

QLDC Council
24 March 2015
Report for Agenda Item: 13

Department:

Operations

New Grazing Lease – Judge and Jury Drive

Purpose

- 1 To consider a new grazing lease to Mike Smith at Judge and Jury Drive.

Recommendation

2 *That the Queenstown Lakes District Council*

- a. **Approve** granting a grazing lease over Lot 400 Deposited Plan 445230 to M Smith as per the attached plans, with the following terms and conditions:


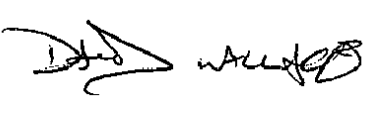
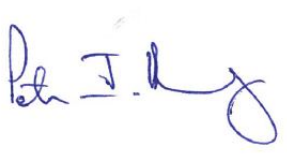
Term: One year
 Renewal: Nine renewals, with the prior agreement of both parties
 Rent: \$950 + GST per annum
 Reviews: Reviewed annually in accordance with CPI General, subject to ratchet clause
 Use: Pastoral farm grazing and cropping
 Insurance: N/A
 Assignments: With the approval of Council

Special conditions:

- 1) Licensee to keep ground clear of noxious plants.
- 2) Licensee to report all and any attempts to illegally dump soil or other rubbish/spoil on the Reserve.

- b. **Delegate** final terms and conditions and execution authority to the Chief Executive;

- c. **Agree** to the exercise of the Minister's prior consent (under delegation from the Minister of Conservation) to the granting of a lease to Mike Smith over Lot 400 Deposited Plan 445230.

Advice Prepared by:	Report Recommended by:	Reviewed and Authorised by:
		
Dan Cruickshank Senior Property Manager, APL Property Ltd	David Wallace Senior Planner, Parks & Operations	Peter Hansby General Manager Infrastructure
5/03/2015	6/03/2015	6/03/2015

Background

- 3 Council purchased and gazetted Lot 400 Deposited Plan 445230 Lake Hayes Estate as Recreation Reserve Land in 2012. At purchase, the land was grazed informally by Mike Smith in conjunction with the neighbouring property owned by the Allen family.
- 4 The land is grazed and is clear of noxious plants; however there are extensive thistle areas which need to be dealt with. Council will be required to maintain the reserve more proactively over the coming years, should it not be grazed or used for other recreation activities.
- 5 The Queenstown Trail traverses past the Southern Boundary of the Reserve adjacent to the Kawarau River. The main access to this section of trail is through the adjacent road at Widgeon Place where there is well formed access via a separate block of Recreation Reserve.
- 6 Council has not previously considered or notified suitable uses of the land through a Reserve Management Plan process.

Comment

- 7 APL has approached the existing grazer of this land, to confirm if they wish to continue grazing the site at commercial rates. The applicant is happy to graze the land until such point as the reserve is developed into sports fields.
- 8 The applicant is Mike Smith, a long time local who lives and farms from Alec Robins Road, Lake Hayes. Mr Smith has grazed what is now the reserve with approval for three years firstly with the Allen family, and then in agreement with Paul Horrell who purchased it from the Allen family.
- 9 Council's Operations team does not have plans to form the sports fields at this time. However with increased development in the area, most notably the proposed Bridesdale Farm, it is considered appropriate to only lease the land on an annual basis with regular renewals.
- 10 As the land is already clear of broom due to regular grazing and cropping of the land, it is suggested that as the grazing is a commercial operation, that normal grazing rates should apply. APL has been advised that for medium quality pasture, the current market rate is approximately \$95+GST per Ha. We therefore suggest that the applicant should pay \$950+GST per annum.
- 11 As the land is recreation reserve, there was a requirement for Council to advertise the intention to grant a lease under section 73(4) of the Reserves Act 1977. The submission period closed on 30 January 2015 with no submissions received.

Options

Option 1: Approve granting a grazing lease over Lot 400 Deposited Plan 445230 to M Smith.

Advantages

- Council will be able to generate income from the grazing of this land, currently considered by Council officers to be under utilised
- Through granting a grazing lease, Council will not have to maintain the reserve, saving on ground maintenance costs whilst the lease remains.

Disadvantages

- The land will effectively be closed off to public use under a grazing lease, reducing the recreation land available in the district.

Option 2: Approve granting a grazing lease over Lot 400 Deposited Plan 445230 to M Smith, with different terms and conditions.

Advantages

- There may be advantages to revising the conditions granted to Mike Smith, such as requiring additional ground maintenance or reinstatement at expiry of the lease for Council to consider.

Disadvantages

- Revising the terms would vary the negotiated agreement with the lessee that might subsequently jeopardise the signing and entering of the lease.

Option 3: Decline the grazing lease requested by Mike Smith.

Advantages

- This would retain recreation reserve available to the district's rate payers in the short term.

Disadvantages

- Council would need to start allocating funding to maintain the reserve in the absence of a grazing lease.

Financial Implications

12 There are no material financial implications.

Local Government Act 2002 Purpose Provisions

13 The proposal is an incidental property management matter and is consistent with Section 14(1)(f) of the LGA requiring that a local authority should undertake any commercial business transactions in accordance with sound business practices.

Council Policies

14 The following Council Policies were considered:

- Significance and Engagement Policy 2014.
 - The recommendations of this paper are considered of low significance as outlined in the policy, whereby there is little impact to residents or ratepayers.
 - The level of community engagement envisaged is appropriate given the reserve is not a strategic asset but that the issue is still of community interest.
- Community Facility Funding Policy 2011.
 - The rent proposed in this paper has been set through market analysis and negotiation with the applicant. This is consistent with grazing uses as specified in the policy.

Consultation

15 Public notice with respect to the intention to grant a lease over a recreation reserve has been conducted under Section 73(4) & 119 of the Reserves Act 1977 with no submissions received.

Publicity

16 There is no requirement for a media statement or public communication to support this decision at this time

Attachments

A. Site Plan of proposed grazing lease.



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