>st</sup> September 2015 – 30<sup>th</sup> August 2015.
- 8 Due to the temporary nature of the building (less than 12 months on site), there is no legal requirement for resource consent to be obtained (as advised by QLDC planners).

## Options

This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

- 9 Option 1 The first option is to grant Lessor's approval for the temporary Portacom office to Skyline Enterprises over **Section 1 SO 24832**.
  - 10 Advantages: It would facilitate the applicant's need for an interior upgrade.
  - 11 Disadvantages: The recreation reserve becomes increasingly developed rather than an open space, passive reserve.
- 12 Option 2 The second option is to decline to grant the Lessor's approval for the temporary Portacom office to Skyline Enterprises over Section 1 SO 24832.
  - 13 Advantages: Development of the recreation reserve would be limited.
  - 14 Disadvantages: Skyline may face difficulty in refurbishing their offices. There may also be unnecessary costs incurred by Skyline if it is required to seek an alternative solution.
- 15 Option 3 The third option is to propose a different location for the temporary office.
  - 16 Advantages: While Council could suggest an alternative location for the temporary Portacom, the operators would need to assess whether it would be suitable operationally.
  - 17 Disadvantages: If they were to seek a different option, it could have greater impact being away from the cluster of existing buildings, and will likely not result in the most efficient use of staff time. The cost of providing services to another area might also be prohibitive.

This report recommends Option 1 for addressing this matter as it gives Skyline the ability to refurbish their offices, in a cost effective and efficient manner, and the cabin is only temporary.

### ***Significance and Engagement***

- 18 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it does not involve a Council strategic asset, but is of medium importance to the Queenstown Lakes District and the general community, is not inconsistent with policy and strategy and does not impact on Council's capability and capacity.

### ***Risk***

- 19 This matter relates to operational risk SR 3 Management Practice – working within legislation. The risk is classed as low. The matter relates to this risk because the options highlighted require the Council to follow a statutory process in order to grant Lessor's approval. A variety of operational risks (such as meeting levels of service, regulatory compliance and the health and safety risks associated with parties using reserves land) are triggered when the Council considers whether or not to grant the approval. This report that the risks associated with this matter are tolerable because correct procedure is being followed.

## **Financial Implications**

- 20 No financial implications for Council are anticipated. All costs associated with the temporary cabin will be paid for by Skyline.

## **Council Policies, Strategies and Bylaws**

- 21 The following Council policies, strategies and bylaws were considered:

- Significance & Engagement Policy 2014 –the proposal is a matter with medium significance in terms of this policy as determining as a new building is not considered significant as it does not impact Council's strategic assets, affect a large number of residents, ratepayers and the environment, but there may be community interest in this matter.
- This matter is not included in the 10-Year Plan/Annual Plan but does not have any known significant effect on income or expenditure.

The Ben Lomond and Queenstown Hill Reserve Management Plan covers the area leased to Skyline. The plan contemplates the continuance of the Skyline activities. It refers to "provision for recreation and tourism activities that do not adversely impact on the landscape, recreation and natural values". It also states "commercial users and public utility activities will be permitted within the reserve where they are compatible with or do not unduly affect its primary purpose, and recreation, landscape and biodiversity values". It suggests "limited provision of commercial tourism based recreation activities that rely on the unique topography and location of Ben Lomond reserve, and are compatible with the reserves' wider values". Therefore the recommendations in this report are consistent with the policies of the plan.

## **Local Government Act 2002 Purpose Provisions**

- 22 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by supporting the improvement of tourist activities in the region.
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

## **Consultation: Community Views and Preferences**

- 23 No consultation is envisaged or required by Council as detailed in this report. The Council's approval is in accordance with the terms of the Lease and does not require a public process.

- 24 The Minister's powers to consent to the Council permitting the erection of buildings and structures that are not directly associated with outdoor recreation under a lease have been delegated to the Council, and therefore the Council is able to decide whether or not to consent to the temporary building on the Minister's behalf.

### **Attachments**

Appendix A – Skyline Lessors Approval – Photograph of cabin

Appendix B – Skyline Lessors Approval – Location of cabin

SUPPORTING DOCUMENT A: Photography of 4.2m long by 3.0wide portable office cabin





SUPPORTING DOCUMENT B: Aerial view indicating proposed location of portable office cabin

