

**QLDC Council  
17 August 2017**

**Report for Agenda Item: 12**

**Department: Property & Infrastructure**

**New ground lease for Queenstown Squash Club**

**Purpose**

The purpose of this report is to consider granting a new ground lease for the Queenstown Squash Club when their current lease expires 31 March 2018.

**Recommendation**

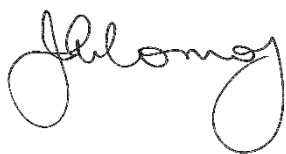
That Council:

1. **Note** the contents of this report;
2. **Approve** a new lease to Queenstown Squash Club over Lot 2 DP 18993 subject to the following terms and conditions:

Commencement	1 April 2018
Term	3 years
Renewals	1 of 3 years (by agreement of both parties)
Rent	\$1 per annum pursuant to Community Pricing Policy
Reviews	At renewal or when the Community Pricing Policy is reviewed
Early termination	18 months' notice for core infrastructure requirements
Assignment and Sublease	With Lessor's prior written approval
Use	Clubrooms, change rooms, courts, meeting space and storage facilities associated with squash
Other	At expiry, improvements to be removed. Public liability Insurance required. Health and Safety plan to be provided for approval.

3. **Delegate** signing authority to the General Manager, Property and Infrastructure.

Prepared by:



Joanne Conroy  
Property Advisor - APL

28/07/2017

Reviewed and Authorised by:



Myles Lind  
Acting General Manager,  
Property and Infrastructure  
4/08/2017

## Background

- 1 Queenstown Squash Club was granted a ground lease over Lot 2 DP 18993 on Memorial Street for its clubrooms from 1 April 1999 for 19 years. The land is 149 square metres and is unencumbered freehold land.
- 2 The club is seeking a new lease from 1 April 2018. There are no other squash courts in Queenstown and membership currently sits at 73 paying members.
- 3 Council is currently considering the Queenstown Town Centre Master Plan Strategy, which could affect this site due to arterial realignments. This is currently out for community consultation and the club has been contacted and briefed on the proposal.

## Comment

- 4 The club's lease is set to expire on 31 March 2018, completing a term of 20 years. The club owns their building and shares a portion of it with the Wakatipu Rugby Club. The lessee is responsible for maintenance of the building, along with internal fitout and repairs.
- 5 The Club has approached Council to initiate a new lease, and to consider what options might be available to relocate the club in time to another facility, potentially adjacent to the Frankton Events Centre.
- 6 We have conducted initial consultation with Sport and Recreation at Council who have confirmed that a review of sporting facility and uses is intended in the coming year/s. For the time being, until that review is completed it is suggested that the club seek a new lease which would ensure continuity of term.
- 7 Granting a lease for three years with a renewal provision for a further three years (by agreement of both parties) will enable the Squash Club to plan, fundraise and relocate during that six-year period if necessary. The lease will include the right for Council to terminate the lease with 18 months' notice if the land is required for core infrastructure purposes.
- 8 The club has expressed a desire to be granted a longer-term lease than 6 years, however given the state of Council planning and potential impacts to this lease, officers recommend six years.

9 Recommended terms and conditions are as follows:

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Term	3 years
Renewals	1 of 3 years (by agreement of both parties)
Rent	\$1 per annum pursuant to Community Pricing Policy
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Early termination	18 months' notice for core infrastructure requirements
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Use	Clubrooms, change rooms, courts, meeting space and storage facilities associated with squash.
Other	At expiry, improvements to be removed. Public liability Insurance required. Health and Safety plan to be provided for approval.

**Options**

- 10 Option 1 To approve a new lease to the Queenstown Squash Club over Lot 2 DP 18993 subject to the terms and conditions detailed above.

*Advantages:*

- 11 Will enable the Squash Club to continue to provide facilities for playing squash in Queenstown for the coming three to six years.
- 12 Will provide Council with the ability to plan towards arterial changes proposed in the Queenstown Town Centre Master Plan and Sport and Recreation improvements.

*Disadvantages:*

- 13 Will commit Council to having the club on the site for at least 18 months, which would need to be factored into project planning by Council.

- 14 Option 2 To approve a new lease to the Queenstown Squash Club over Lot 2 DP 18993 subject to different terms and conditions.

*Advantages:*

- 15 As above.

*Disadvantages:*

- 16 As above.

- 17 Option 3 Not to approve a new lease to the Queenstown Squash Club over Lot 2 DP 18993 and to require the Squash Club to vacate the site.

*Advantages:*

- 18 Would not commit Council to having the club on the site for at least 18 months, which would need to be factored into project planning by Council.

*Disadvantages:*

- 19 The Squash Club would cease to provide facilities for playing squash in Queenstown at the lease expiry.
- 20 This report recommends **Option 1** for addressing the matter because it will allow squash to continue in Queenstown, and allow sufficient time to organise to relocate if required. The town centre arterial, if approved, would be some years in planning and implementation so it is unlikely that will take place in the next three years.

***Significance and Engagement***

- 21 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it may have an effect on future roading which is a strategic asset.

***Risk***

- 22 This matter related to the operational risk OR011A Decision Making as documented in the Council's risk register. The risk is classed as moderate.

**Financial Implications**

- 23 The squash club will meet the cost of drafting the new lease.

**Council Policies, Strategies and Bylaws**

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

- Community Facility Funding Policy

- 25 The recommended option is consistent with the principles set out in the named policy/policies.

- 26 This matter is not included in the 10-Year Plan/Annual Plan and has no impact on it.

**Local Government Act 2002 Purpose Provisions**

- 27 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 enabling the sport of squash to continue in Queenstown for the next 3-6 years;

- 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**

28 The persons who are affected by or interested in this matter residents and visitors to the Queenstown Lakes district.

29 The Council has not undertaken public consultation and no consultation is contemplated.

### **Attachments**

A Aerial photograph of the Squash Club building/site.

**New lease for Queenstown Squash Club – Attachment A – Aerial of building and lease area**

