

QLDC Council**27 August 2015****Report for Agenda Item: 9****Department: Operations****Wanaka Watersports Facility – Proposed new ground lease****Purpose**

The purpose of this report is to consider granting a new ground lease for the Wanaka Watersports Facility to construct a multi-use building for activities associated with non-motorised sport on Lake Wanaka.

Recommendation

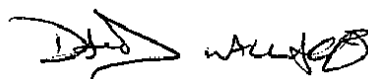
That Council:

- 1 **Note** the contents of this report;
- 2 **Grant** a new ground lease to The Wanaka Watersports Facility Trust ("Trust") over 800m² of recreation reserve being part of Section 31 Blk III Lower Wanaka SD under section 54(1)(b) of the Reserves Act 1977, subject to the following terms:
 - a. 33 year term;
 - b. Rent pursuant to the Community Pricing Policy and reviewed every 2 years;
 - c. Resource and building consent being granted;
 - d. Construction to be completed within 3 years of lease approval;
 - e. Building materials to be on site only once construction has commenced;
 - f. Maintenance of building and landscape obligations to be agreed;
 - g. Ownership of improvements to transfer to Council on lease expiry;
 - h. Any risks relating to flooding or branches falling from trees to be borne by the Lessee;
 - i. No storage of equipment (including boats and trailers) outside of the building;
 - j. Other terms as deemed required by Council.
- 3 **Grant** affected party approval under the Resource Management Act 1991 for the construction of the proposed building, bunding and associated works by the Trust provided the Trust enter into an agreement with Council, prior to the affected party approval being granted, to undertake all ongoing maintenance responsibility and to take all liability for the bund and its purpose.

- 4 **Grant** affected party approval to the Trust for the resource consent application to Otago Regional Council for the proposed bund.
- 5 **Delegate** authority to approve the final terms and conditions of the ground lease and execution authority to General Manager, Infrastructure.
- 6 **Approve** the granting of the new lease as the delegate of the Minister of Conservation.

Prepared by: Averil Kingsbury

Reviewed and Authorised by:

Title Property Manager - APL

Senior Planner – Parks and Reserves

7/08/2015

7/08/2015

Background

- 7 The Wanaka Watersports Facility Trust (“Trust”) is a charitable trust set up to promote the construction of a multi-use building to support non-motorised water-based activities in Lake Wanaka.
- 8 The need for a new facility originated due to the Wanaka Rowing Club’s desire to construct clubrooms for storage of their own rowing skiffs and gym equipment, but the Trust’s focus has since expanded into a more comprehensive organisation catering to a wider range of watersports groups, not otherwise catered for in the Wanaka Yacht Club.
- 9 The Trust Board comprises three independent trustees and two trustees nominated to represent key user groups. These user groups currently include the lake swimmers, rowers, kayakers, and other members of the multi-sport fraternity. The user groups are not exclusive, and further watersports groups such as stand-up paddle boarders, white-water kayakers or individual participants will be able to be included in the future.
- 10 The Trust is seeking a new ground lease for the proposed building, with a 33 year term lease to reflect the investment being made into the facilities. The proposed area for the construction of the community building is 88 square metres, being part of the land legally described as Section 31, Blk III Lower Wanaka SD, classified as Recreation Reserve.
- 11 The Wanaka Community Board considered this proposal on 17 June 2015 and the following resolution was passed:

On the motion of Mr McRobie and Councillor MacLeod it was resolved that the Wanaka Community Board:

1. *Note the contents of this report;*

2. *Recommend to Council that a new ground lease be granted to the Wanaka Watersports Facility Trust over approximately 800m² of Recreation Reserve known as Section 31 Blk III Lower Wanaka SD, subject to the following terms:*
 - a. *33 year term;*
 - b. *Rent pursuant to the Community Pricing Policy and reviewed every 2 years;*
 - c. *Resource and building consent being granted;*
 - d. *Construction to be completed within 2 years of commencement of building;*
 - e. *Building materials to be on site only once construction has commenced;*
 - f. *Maintenance of building and landscape obligations to be agreed.*
 - g. *Ownership of improvements to transfer to Council on lease expiry.*
 - h. *Any risks relating to flooding or branches falling from trees to be borne by the Lessee;*
 - i. *No storage of equipment (including boats and trailers) outside of the building.*
 - j. *Other terms as deemed required by Council.*
3. *Recommend to Council that affected party approval covering the proposed building be granted to the Wanaka Watersports Facility.*
4. *Recommend to Council that affected party approval to the Wanaka Watersports Facility for the resource consent application to Otago Regional Council for the proposed bund.*
5. *Recommend to Council that final terms and conditions of the ground lease and execution authority be delegated to the General Manager, Infrastructure.*
6. *Recommend to Council that the Minister's prior consent (under delegation from the Minister of Conservation) to the granting of the new lease be exercised.*

12 The Trust's agent, Duncan White of Paterson Pitts Group, has written to Council requesting the Affected Party Approval for the Otago Regional Council (ORC) consent for the bund. The risks (i.e. the Trust having to vary the ORC bund consent) of ORC approving a bund before Council considers resource consent for the facility have been explained to Mr White and he has stated on behalf of the Trust that if the bund location or size changes through the QLDC resource

consent process then the Trust will apply for a variation to the ORC consent now sought. The Trust is keen to gain ORC consent for the bund as without that consent the project is not viable/possible as the risk to the building investment of potential flooding without the bund would be too great. Gaining ORC consent, for which Council's affected party approval is required, prior to continuing further with the project is considered prudent by the Trust and is reasonable.

Comment

- 13 The Wanaka Rowing Club currently utilises the A&P building for storage of its equipment, but the facilities are no longer adequate. For several years the Rowing Club has extensively explored alternative options and sites for storage of their equipment. In 2010, eight sites were looked at for a boatshed/clubrooms facility, from Glendhu Bay around to Eely Point, and the advantages and disadvantages of each evaluated. Concept plans were prepared for three of these sites (at the Yacht Club, Eely Point and Tapley Paddock) as well as for a further site at Roy's Bay. Due to the degree of compromise required to make these first three sites feasible, and the safety issues at some of the sites, the Trust decided not to pursue these further.
- 14 The Trust believes that the reserve in the south-western corner of Roy's Bay outlined in yellow on the aerial photograph attached to this report as Appendix C is an appropriate area for the construction of a new facility. They believe it can be effectively utilised by rowers, swimmers, tri and multi-sport athletes, stand-up paddle boarders, kayakers and other non-motorised watersports. The area of the lake has a long reach parallel with the western shore in relatively shallow water, and they believe it has less potential for conflict with motorboats than the eastern shore. The intention is to provide a safe separation between motorised and non-motorised watersport by concentrating facilities for each respectively on the east and west shores.
- 15 The proposal is for a 435m² building, with a total proposed lease area of 800m² to include the building and external structures by way of decks, boardwalk and ramps. The purpose of the board walks is to allow boats to be carried down on to the beach and the Trust believes they will not impede public access, as they are only situated at the front of the building.
- 16 The proposed building floor plan is attached to this report as Appendix B and elevations are at Appendix D. It will be multi-purpose, and will include storage for equipment, external toilets, cycle racks, a wash-down facility for the general public, clothes lockers and showers and exercise facilities for admission paying users. The Wanaka Community Board expressed concern that there were no provisions made for public changing facilities in the building. To address this issue, it was agreed that one of the toilets should be enlarged so that it could be used as a changing room also.
- 17 Like the Wanaka Yacht Club, which needs to store boats on-site, the rowing club have stated that they need a lakefront boatshed for their skiffs and other equipment. Rowing skiffs, generally club-owned items, are both large (too long for a roof rack) and delicate (with easily damaged riggers and thin hulls).

- 18 In order to make efficient use of the best time for training – 6 am to 8 am – the Trust have advised that equipment needs to be adjacent to water and stored onsite.
- 19 Over the last four years, a line of swim buoys has been extended from the south-western corner of Roy's Bay, along part of the main lake frontage. The Wanaka Lake Swimmers currently meet at the Stoney Creek carpark to change, and then swim either beside the line of buoys or along with western shore towards Ruby Island. As swimmers can be hard to see, the Trust have emphasised that it is important that the use of motorised water craft is limited in an area frequently used for this activity. The Trust believe the most suitable location for a building to house the facilities needed by the lake swimmers is near Stoney Creek carpark, which gives access to safe parts of the lake.
- 20 The nearby playground and community barbeque, used by both locals and visitors, do not currently have toilet amenities in the immediate vicinity. The concept for the Watersports Facility includes public toilet facilities, including an accessible unit. There are funds set aside to upgrade the nearest toilets (approximately 100 metres away) but this has been pushed into Year 2 of the Long Term Plan, which will allow Council time to undertake a proper review of the facilities in conjunction with the lakefront development. It is expected that the proposed facilities will add to the demand for toilets in this location, so both facilities will still be required. Note that the proposal includes toilets inside the building as well as the public toilets.
- 21 Council will be required to take on the maintenance of the proposed external toilets attached to the building. This will require an increase in service levels from the Council's maintenance budget, which is a cost that will need to be considered.
- 22 The Trust believe that the proposed building has been designed to minimize the visual impact from both the road and lake side, to be sensitive to neighbours and other users, and to maximise the services provided by the building. The building will be clad in a mixture of corten steel and cedar panels which the Trust believes will result in the least visual effect. The building is approximately 90 metres to the nearest dwelling to the south of the proposed building, and 110 metres to the nearest dwelling on the west. There is reserve land in the other two directions. A Landscape Concept Plan is attached to this report as Appendix A. The resource consent process will look more closely at the visual effects and consider which parties these impact on.
- 23 As a result of the proposed building plans, ten trees will need to be removed in order for the building site to be cleared – namely Douglas Fir and Eucalyptus trees. To compensate for this, the trust has proposed to plant a further eight trees, consisting of both native rata and kowhai trees. There will be a requirement for a bund to be formed, as a flood protection measure, which was recommended by a geotechnical expert. More information about the bund and a lease to cover it will be the subject of a separate report, pending the outcome of the resource consent application. A request for Affected Party Approval for the bund for the ORC consent has been included in the recommendations to this report.

- 24 The current lease is proposed to be for a term of 33 years which is the maximum term permitted under the Reserves Act. The Trust is seeking a long lease that reflects the investment that they are making into the building.
- 25 In the recently adopted Reserve Management Plan October 2014, the proposed lease is a key implementation action in section 5.2.3.3 to “grant a new lease for a community building supporting non-motorised water sports activity (zone 2)”.
- 26 Under section 54(2A) of the Reserves Act, public notification of a proposed grant of a lease of recreation reserve is not required where the proposed lease is in conformity with and contemplated by an approved management plan for the reserve. Therefore, this proposed lease does not require public notification. However, once a lease has been secured, the Trust will be required to apply for a resource consent for construction of the building, and the Trust has confirmed they will request public notification of that resource consent.
- 27 As a requirement of the Council approving the grant of the Lease, the Trust will be required to seek all building and resource consent approvals at its own cost. APL will seek copies of such consents and ensure all conditions are met and full compliance is achieved. In addition to the Landowner consent, affected party approval for the lessee’s proposal is also requested.

Options

- 28 **Option 1:** To grant a lease under section 54(1)(b) of the Reserves Act 1977 to the Trust over approximately 800m² of part of Section 31 Blk III Lower Wanaka SD in the location as approximately shown on the plan attached as Appendix E attached to construct a multi-use building, lease for a term of 33 years with terms and conditions as detailed in this report and to grant an APA to the associated bund to support an application to the ORC.

Advantages:

- 29 The Trust believes that in granting this lease, the community will benefit from enhanced recreation facilities, providing non-motorised watersport groups with storage and training amenities. In granting a lease that allows a single building to meet the needs of a range of users, it also prevents proliferation of separate facilities on the lakefront.
- 30 The addition of public toilet facilities to the lakefront area will also be a benefit to the community.
- 31 Granting an APA for the bund will facilitate the Trusts application to the ORC for that bund.

Disadvantages:

- 32 By granting this lease, Council land is effectively occupied for a further 33 years, restricting any other activities that may be proposed on this site. It also adds another building to the lakefront.

33 **Option 2:** To grant a lease to the Trust over approximately 800m² of part of Section 31 Blk III Lower Wanaka SD in the location as approximately shown on the plan attached as Appendix E, to construct a multi-use building with other terms.

34 Advantages: While Council could suggest an alternative site, size or design for the building, the Trust would need to assess whether it is suitable operationally. A different term for the lease may give Council more flexibility for the use of the land in the future.

35 Disadvantages: The same disadvantages discussed regarding option 1 would arise with option 2. A lease for a reduced term may not be suitable for the Trust given the financial commitment involved with the construction of the building. No other terms have been proposed.

36 **Option 3:** Not approve the proposed lease.

37 Advantages: Declining the lease means the land would be made available to be utilised in other ways by the Council and the Community and will not result in construction of another building on the lakefront.

38 Disadvantages: The Trust would miss out on the opportunity of building a multi-use facility, and there would be no improvement to recreational facilities available to the community unless an alternative suitable site could be identified, which is unlikely, given that alternative sites have already been considered and dismissed.

39 This report recommends **Option One** for addressing the matter because it provides a multi-use recreation facility to the wider community, and ensures that proliferation of buildings is prevented on the lakefront in the future.

Significance and Engagement

40 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the proposed building works will have a medium impact on the Council and its ratepayers. The public has been consulted about the lease as it was included in the consultation for the Wanaka lakefront reserve management plan, which has now been approved.

Risk

41 This matter relates to strategic risk SR1 – 'current and future development needs of the community'. The proposal for the Trust to construct a new building allows non-motorised associated clubs in the area to grow, thereby continuing to help meet the current and future recreational needs of the community.

Financial Implications

42 All costs in regards to the building, consents and construction process will be met by the Trust. It intends to raise the funds for the building development through charitable trusts, community grants and fund-raising activities.

- 43 Council will need to take on the maintenance of the external public toilet attached to the building, which will result in an increased expenditure in Council's maintenance budget. All other running, outgoing and maintenance costs will be met by the trust.

Council Policies, Strategies and Bylaws

- 44 The following Council policies, strategies and bylaws were considered:
- Community Facilities Funding Policy 2011 – consistent with user group 1.4 of the policy in that community groups rent be set at \$1 when using less than 1 hectare exclusively.
 - Significance and Engagement Policy 2014 – this proposal is not deemed significant as it does not impact on Council assets, and does not affect a large number of residents and ratepayers to a moderate extent.
 - Wanaka Lake Front Reserves Management Plan – the proposed building has been supported as part of the implementation action in section 5.2.3.3.

Local Government Act 2002 Purpose Provisions

- 45 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 building a new recreation facility in the area which will be utilised by the community.
 - 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

- 46 No consultation is required as the proposed lease is contemplated by the Wanaka Lakefront Reserve Management Plan, October 2014. The Reserve Management Plan went through the public notification process and the views and preferences of the community were considered at the time.

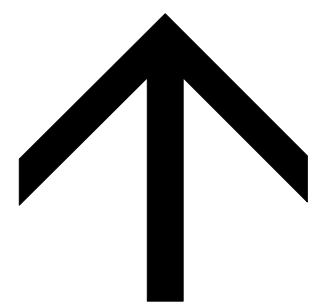
Legal Considerations and Statutory Responsibilities

- 47 As the land is classified as recreation reserve, any lease must comply with the terms of that Act.
- 48 Section 54(1) authorises the grant of leases of recreation reserve to voluntary organisations for the erection of buildings and structures associated with and necessary for the use of reserve for "outdoor sports, games, or other recreational activities" and the current proposed lease comes within that section.
- 49 Under section 54, the prior consent of the Minister of Conservation is required for leases. The Minister's power to consent has been delegated to the Council and

this report recommends that the Council grant that approval in accordance with the delegation.

Attachments

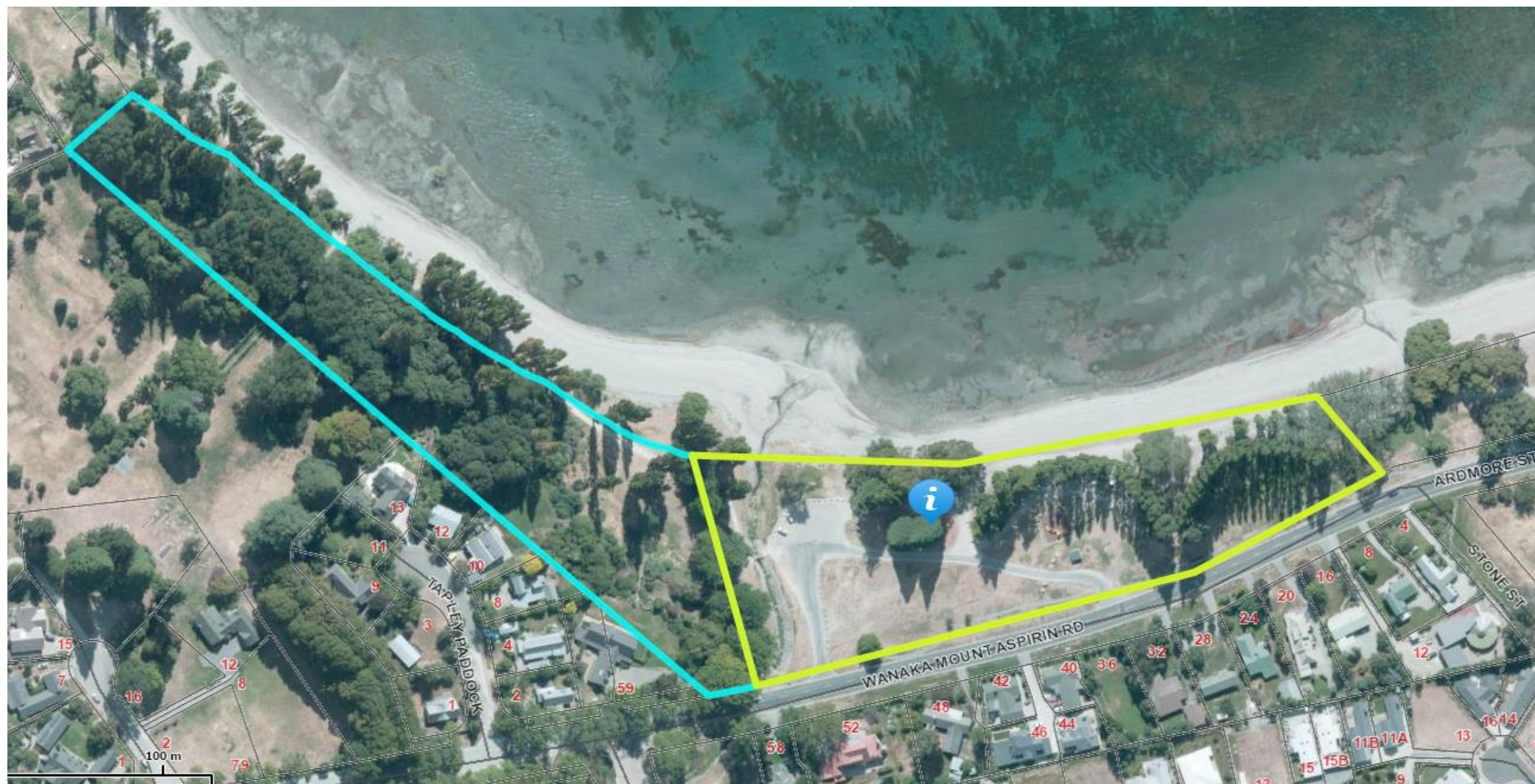
- A Site Plan showing proposed building
- B Proposed floor plan
- C Aerial of Eely Point Reserve
- D Proposed Building Elevations



KEY

- Proposed deciduous tree - species to be confirmed
- Proposed kowhai trees for shade
- Proposed southern rata tree
- Proposed kowhai trees
- Existing gum trees
- Existing conifers
- Existing deciduous trees
- Trees to be removed
- Boardwalk
- Grass
- Gravel
- Notta seal
- Water
- Proposed native planting
- Boundary
- Rocks
- Timber bollards



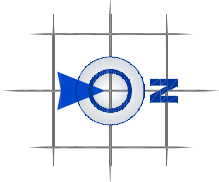


Proposed Building Elevations

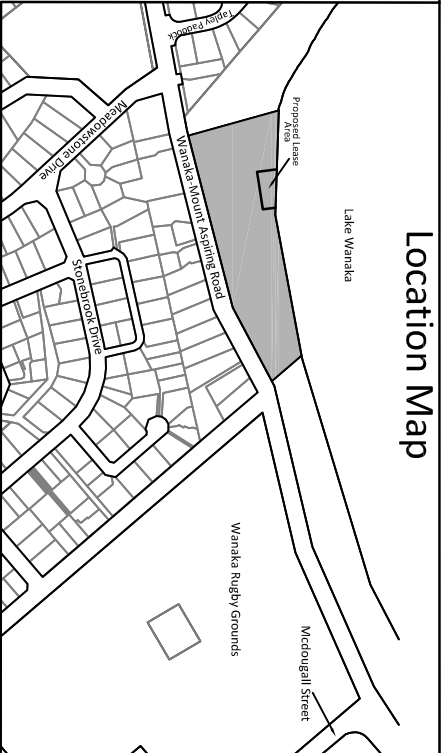
Watersport Facility



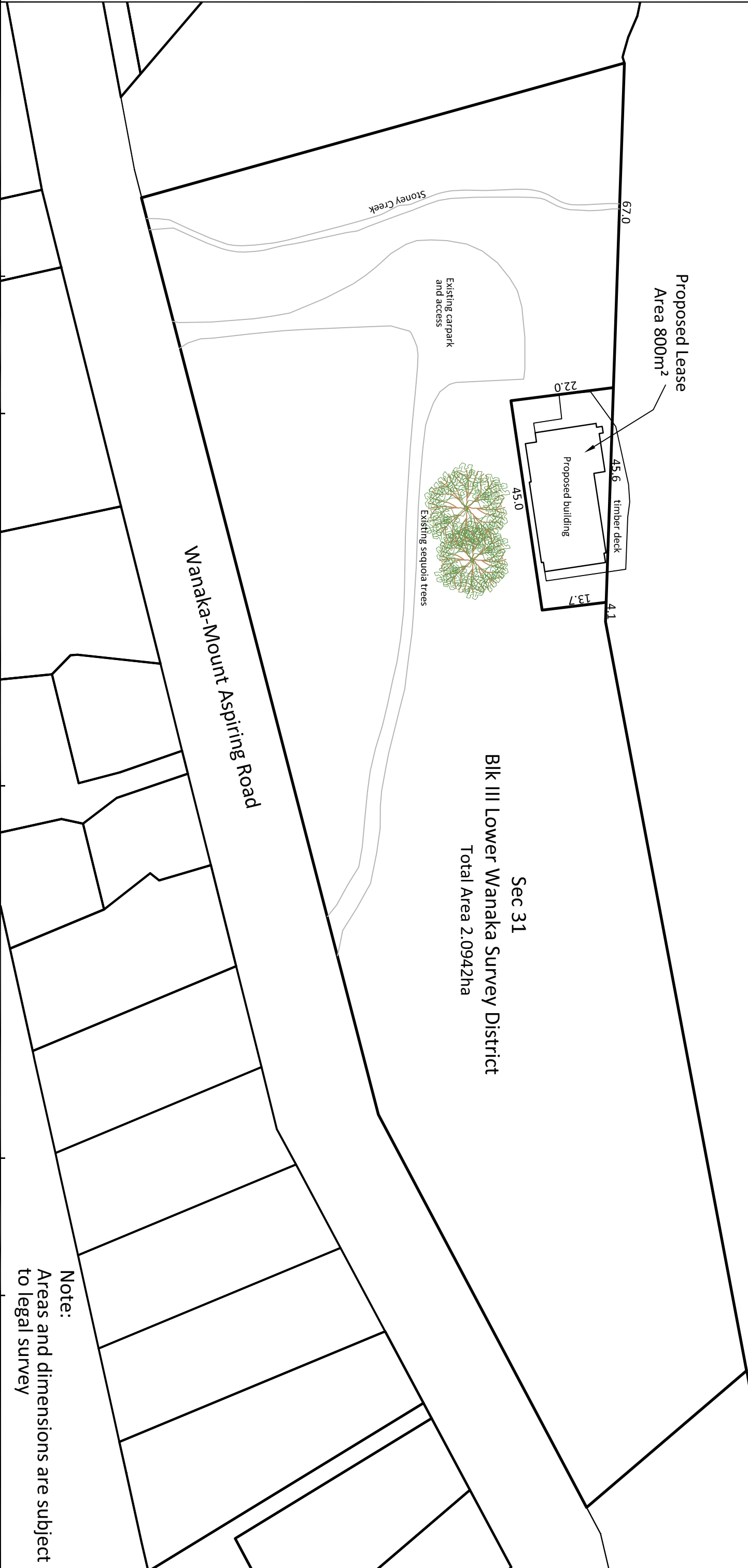




Lake Wanaka



Location Map



Note:
Areas and dimensions are subject
to legal survey