

**Wanaka Community Board**  
**30 March 2017**

**Report for Agenda Item: 3**

**Department: Property & Infrastructure**

**Change of Lease Area and Affected Persons Approval for Upper Clutha Sawmill & Wanaka Firewood Limited**

**Purpose**

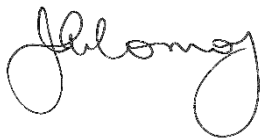
The purpose of this report is to consider a change in the lease area and Affected Party Approval (APA) for the lease to Upper Clutha Sawmill & Wanaka Firewood Limited (UCSAWFL).

**Recommendation**

That the Wanaka Community Board:

1. **Note** the contents of this report;
2. **Agree** to the proposed amended area as shown in Attachment C for the lease to be granted to Wanaka Firewood on Section 37 Block III Lower Wanaka SD;
3. **Recommend to Council** that the proposed amended area be granted;
4. **Approve** the Affected Party Approval for the resource consent for Wanaka Firewood; and
5. **Delegate** execution of the affected person's approval to the General Manager of Property & Infrastructure.

Prepared by:



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Property Advisor - APL

6/03/2017

Reviewed and Authorised by:



Aaron Burt  
Senior Planner: Parks &  
Reserves

14/03/2017

## Background

- 1 In 2015 Council notified the intention to grant a lease on Local Purpose (gravel/landfill/depot) Reserve land known as Section 37 Block III Wanaka SD, and called for tenders from prospective Lessees. A plan of the proposed lease area is included as Attachment A.
- 2 The successful tenderer was UCSAWFL. Since 2015, UCSAWFL have been seeking resource consent to undertake their activity on the land. Part of the consent application noted that it would be screened from the south-west by an existing earth bund.
- 3 Because the screening bund is outside of the lease area, it cannot be relied upon to provide the mitigation put forward in support of the resource consent proposal. Therefore, UCSAWFL have asked that the lease area be altered slightly to include the bund. They had suggested the plan be amended to keep the area the same as the original proposal as shown in Attachment B. However, that would result in an unusable and difficult to maintain triangle between the lease area and the boundary.
- 4 It would be more logical for the lease area to increase to include the bund as shown in Attachment C.
- 5 It is also requested that the Wanaka Community Board provides APA to reflect the change in area that was previously granted APA by the WCB on 10 August 2016.
- 6 The approved lease conditions are as follows:

Commencement:	TBC, once resource consent is obtained;
Rent	\$5,200 per annum plus GST;
Term	5 years, with a right of renewal of another 5 years on the agreement of both parties;
Rent reviews	2 yearly;
Use	Loading and unloading firewood, sale of firewood;
Limitations	Firewood not to be processed on site;
Insurance	Lessee to provide public liability insurance and approved health and safety plan prior to occupying the site.

- 7 Originally, they were to have completed their consent by 2015, but that was extended last year to 30 June 2017.

## Comment

- 8 The land is not currently utilised and presents a maintenance burden, particularly the bund which is covered in broom. The proposed lease would not only require

the Lessee to maintain the area, but would also generate \$5,200 plus GST in rent.

- 9 The Lessee has undertaken efforts to secure resource consent for the activity, and is close to addressing all of the matters raised through that process.

## **Options**

- 10 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.

- 11 Option 1 To approve the proposed lease area for UCSAWFL over Section 37 Block III Lower Wanaka SD as shown in Attachment C, and to approve and APA for the activity.

### *Advantages:*

- 12 Will enable consent to be granted so that the lease can begin.
- 13 Will result in an accessible firewood outlet in Wanaka.
- 14 Will remove the Council maintenance obligation over the land.
- 15 Will result in rental of \$5,200 per annum.

### *Disadvantages:*

- 16 If the area change is not approved, resource consent might not be obtained, and therefore the lease might not commence, freeing the land for some other purpose.
- 17 Option 2 To approve the proposed lease area for UCSAWFL over Section 37 Block III Lower Wanaka SD as shown in Attachment B, and to approve and Affected Party Approval for the activity.

### *Advantages:*

- 18 As above.

### *Disadvantages:*

- 19 As above, but creates a small triangle that will be difficult for Council to maintain.
- 20 Option 3 To decline the proposed change in lease area for UCSAWFL over Section 37 Block III Lower Wanaka SD.

### *Advantages:*

- 21 UCSAWFL may not be able to obtain resource consent and the lease would not commence, thus the land would be free for some other purpose.

*Disadvantages:*

- 22 The firewood outlet may not be established.
- 23 Council would need to continue to maintain the land.
- 24 No income would be received for the area.
- 25 This report recommends **Option 1** for addressing the matter because it would allow consent to be granted and the lease to commence as previously approved.

***Significance and Engagement***

- 26 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it does not relate to a strategic asset, and the lease has already been approved, albeit over a slightly smaller area.

***Risk***

- 27 This matter related to the operational risk OR11, decision making. The recommended option addresses this risk by seeking a prompt decision in relation to the matter.

**Financial Implications**

- 28 The lease will generate \$5,200 per annum once it commences.

**Council Policies, Strategies and Bylaws**

- 29 No Council policies, strategies and bylaws were considered.
- 30 This matter is not contemplated by the 10-Year Plan/Annual Plan and does not have any effect on it.

**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 lease previously approved can be completed;
  - 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 of the Queenstown Lakes District.
- 33 The Council has previously notified the intention to grant the lease. The proposed change is not material and would not justify further consultation.

### **Attachments**

- A Approved lease area outlined in red.
- B Lessees proposed amended lease area outlined in green, with bund highlighted in yellow.
- C Proposed amended lease area outlined in blue.











