

**QLDC Council
23 March 2018**

Report for Agenda Item 11

Department: Community Services

Approval of Sub-lease to CCR Ltd for Arrowtown Menzshed

Purpose

- 1 The purpose of this report is to seek Lessor's Approval, Affected Person's Approval and the delegated approval of the Minister of Conservation to a proposed sub-lease by CCR Ltd to Arrowtown Menzshed at the Arrowtown Holiday Park.

Recommendation

- 2 That Council:

1. **Note** the contents of this report;
2. **Approve** a sublease by CCR Ltd to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park), subject to the following conditions:

Commencement	Upon signing of the sub-lease
Term	To mirror the lease term between QLDC and CCR
Rent	\$1 (if charged)
Renewals	None
Early Termination	To mirror the lease term between QLDC and CCR
Use	Meetings and workshop activities including the sale of goods created on site.
Insurance	To be covered under the CCR insurance.
Compliance	Resource and building consents to be obtained if required.
3. **Approve** Affected Party Approval for the resource consent for the construction of the shed (if required); and
4. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a sub-lease by CCR Ltd to Arrowtown Menzshed over recreation reserve known as Lot 25 DP 12525; and
5. **Delegate** signing authority to the Community Services General Manager.

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22 February 2018

Reviewed and Authorised by:



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8 March 2018



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Background

- 3 CCR Limited (CCR) hold a lease with Council for the Arrowtown Holiday Park. The lease commenced 28 November 2014 and is for 25 years. The land is recreation reserve known as Jack Reid Park, with the holiday park activity contemplated in the Arrowtown-Lake Hayes Reserve Management Plan.
- 4 CCR wish to support the new Arrowtown Menzshed group by providing a site for a workshop within the lease area. Menzshed is a not for profit organisation for retired men to create items to donate or sell to raise funds for other not for profit groups. They also repair, manufacture and assemble items beneficial to local residents and organisations, while providing social interaction and companionship to members. The Arrowtown club is part of a nationwide organisation.

Comment

- 5 It is proposed to locate the Menzshed in an area of the reserve fronting onto Preston Drive immediately behind the Park's workshop. The shed would be used for meetings along with woodworking, light metal working and the use of other equipment. The occupation of the site would be formalised with a sublease with peppercorn rent applying, in line with Council policy on community leases. The lease to CCR allows subleases with the prior written approval of Council.
- 6 The Menzshed activity is not contemplated within the reserve management plan and all new buildings on the reserve must be publicly notified, therefore the intention to approve a sublease was notified late in 2017 calling for submissions.
- 7 No formal submissions were received, however one query was raised about the potential reduction in the rent that CCR might pay to Council, if this land becomes encumbered by the sublease. Due to its back of park location, in a current utility area of the park, we do not believe income to Council or CCR will be materially affected by the approval of the sublease. The query also raised hours of operation, and at what times the Menzshed would be selling items created at the shed. Menzshed have advised that expected hours of activity will be from 9am to 5pm in most instances. They also have no intention to purposefully sell items on a shop front basis but may ask for repair contributions when they require materials, on a case by case basis.
- 8 CCR are willing to grant a sublease to the group, as it is an opportunity for them to support the local community in which they operate. The site is easily accessed

from Preston Drive and services are available. CCR advise that the location is underutilised and will not reduce the amenities of the park nor interfere with the Park's operation.

- 9 If resource consent is required, Council may be deemed an Affected Person and be required to give approval. This report is also seeking Council's approval as an affected party.
- 10 The sublease approval requires consent of Council also under delegation from the Minister of Conservation.

Options

- 11 Option 1 To a sublease and affected person's approval to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park), subject to the conditions outlined above.

Advantages:

- 12 Will enable a new community group to construct a workshop to operate from.
- 13 Will increase recreational use of an under-utilised part of the reserve.
- 14 Will provide a community group with a place to conduct its activities at no cost or inconvenience to the Council.

Disadvantages:

- 15 This area of land would remain undeveloped.

- 16 Option 2 To approve a sublease and affected party approval to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park), subject to different conditions.

Advantages:

- 17 Similar to above.

Disadvantages:

- 18 Similar to above.

- 19 Option 3 To decline the sublease to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park).

Advantages:

- 20 The land would remain undeveloped, allowing for other potential uses in the future.

Disadvantages:

- 21 Would not increase recreational use of an under-utilised part of the reserve.

22 Would not provide a community group with a place to conduct its activities at no cost or inconvenience to the Council.

23 The Menzshed group would not be able to build a shed on the site.

24 This report recommends Option 1 for addressing the matter because it increases the recreational use of under-utilised reserve land, and would provide a home to the community group at no cost to Council.

Significance and Engagement

25 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 that is a strategic asset.

Risk

26 This matter related to the operational risk OR11 (decision making), as documented in the Council's risk register. The risk is classed as low. This report helps to address this risk by enabling Council to make a well-informed and timely decision that is still subject to community consultation

Financial Implications

27 The applicants have agreed to meet any costs incurred in the issuing of the sublease. There are no other financial implications for Council, as rent from the park is not considered to be materially altered by granting this request.

Council Policies, Strategies and Bylaws

28 The following Council policies, strategies and bylaws were considered:

- Arrowtown-Lake Hayes Reserve Management Plan

29 The recommended option is not consistent with the principles set out in the named policy/policies because this activity is not contemplated by the plan, and therefore public notification was required to address that inconstancy.

30 This matter is included in the 10-Year Plan/Annual Plan through existing property operating budgets.

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 facilitating a new building for a community group;
- 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 residents/ratepayers and visitors of the Queenstown Lakes district community.
- 33 The Council has notified the intention to grant the sub-lease with no formal submissions having been received. One in-formal submission was made by a member of the public, with those comments incorporated as much as possible in this report.

Attachments

- A Menzshed overview
- B Overview plan
- C Elevations and plans of proposed shed