

QLDC Council
15 December 2016

Report for Agenda Item: 6

Department: Property & Infrastructure

New lease and Affected Person Approval for Wakatipu Rowing Club's existing building and proposed extension

Purpose

The purpose of this report is to consider a new lease to the Wakatipu Rowing Club over Section 65 Block IX Shotover survey district, to accommodate their existing building and a proposed extension.

Recommendation

That Council:

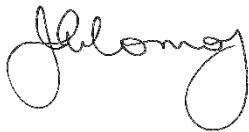
1. **Note** the contents of this report;
2. **Approve** a lease to the Wakatipu Rowing Club over part of Section 65, Block IX Shotover SD subject to the following terms:

Commencement	1 November 2016
Term	33 years
Rent	Pursuant to the Community Facility Pricing Policy. Commencement rent \$1 per annum (if demanded)
Early Termination	5 years notice for core infrastructure projects (but not in the first 5 years)
Assignment and Sublease	With Lessor's prior written approval
Reviews	5 Yearly or when the pricing Policy is reviewed
Use	Clubrooms, gym, meeting space and storage facilities associated with Rowing.
Other	At expiry, improvements to be removed or revert to Council ownership (Lessee choice, compensation payable if lease terminated early) Public liability Insurance required

Health and Safety plan to be provided for approval

3. **Approve** an Affected Person's Approval as part of the Resource Consent application for the Rowing Club's proposed building extension.
4. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the Shotover survey district.
5. **Delegate** signing authority to the General Manager, Property and Infrastructure.

Prepared by:



Joanne Conroy APL Property
Property Advisor

23/11/2016

Reviewed and Authorised by:



Aaron Burt
Planner: Parks & Reserves

30/11/2016

Background

- 1 The Wakatipu Rowing Club has had a building on the shores of Lake Hayes for many years. The legal description of the land is section 65 Block IX Shotover survey district. The Club was granted a lease from the Crown in 2006 for ten years. That lease expired 31 October 2016 and the reserve vested in Council in 2010.
- 2 The Club is seeking a new lease for their existing building and to cover a proposed extension of the building. As resource consent is also required, they are seeking an Affected Person's Approval for the extension from Council as the landowner. Please see Attachment A – proposed building extension.

Comment

- 3 The Arrowtown – Lake Hayes Reserve Management Plan contemplates the existence of the current facility and proposed extension. Section 8 (Buildings) requires any new buildings to be notified, but section 17.7 will “permit the expansion of the Wakatipu Rowing Club and associated storage facilities to facilitate the sport of rowing on Lake Hayes.”
- 4 Pursuant to section 54 1A (c) of the Reserves Act 1977 (the Act), because the lease and expansion are contemplated by the management plan, there is no requirement to publicly notify the intention to grant a new lease and approval for the expansion. The Act requires any new lease over a recreation reserve to be approved by the Minister of Conservation. That approval has been delegated to Council.

- 5 The club is a not-for-profit incorporated society and therefore is eligible for rent pursuant to the Community Facility Pricing Policy. Pursuant to that policy the rent will be set at \$1 per annum (if demanded).
- 6 The term will be 33 years, pursuant to the community lease terms guidelines approved by Council earlier this year. The lease will allow Council to give five years notice of early termination if the land is required for core infrastructure projects, but not in the first five years of the lease. Compensation would be payable by Council if the lease is terminated early, based on the depreciated value of the building.
- 7 Suggested terms of the lease are as follows:

Commencement	1 November 2016
Term	33 years
Rent	Pursuant to the Community Facility Pricing Policy. Commencement rent \$1 per annum (if demanded)
Early Termination	5 years notice for core infrastructure projects (but not in the first 5 years)
Assignment and Sublease	With Lessor's prior written approval
Reviews	5 Yearly or when the pricing policy is reviewed
Use	Clubrooms, gym, meeting space and storage facilities associated with Rowing.
Other	At expiry, improvements to be removed or revert to Council ownership (Lessee choice, compensation payable if lease terminated early) Public liability Insurance required Health and Safety plan to be provided for approval

Options

- 8 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 Approve a lease and Affected Person Approval (APA) for the current and proposed building platforms to Wakatipu Rowing Club over Section 65 Block IX Shotover SD subject to the terms outlined above.

Advantages:

- 10 The Club can continue to operate and undertake the proposed extension of their building to promote rowing on Lake Hayes.
- 11 The resource consent process will be simpler if Council decides to give an APA.

Disadvantages:

13 Will result in an enlarged building on the shores of Lake Hayes.

12 Option 2 Approve a lease and Affected Person Approval for the current and proposed building platforms to Wakatipu Rowing Club over Section 65 Block IX Shotover SD subject to different terms from those outlined above.

Advantages:

12 Similar to above.

Disadvantages:

13 Similar to above

15 Option 3 Have the intention to grant a lease and Affected Person Approval for the current and proposed building platforms to Wakatipu Rowing Club over Section 65 Block IX Shotover SD publicly notified seeking submissions.

Advantages:

16 The public will have a further opportunity to comment

17 May result in the lease being granted, facilitating the ongoing operation of the club.

Disadvantages:

18 Will increase the time, cost and uncertainty incurred by the club.

19 The resource consent process will be more complex because without the approval of the land owner the consent application would be publicly notified.

20 Option 4 Decline the new lease to the Wakatipu Rowing Club.

Advantages:

21 Will free up an area of public reserve.

Disadvantages:

22 The club would likely have to cease operations.

23 This report recommends **Option 1** for addressing the matter because it will enable the club to continue and grow, facilitating the sport of rowing on Lake Hayes.

Significance and Engagement

24 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it relates to a Recreation

Reserve. However, the intention to grant the lease and extension are already contemplated by the management plan so the significance is not high.

Risk

- 25 This matter relates to operation risk OR011A Decision Making. The risk is classed as moderate.
- 26 The recommended option considered above mitigates the risk by ensuring the process of granting a new lease is commenced in a timely and legally compliant manner.

Financial Implications

- 27 There are no financial implications from this report. All costs incurred in granting and preparing a lease will be met by the applicant. Ongoing lease administration will be met from existing property budgets.

Council Policies, Strategies and Bylaws

- 28 The following Council policies, strategies and bylaws were considered:
- Significance and Engagement Policy
 - Community Facility Pricing Policy
 - Community Lease and Licence Terms
- 29 The recommended option is consistent with the principles set out in the named policy/policies.
- 30 This matter is not included in the 10-Year Plan/Annual Plan and does not have any impact on the plan.

Local Government Act 2002 Purpose Provisions

- 31 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 ensuring a community recreation club can continue to operate and develop;
 - 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

32 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes district community. The public were given the opportunity to submit when the lease and proposed extension were included in the draft management plan.

Attachments

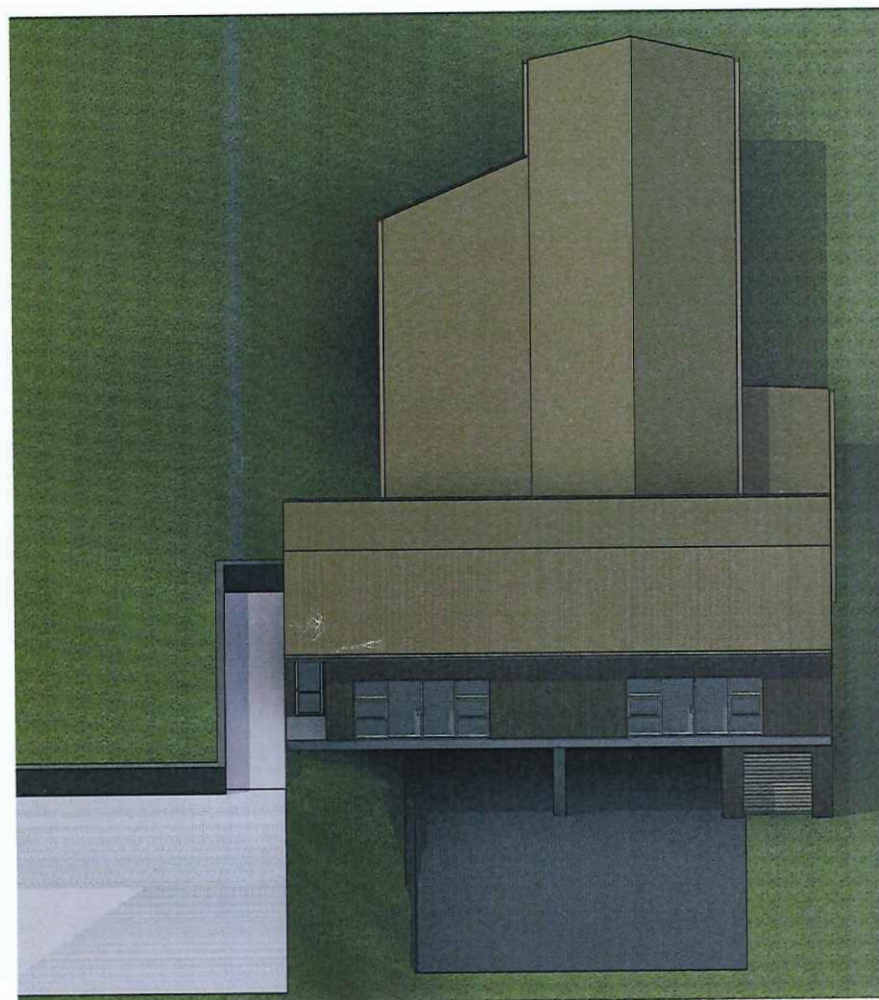
- A Plans of the proposed building extension
- B Aerial photograph and plan of the current building and proposed extension. The lease would be over the area outlined in red.

Attachment A: Plans of the proposed building extension

SHEET INDEX

CLIENT - WAKATIPU ROWING CLUB
 LOCATION - SECTIONS 49-50, 65, 68, 87 BLOCK IX SHOTOVER SD
 LOCAL AUTHORITY - QUEENSTOWN LAKES DISTRICT COUNCIL
 TOPOGRAPHY - REASONABLY FLAT (T1)
 EXPOSURE ZONE - ZONE B
 EARTHQUAKE ZONE - ZONE 3
 WIND ZONE - HIGH (REG. A, OPEN, EXPOSED)
 WIND SPEED - 45.0 M/S
 LEE ZONE - NO
 SNOW LOADING - 1.2 KPA

NUMBER	NAME	ISSUE DATE	ISSUE	REASON
A2.2	FLOOR PLAN - GROUND FLOOR	22/08/16	C	CLIENT REVIEW - 3
A2.3	FLOOR PLAN - FIRST FLOOR	22/08/16	C	CLIENT REVIEW - 3
A2.4	ELEVATIONS	22/08/16	C	CLIENT REVIEW - 3

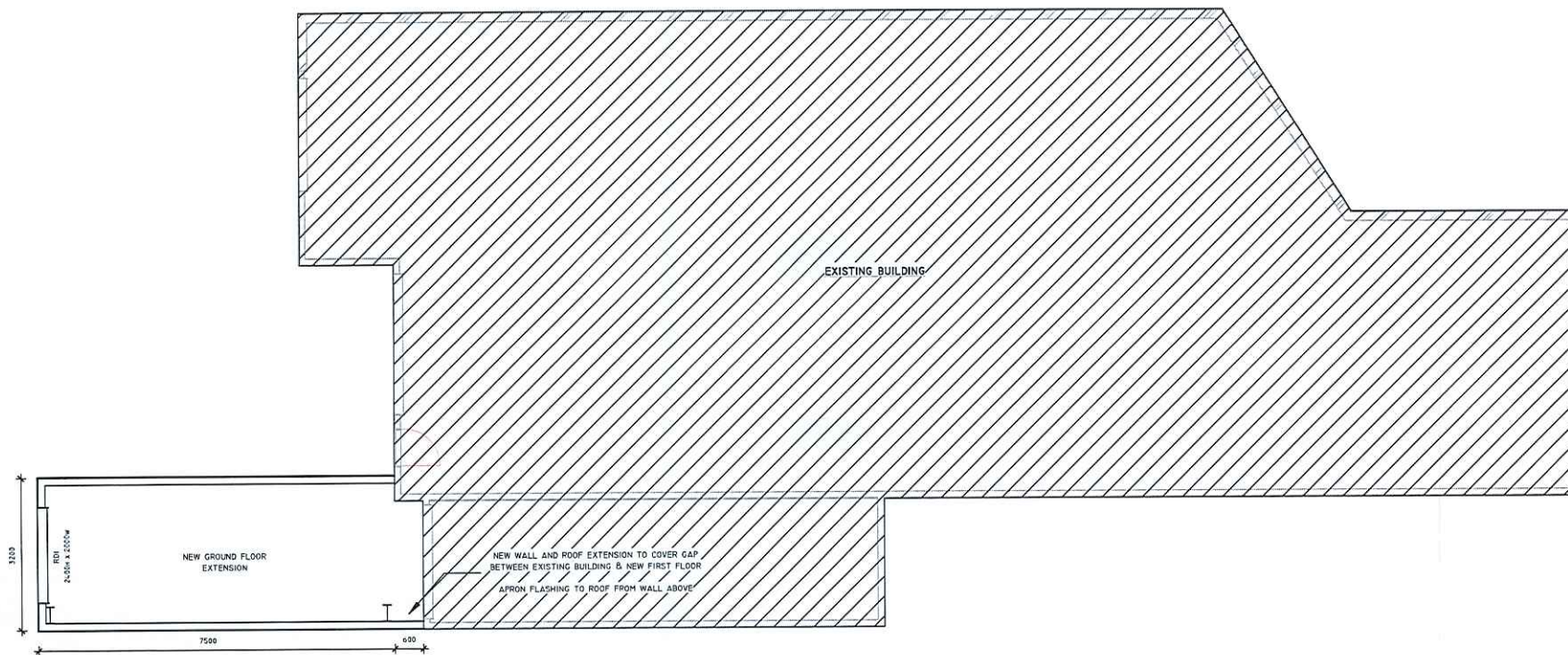


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PROPOSED BUILDING

WAKATIPU ROWING CLUB



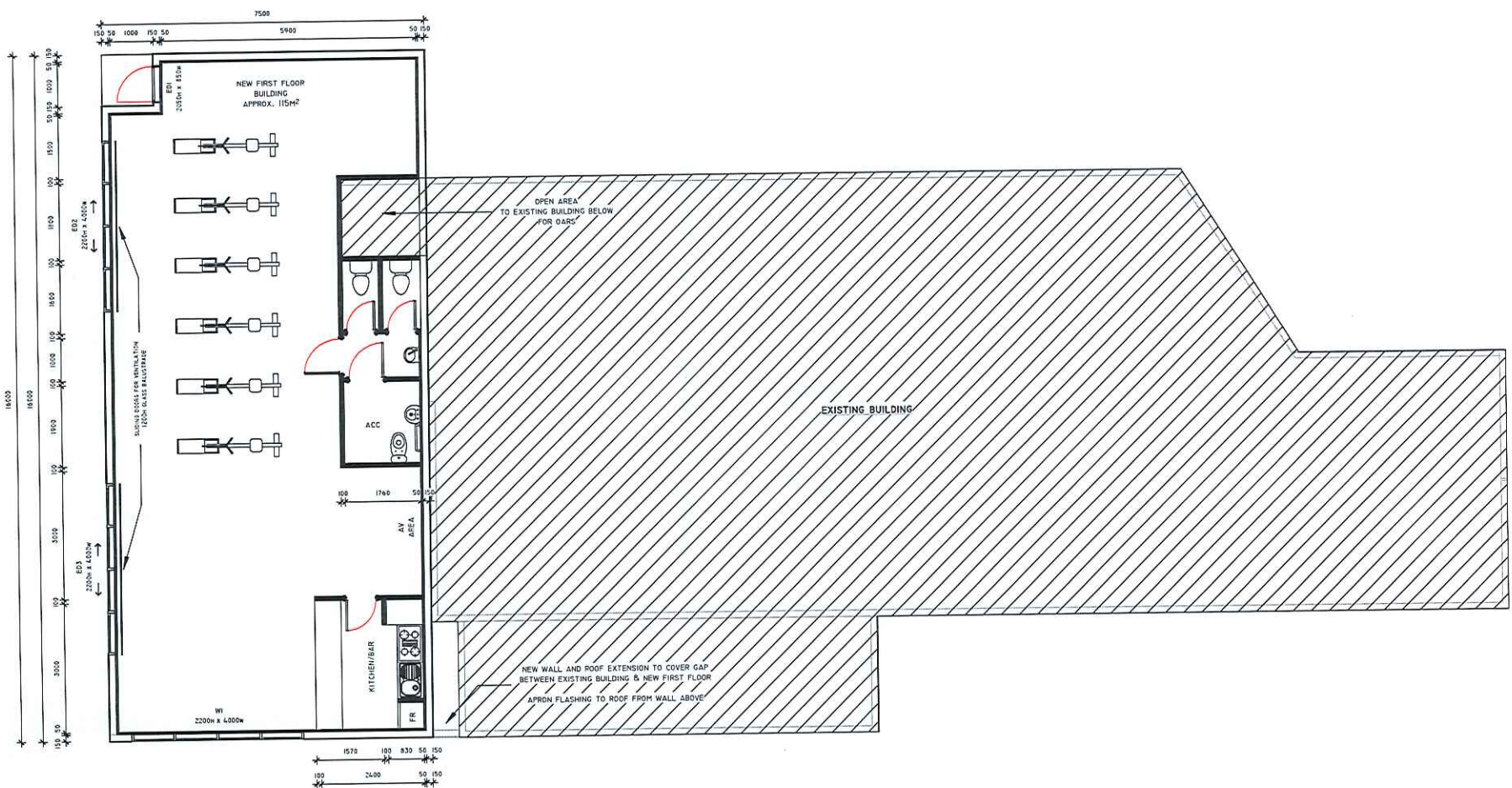
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PROJECT NAME:
PROPOSED BUILDING
DRAWING:
FLOOR PLAN - GROUND FLOOR

SCALE @ A3: 1 : 100
ISSUE DATE: 22/08/16 ISSUE: C
PROJECT STATUS:
CONCEPT DRAWINGS
SHEET:
A2.2



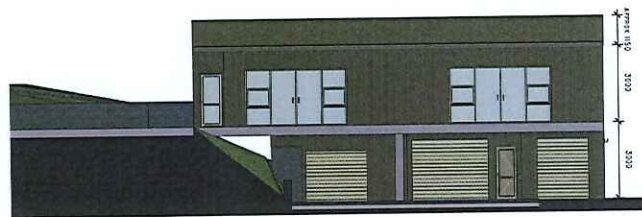
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PROJECT NAME: PROPOSED BUILDING	SCALE @ A3: 1 : 100 ISSUE DATE: 22/08/16	ISSUE: C
DRAWING: FLOOR PLAN - FIRST FLOOR	PROJECT STATUS: CONCEPT DRAWINGS	SHEET: A2.3

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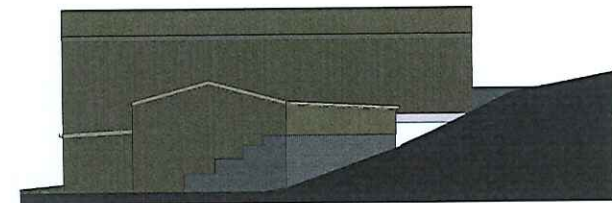


NORTH

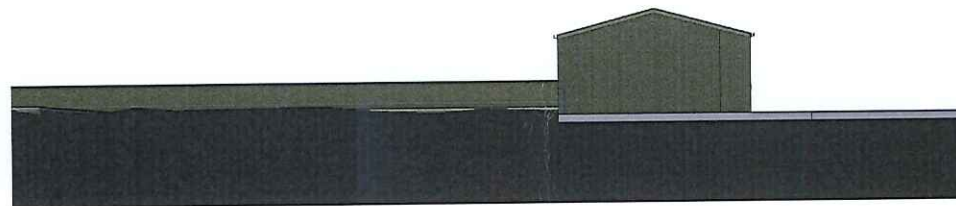


EAST

ROOF CLADDING
 15" 0.40MM CORRUGATE PROFILED COLORSTEEL IN SELECTED COLOUR
WALL CLADDING
 0.40MM CORRUGATE PROFILED COLORSTEEL IN SELECTED COLOUR
JOINERY
 ALITHERM METRO SERIES
 DOUBLE GLAZED WINDOWS AND DOORS IN SELECTED COLOUR



WEST



SOUTH

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PROJECT NAME:
 PROPOSED BUILDING
 DRAWING:
 ELEVATIONS

SCALE @ A3: 1 : 200	
ISSUE DATE: 22/08/16	ISSUE: C
PROJECT STATUS: CONCEPT DRAWINGS	SHEET: A2.4

Attachment B: Aerial photograph and plan of the current building and proposed extension

