

**QLDC Council
3 May 2018****Report for Agenda Item: 9****Department: Community Services****New licence for Vertigo Bikes Limited on Ben Lomond Bike Park****Purpose**

The purpose of this report is to consider whether to grant a new licence to Vertigo Bikes Limited to enable them to continue to operate on the Ben Lomond on the Queenstown Bike Park.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** a new licence to Vertigo Bikes Limited to offer guided bike tours in the Queenstown Bike Park on Ben Lomond (Sections 106 and 110 Block XX Shotover Survey District, sections 4 and 10 Block 1 Mid Wakatipu Survey District) subject to the following terms:

Commencement 1 December 2017

Term 5 Years

Rent The greater of \$500 plus GST per annum or 7.5% of turnover, plus 3% of turnover towards track maintenance.

Renewals One of five years

Rent Reviews On renewal

Insurance Required to have public liability insurance of \$2 million

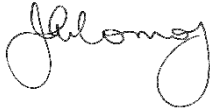
Safety/Suspension Council to retain ability to suspend the licence for safety purposes or to avoid large public events. Outdoors Mark safety audit certificate to be provided to Council annually.

Termination Council to retain the ability to cancel the licence at their discretion with a minimum of 12 months' notice.

3. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a new licence to Vertigo Bikes Limited over the reserves detailed above.
4. **Delegate** signing authority to the Community Services General Manager.

Prepared by:

Reviewed and Authorised by:



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28/02/2018



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16/04/2018



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Background

- 1 Vertigo Bikes (previously Vertigo Heli Adventures) have been providing guided bike tours in the Ben Lomond bike park since 2001. The legal description of the land is Sections 106 and 110 Block XX Shotover Survey District and Sections 4 and 10 Block 1 Mid Wakatipu Survey District. Their most recent licence was granted in December 2011 for one year with 5 renewals. They are seeking a new licence to enable them to trade from the reserve.
- 2 The fee for the previous licence was 7.5% of turnover plus 3% of turnover as a contribution to maintenance costs. They have not been required to pay a base rent. Past rent (not including the maintenance contribution) was \$990 in 2017, \$1233 in 2016 and \$1292 in 2015.
- 3 No complaints have been received about the operation and no other party has sought a licence for the bike park.
- 4 The licence is contemplated in the Ben Lomond and Queenstown Hill Reserve management plan so public notification is not required. Sections 9.3.1 and 11.1 and appendix two of the management plan refer to this licence and commercial concessions in general, and these excerpts are attached as Attachment A to this report.

Comment

- 6 The management plan refers to maintaining "existing 'recreation' leases where there is clear benefit to public recreation use of the reserve" (policy 11.1.1 (1)). Residents may use the Bike Park independently of any commercial guides, but for visitors, the ability to be guided in the park provides a recreational opportunity

that might not otherwise be available to them. Therefore, the proposal meets with policy 11.1.1(1).

- 7 Vertigo have operated successfully on the reserve for 17 years with little impact on the land or the public. We have not received any complaints about the activity and the operators have paid their rent promptly.
- 8 The forest on Ben Lomond is now reaching maturity and is often dry and therefore a potential fire hazard. The more people using the Bike Park the higher the risk of fire. The additional people in the Park because of this operator is minor and the risk is mitigated to some extent by having the professional and qualified Vertigo guides in the vicinity to watch for irresponsible behaviour or potential fires.

Options

- 9 Option 1 To approve a new licence to Vertigo Bikes Limited over Sections 106 and 110 Block XX Shotover Survey District and Sections 4 and 10 Block 1 Mid Wakatipu Survey District subject to the terms and conditions outlined above.

Advantages:

- 10 Will enable a recreational tourist activity to continue, improving accessibility of the reserve.
- 11 Adds vibrancy to the district.
- 12 Will generate income to Council.
- 13 Will result in professional guides in the area to report risks.

Disadvantages:

- 14 A commercial operator will continue to undertake guided tours on the recreation reserve.
- 15 Provides a licence within an area of aging forest that requires ongoing management of potential hazards.
- 16 Option 2 To grant a new licence to Vertigo Bikes Limited over Sections 106 and 110 Block XX Shotover Survey District and Sections 4 and 10 Block 1 Mid Wakatipu Survey District subject to different terms and conditions.

Advantages:

- 17 As above.

Disadvantages:

- 18 As above.

- 19 Option 4 To decline the request.

Advantages:

- 20 The reserve will no longer be used by this commercial entity.
- 21 May reduce the risk associated with the forest.

Disadvantages:

- 22 Visitors to Queenstown will no longer have the option of a guided bike tour in the Queenstown Bike Park reducing accessibility and vibrancy.
- 23 Council will lose a small amount of rental income and maintenance contribution.
- 24 This report recommends **Option 1** for addressing the matter because it will ensure that guided bike tours are still available on the Queenstown Bike Park, thereby increasing accessibility to the reserves and vibrancy of the town.

Significance and Engagement

- 25 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it involves a strategic asset (the reserve) but does not have a significant impact on it.

Risk

- 26 This matter relates to operation risk OR011A Decision Making. The risk is classed as moderate.

Financial Implications

- 27 The lease will generate rent of approximately \$1,200 per annum plus GST if it is granted.
- 28 The Lessee will pay all costs incurred in granting the lease.

Council Policies, Strategies and Bylaws

- 29 The following Council policies, strategies and bylaws were considered:
 - Significance and Engagement Policy 2014.
 - Community Facility Funding Policy update 2012
 - Ben Lomond and Queenstown Hill Reserve Management Plan
- 30 The recommended option is consistent with the principles set out in the named policy/policies.
- 31 This matter is included in the 10-Year Plan/Annual Plan in the existing property budgets.

Local Government Act 2002 Purpose Provisions

32 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 an establish tourism activity to continue;
- 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

33 The persons who are affected by or interested in this matter are residents/ratepayers and visitors of the Queenstown Lakes district community. The community was consulted when the reserve management plan was drafted including the ability of Council to renew the leases and licences in place at that time.

Attachments

- A Policy 9.3.1 and 11.1.1 and appendix two from the Ben Lomond and Queenstown Hill Reserve Management Plan.
- B Plan showing trails used under licence.

9.2 Objective: Plan Review

1. To review the plan on a regular basis to ensure it remains current and relevant.

9.2.1 Policies

- 1 To keep this management plan under 'continuous review' and to formally review it at least every 10 years.

9.3 Objective: Occupation Agreements

- 1 To issue occupation agreements to commercial operators and other users of Ben Lomond reserve land which are compatible with the values of the reserve and support the long-term objectives for reserve development and use.
- 2 No commercial occupation agreements for Queenstown Hill except for:
 - essential services
 - existing leases or licences as detailed in this plan
 - rock climbing and abseiling on the Gorge Road faces

9.3.1 Policies

- 1 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.
- 2 Commercial users of the reserve, and public utility activities, will require a concession (lease, licence, permit or easement under Section 54 of the Reserves Act 1977), or a formal agreement under Section 53(f) of the Reserves Act 1977, where a significant commercial activity is involved and/or it is considered to impact upon the reserve's primary purpose or its recreation, landscape, or biodiversity values.
- 3 Applications for use of the reserve for commercial purposes or for public utilities will be considered by the Queenstown Lakes District Council, who will consider the appropriate form of concession (a lease, licence, easement or permit) and appropriate level of consultation..
- 4 The costs associated with processing and advertising an application for an occupation agreement will be determined by current Council policy.
- 5 The Queenstown Lakes District Council will review all leases (existing and future) as they expire or renewed to ensure their continued compatibility with this reserve management plan.
- 6 New commercial motorised recreational use of the reserves will not be permitted i.e. motorbikes, farm trikes, four wheel drive vehicles or micro-light launching or similar powered flight activities.
- 7 To permit the development of a commercial thermal pool complex on the reserve below the Heritage Villas in the area below the tennis courts. Any lease will be subject to the lessee obtaining all necessary resource consents and satisfying the Council that the building design, landscaping and site requirements (facilities, roads and walkways, parking, servicing etc) can be accommodated on the site whilst providing protection and

maintenance of mountain and lake views from adjoining property owners and with minimal impact on existing recreational users.

- 8 To provide a lease to a suitable club for the operation, care and maintenance of the Petanque Terrain
- 9 To permit concessions for limited commercial rock climbing and abseiling operations on the faces above Gorge Road within the Queenstown Hill reserve subject to the proposed lease/licence being notified in accordance with the Reserves Act 1977.
- 10 Helicopter landings will be restricted to those required for reserve management requirements (such as wilding pine control, forestry operations, search and rescue and fire control) and landings at the helicopter landing pad adjacent to the Skyline Gondola Terminal for tourism purposes. These landings will be subject to helicopter operators having obtained a licence to land from the QLDC and complying with the following conditions:
 - only one helicopter to be on the helipad at any one time
 - no helicopter is to make an approach to the helipad or operate over the reserve while the pad is occupied by another helicopter
 - That the use of the helipad be limited from 10 a.m. to 7:00 p.m. daily
 - that the flight path to the helipad be such that flying over the urban areas of the District be prohibited
 - That scenic flights originating from and returning to the helipad be prohibited
 - That operators pay a licence fee as set from time to time by the QLDC.

The Council will continue to monitor the effects of helicopter landings at the Skyline Terminal and may impose limits on the number and frequency of flights via the licences issued.

9.4 Objective: Partnerships

Effective partnerships with private or public organisations that assist in achieving the objectives of this management plan.

9.4.1 Policies

- 1 The Queenstown Lakes District Council will seek to identify and work co-operatively with any organisation where such partnership results in an effective method to assist in achieving the goals and objectives of this management plan.
- 2 To work in partnership with the Wakatipu Trails Trust regarding the development and implementation of the trail network for Ben Lomond and Queenstown Hill as identified in the Wakatipu Trails Strategy.

Attachment A (b) Vertigo Bikes - Section 11.1 Management Plan

The intention is that Queenstown Hill will be low impact recreation use, with the focus continuing to be on casual use such as currently provided by the walking tracks and rock climbing.

Organised recreation concessions may be considered where the impact is low. Low impact is defined as having no or minimal requirement for built facilities or significant changes to the natural environment and the activity does not significantly impact on the natural quiet of the reserve.

11.1 Objective: Recreation Use

Ben Lomond

- 1 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.
- 2 Enhancement of opportunities for casual recreation activities that are based on the enjoyment of the reserves natural environment, topography and landscape views, and are compatible with the reserves wider values.
- 3 Restoration of the historic Powerhouse and associated landscape development to include carparking, stream restoration, improved access and circulation and provision for future interpretive facilities, public amenities in accordance with a landscape plan approved by Council

Queenstown Hill

- 4 Low impact recreation activities that rely on and are complementary to Queenstown Hill's natural quiet.

11.1.1 Policies

- 1 To maintain existing 'recreation' leases where there is clear benefit to public recreation use of the reserve.
- 2 To consider additional commercial recreation activities on the Ben Lomond reserve, that are compatible with, and do not compromise the reserves wider values.
- 3 To limit commercial recreation activities on the Queenstown Hill reserve. Applications for concessions will be considered where it can be clearly demonstrated that they will have a minimal requirement for development of facilities or changes to the environment, and the activity will have a minimal impact on the natural quiet of the reserve.
- 4 To retain the existing vehicle access road to the top of the Gondola, and to maintain the existing easement to Skyline Enterprises Limited, which provides for their uninterrupted access along this road, with maintenance of the road being the responsibility of Skyline Enterprises Limited.
- 5 To permit the limited use of the road for mountain bike events from time to time subject to the event organiser gaining the written approval from the easement tenant (Skyline Enterprises Ltd) and lodging a traffic management plan with Council.
- 6 To develop and maintain to a high standard, a network of walking tracks within the reserves, to the appropriate New Zealand standards

- 7 To exclude mountain bike use within 200 metres of (and including) the Time Walk track and restrict mountain bike use to formed and approved trails.
- 8 To develop new tracks as demand warrants and opportunities are identified.
- 9 Develop a new high standard walking and cycling commuter track from Fernhill to Thompson Street (Town Link Track).
- 10 Undertake a review and rationalisation of existing tracks and identify strategies to minimise conflicts between pedestrian users and mountain bike riders.
- 11 To define tracks as either single use tracks or dual use (mountain biking and walking) and develop the tracks to an appropriate width for each category.
- 12 To plan and develop a network of mountain bike tracks to specifically target beginner and intermediate level riders in association with the Wakatipu Trails Trust and the Queenstown Mountain Bike Club.
- 13 To permit the retention of the existing freestyle mountain bike terrain park to the current extent subject to entering into a lease for the care and maintenance of the facility with a suitable club and subject to future forestry, safety and operational requirements.
- 14 To realign the downhill mountain bike track from Williams Street to the One Mile Powerhouse to minimise pedestrian and mountain bike conflicts.
- 15 To support the preservation of the Powerhouse as a public amenity and historical premise for the enjoyment of the Queenstown community and visitors.
- 16 To permit the use and development of the historic powerhouse as a static or interactive historic display and to provide for the development of associated amenities such as carparking, improved access, public toilets and limited commercial opportunities such as a café or display centre where these are compatible with the use of the powerhouse as a visitor destination.
- 17 To permit the development, alterations and additions to One Mile Creek including the diversion of water and restoration of the dam and pipeline for the purpose of power generation subject to resource management and Reserves Act requirements.
- 18 To recognise that the Powerhouse and the precinct generally has historical significance both in terms of the Queenstown Lakes District Council District Plan and the New Zealand Historic Places Trust.
- 19 To support agencies that wish to stage events within the reserves where the events have clear public good benefits, negligible environmental impacts and which support the vision and goals of this management plan.
- 20 To work with the Department of Conservation and the Wakatipu Trails Trust to ensure all tracks and other recreation assets within and adjoining the Council administered reserves are developed and maintained to consistent and recognised standards.
- 21 To encourage and work with community and other volunteer groups who wish to work with the Queenstown Lakes District Council to develop and maintain appropriate recreation resources.

- 22 To complete a review of sign requirements throughout and leading to the reserves and upgrade signs to guide and provide information for visitors to the reserves including information on trails, descriptions and grades in accordance with the appropriate New Zealand and Council Standards.
- 23 To review the location of the existing interpretative signs on Queenstown Hill and to locate where view shafts are to be created as “resting points” on the uphill walk.
- 24 To prohibit domestic animals (other than dogs) from the reserves.
- 25 To prohibit dogs from the Queenstown Hill Time Walk as much of the walkway is on private farmland which is grazed.

12.0 Goal 4: Protect Landscape Values

Any developments or changes to the management of the reserves vegetation cover have the potential to alter the Landscape values of the reserve. Due to the reserves prominence in the wider landscape setting, any developments or changes must be carefully considered in regard to these landscape values.

The exotic forestry management and in particular the rate and method of logging has the greatest potential to adversely effect the landscape values, although the impact is relatively short term.

Physical structures also have the potential to create an adverse effect. Therefore new structures should be limited and designed, or of a scale so that adverse landscape impacts are minimised.

Long term changes to the vegetation cover will also have an effect on landscape values. This could be as a result of continuing wilding pine spread onto the upper slopes or a managed approach to replacing exotic conifer vegetation with native bush.

The tarns at the top of Queenstown hill are considered to have special values and their protection from wilding pine spread or inappropriate use will receive priority.

Fire has the potential to have a devastating effect on the landscape values of the reserve; the large areas of exotic pine are particularly at risk. As such, active measures should be in place to prevent fires and to deal quickly with any outbreaks.

Helicopter operations over the reserve have a detrimental effect on the natural quiet of the reserve and have the potential to adversely affect the experience of users. However, they are considered an important component of the Tourism services available. As such licenses have been issued for limited landings on the reserve at the Skyline restaurant site. In 2003, 1531 licensed landings were made at this site. This situation will need to be monitored carefully and reassessed when new or renewal of helicopter licenses is considered to ensure that an acceptable balance is achieved. However, it also needs to be recognised that this management plan has no ability to prevent or restrict helicopters flying over the reserve.

The protection and enhancement of the landscape values provided by the vegetation cover is defined in Section 10 Biodiversity

APPENDIX TWO: Leases, Licenses, Concessions and Landscape Plans

Lessor	Lessee	Commencement	Term	Final Expiry	Location	Purpose
QLDC	Peak Bungy Ltd	1 Dec 1997	10 years	2017	Section 110 Block XX Shotover SD	Bungy Jumping operation
QLDC	Vertigo Heli Adventures Ltd	1 November 2001	5 years	2011	Section 110 Block XX Shotover SD And Section 106, Block XX, Shotover SD	Downhill mountain biking operation
QLDC	Queenstown Commercial Parapenters Ltd	1 June 2000	20 years	2020		
QLDC	Skyline Enterprises Ltd	1 April 1995	5 years	2070	Section 1 SO 24832 and Section 1 and Pt of CT9B/769 SO 22971	Gondola, Luge and associated activity
QLDC	Via Ferrata NZ Limited	Under negotiation	Under negotiation	Under negotiation	Lot 2 DP 20808, Blk XX Shotover SD	Rock Climbing Operation

Easements

In favour of Dunedin Electricity Limited as a right of way to convey water, electricity and telephonic communications
2 April 1997 over Section 42 Block I Mid Wakatipu Survey District.

Licences under the Civil Aviation Regulations (Superseded)

Alpine Helicopters Ltd
Southern Lakes Helicopters

Approved Council landscape Plans

One Mile Powerhouse Landscape Plan, Blakely Wallace 2004
Two Mile Creek Landscape Management Plan, Morgan Pollard and Associates, 2004
Heritage Hotel – Little Rock Villas Landscape Plan 2003

Attachment B - Queenstown Bike Park – trails used by Vertigo Bikes shown solid green, blue and black.

