

Wanaka Community Board**15 April 2015****Report for Agenda Item: 2****Department: Operations****New Ground Lease and New Building – Upper Clutha A & P Society****Purpose**

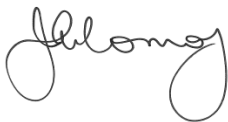
- 1 The purpose of this report is to consider a new ground lease to the Upper Clutha A&P Society on the Wanaka Showgrounds for a longer term and larger area than their current lease.

Recommendation

That the Wanaka Community Board:

1. **Note** the contents of this report; and
2. **Recommend to Council** that granting a new lease to the Upper Clutha A & P Society over the Wanaka Showgrounds being part section 12 Block XV Town of Wanaka be deferred until such time as a Reserve Management Plan is completed.

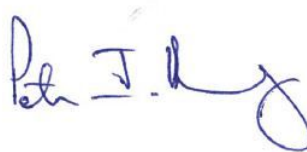
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7/04/2015

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8/04/2015

Background

3. The Upper Clutha Agriculture and Pastoral (A & P) Society, a registered charity, have a lease for the footprint of their building on the Wanaka Showgrounds recreation reserve being part section 12 Block XV Town of Wanaka. The Showgrounds area is 11.47 hectares and the building occupies approximately 432 square metres (including the verandah).
4. The lease commenced on 1 March 2007 and was for 10 years. As they are covered by the Community Facility Pricing policy, their current rent is \$1.00 per annum. Please note that this report is only dealing with the permanent occupation of the building footprint, the lease does not cover the full use of the grounds for the show.
5. In late 2006 the A & P Society building, which had been in place for many years, blew over, so a new building was quickly approved and erected in time for the 2007 show. The lease was granted for ten years because at the time the location of the proposed Wanaka Sports Facility was starting to be discussed and Council did not want to be bound for too long. Normally where a community group invests in a building, Council grants a longer lease of up to 33 years.



Current Upper Clutha A & P Building

6. The A & P Society applied to extend their new building to better facilitate their activities, and to extend the term of the current lease to reflect the investment made in the current and proposed new building.
7. The Wanaka Community Board considered this proposal at their meeting of 18 November 2014 and passed the following resolution:

On the motion of Mr Lloyd and Mr O'Connor the Wanaka Community Board resolved to recommend to the Queenstown Lakes District Council that the intention to grant a new lease to the Upper Clutha A & P Society over approximately 930 square metres of part section 12 block XV Town of Wanaka to construct a building extension be notified subject to the following conditions:

Commencement: 1 April 2015;
Rent: Pursuant to the Community Pricing Policy
Term: 33 years;

Rent Reviews **2 yearly**
Use: **Other terms and conditions to reflect current lease;**
Limitations: **Current lease to be surrendered;**
 Resource consent being granted.

- 8 The matter was discussed in the Mayor's report at the Council meeting of 27 November 2014 and the following resolution passed:

Commencement: **1 April 2015;**
Rent: **Pursuant to the Community Pricing Policy**
Term: **33 years;**
Rent Reviews **2 yearly**
Use: **Other terms and conditions to reflect current lease;**
Limitations: **Current lease to be surrendered;**
 Resource consent being granted.

That the Council nominate a hearings panel consisting of Councillors Cocks, Lawton and Macleod, of which two are needed to hear any submissions.

- 9 The intention to grant a lease was notified on 18 December 2014 with submissions closing 10 February 2015. Eight submissions were received, all opposed to the proposal.
- 10 A hearing was held on 25 February 2015. The minutes from that hearing are Attachment A. All of the submissions were from neighbouring property owners who raised the following issues:
- a) Negative impact on visual amenity
 - b) Inappropriate to have a storage building on a recreation reserve
 - c) Need to have a Management Plan in place for the reserve
 - d) Granting the lease is contrary to the principles of the Reserves Act
 - e) Rowing Club seeking their own building so won't benefit from this proposal
 - f) The surrounding neighbourhood has changed and developed and what may have been appropriate in the past is no longer appropriate
 - g) Poor consultation
- 11 Having heard the opinions of both the applicant and the submitters who were in attendance at the hearing (including their planning and legal consultants), and taking into account the written submissions, the hearing panel's recommendation is that the WCB recommend to Council that granting a new lease to the Upper Clutha A & P Society be deferred until a Reserve Management Plan is adopted.

Comment

- 12 The hearing panel has asked that a Reserve Management Plan be completed for the Wanaka Showgrounds. It would take into account the current and any proposed future uses of the reserve along with the location, style and extent of any buildings and leases. Operations would be able to complete this plan in 2016.
- 13 While this is not the outcome the A & P Society hoped for, they are able to continue with their show until the plan is complete, albeit with some difficulties around storage and transportation of equipment.

Options

- 14 **Option 1:** That the Council defers granting a new lease to the Upper Clutha A & P Society over the Wanaka Showgrounds being part section 12 block XV Town of Wanaka until such time as the Reserve Management Plan is completed.

Advantages:

- This would appease the concerns of submitters who felt the management plan was necessary to enable the use of the reserve to be discussed holistically.

Disadvantages:

- The A & P Society will not have security about their operations once their current lease expires in 2017 and will not be able to expand the building.
- The old, untidy woolshed will remain on the site in the interim.

- 15 **Option 2:** That Council approves a new lease to the Upper Clutha A & P Society on Part Section 12 Block XV Town of Wanaka subject to the terms and conditions outlined in the resolutions above.

Advantages:

- The A & P Society will have security of tenure over their current building and will be able to build a new building as proposed.

Disadvantages:

- Submitters will be likely to challenge the process resulting in legal costs and delays.

- 16 This report recommends Option 1 for addressing the matter in support of the decision of the hearing panel.

Significance and Engagement

- 17 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it does not involve a Council strategic asset, is of low importance to the Queenstown Lakes District, is not of interest to the general community (although it is to the neighbouring property owners), is not inconsistent with policy and strategy and does not impact on Council's capability and capacity.

Risk

- 18 This matter does not have significant risk.
- 19 The recommended option mitigates risk because the neighbouring owners would likely challenge a recommendation to grant the lease when no management plan is in place. While they are technically correct that the Reserves Act 1977 requires a management plan for every reserve, it is impractical and expensive and very few Local Authorities would have been able to do all of their reserves. The Department of Conservation oversee the Act and are aware that this part of the Act cannot be complied with, and are generally happy with business as usual in absence of plans, including granting lease so long as the requirements of section 54 are adhered to. However, any legal challenge would need to be answered, resulting in cost to Council.

Financial Implications

- 20 The cost of drafting of a Reserve Management Plan for the Wanaka Showgrounds would need to be included in the 2015-2016 annual plan. No other costs have been or will be incurred. If the lease was approved, the cost of drafting such a lease would be met by the applicant.

Council Policies, Strategies and Bylaws

- 21 No Council policies, strategies and bylaws were considered.
- 22 This matter is not included in the 10-Year Plan/Annual Plan. Funding for drafting the Reserve Management Plan will need to be sought through an internal submission to the 2015-2016 Annual Plan.

Local Government Act 2002 Purpose Provisions

- 23 The recommended option:
 - Cannot be implemented through current funding under the 10-Year Plan and Annual Plan and will need to be included as an internal submission; and
 - 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

- 24 The persons who are affected by or interested in this matter are the adjoining property owners, many who have submitted in the public notification and hearing process.
- 25 The process of drafting a Reserve Management Plan will include significant public consultation.

Legal Considerations and Statutory Responsibilities

- 36 The process of granting leases on reserves is contained in the Reserves Act 1977. The process followed and the recommendations contained in this report are consistent with the Act.

Attachments

- A: New Ground Lease and New Building – Upper Clutha A & P Society –
Minutes from hearing