

**QLDC Council
30 July 2015**

Report for Agenda Item: 8

Department: Operations

Lessor's Approval for Skyline Enterprises Ltd

Purpose

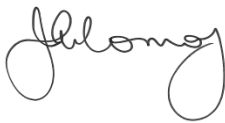
- 1 To consider Lessor and Landowner Approval for Skyline Enterprises Ltd to construct a new glass clad viewing deck.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Agree** to grant Lessor's approval and landowners approval to Skyline Enterprises Ltd to construct a new glass clad viewing deck on the land they currently occupy being part Section 1 SO 24832 subject to the following terms:
 - a. Resource and building consent to be obtained
 - b. Construction to be completed within one year of lessor approval
 - c. Ownership of improvements to transfer to Council on lease expiry
3. **Approve** the construction by Skyline of a new glass clad viewing deck on Section 1 SO 24832 on behalf of the Minister of Conservation.

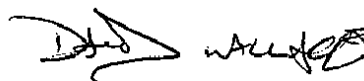
Prepared by:



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10/06/2015

Reviewed and Authorised by:



David Wallace
Senior Planner
Parks and Reserves
22/06/2015

Background

- 2 Skyline Enterprises Limited (Skyline) were granted a lease over Bob's Peak in April 1995 for five years, with the ability to renew for a further five years (provided the total term of the lease does not exceed seventy five years). The lease has been renewed through to 2015, and is currently due for a renewal. The lease area is legally described as Section 1 SO 24832 Certificate of title 3417, classified as Freehold.
- 3 The site includes gondola access and restaurant building, containing a restaurant and function facilities, a cafeteria and souvenir shops, specialist stargazing site, confectionery store and kiwi haka. The site has a luge track, with associated chair lift, a helicopter landing area and access to public walking and mountain biking tracks.
- 4 Skyline is seeking permission from Council as Lessor to construct a minor extension to the outdoor viewing area of the Gondola and Restaurant Building in the form of a glass viewing cube. Whilst the proposed construction will not alter the total lease area, section 6 of their lease states that any improvements on the land require prior consent of the lessor and the Minister.

Comment

- 5 The proposed glass viewing platform will be located approximately 10m from the boundary of the Skyline Lease Area from the Ben Lomond Reserve. The glass viewing deck will be small in scale – a total of 0.9m². It will comprise two vertical steel bars of approximately 2.2m in height measured from the existing viewing deck surface. The steel bars will be approximately 0.9m apart and will include two bars that extend outwards (to the east) from the existing viewing deck for a distance of 1.0m.
- 6 Specifically, the work proposed will consist of removing the existing structural braces supporting the viewing deck and replacing it with two new steel braces which will connect to a new support tower with concrete footing. Then a structural steel beam will extend approximately 1m beyond the north eastern side of the existing outdoor viewing deck. Lastly, the new structural frame will be clad with glass of a sufficient strength to enable Skyline patrons to stand within it for a viewing experience.
- 7 According to the lessee the proposed building will not break any skylines, ridges or prominent slopes and it will be absorbed in the existing background of the Skyline Gondola and Restaurant. The proposed colours of the structural framework will match that of the existing building (Karaka Green) and will likely blend into the surrounding landscape of the green conifers on the face of Bob's Peak.
- 8 Given the existing environment, distance from which the site is viewed from Queenstown, the proposed colours of the structural materials and the very small scale of the proposed glass viewing deck, the proposed development is unlikely to adversely affect the open space values of the site and surrounding landscape to any greater degree than already occurs. Any effects of the

structure will be assessed through the resource consent process and the lessor's approval requested now is dependent on that consent being granted.

- 9 The lessee will be required to seek all building and resource consenting approvals (if required) at their own cost through a separate process. APL will seek copies of such consents and ensure all conditions are met and full compliance is achieved.
- 10 As Skyline already has a renewable lease and this proposal does not alter the terms or lease area, granting lessor approval for the viewing platform will not require public notification.

Options

- 11 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:
- 12 Option 1 The first option is to approve lessors and landowners consent to Skyline Enterprises Ltd to construct a glass viewing cube and provide Ministers consent for that activity under delegated authority.
 - 13 Advantages: Approving the proposed building work would result in enhanced tourism facilities, benefitting the whole community. Enhancing the facilities may also increase the amount of rent payable to Council by the lessee if it attracts increased visitors.
 - 14 Disadvantages: During the building process, there is the potential for the surrounding native areas to be disrupted.
- 15 Option 2 The second option is to decline the proposed glass viewing cube.
 - 16 Advantages: Surrounding native areas would not be disrupted.
 - 17 Disadvantages: The loss of enhanced tourism facilities. Declining the application may result in a loss of increased rent payable by the lessee.
- 18 Option 3 The third option is to propose a different location.
 - 19 Advantages: While the sub-committee could suggest an alternative location for the viewing cube, the operators would need to assess whether it is suitable operationally.
 - 20 An alternative location may reduce potential adverse effects of the activity
 - 21 Disadvantages: If a different option is sought, it could have a greater impact on both the environment and also the visual impact of the building.
- 22 This report recommends Option One for addressing the matter as it will create an additional tourist attraction in the area, therefore supporting other businesses' and the community as a whole.

Significance and Engagement

- 23 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, is not inconsistent with policy and strategy and does not impact on Council's capability and capacity.

Risk

- 24 This matter relates to operational risk SR 3 Management Practise – working within legislation. The risk is classed as low. The matter relates to this risk because the options highlighted require the Council to follow a regulatory process in order to grant lessors approval. A variety of operational risks (such as meeting levels of service, regulatory compliance and the health and safety risks associated with parties using reserves land) are triggered when the Council considers whether or not to grant the approval. This report therefore recommends that the risks associated with this matter are tolerable..

Financial Implications

- 25 No financial implications for Council are anticipated. All costs associated with the consents and building improvements will be paid for by the Skyline Enterprises. Council and the Districts ratepayers are likely to benefit from additional rental income if the use of the facility is increased as rent is charged as a percentage of income.

Council Policies, Strategies and Bylaws

- 26 The following Council policies, strategies and bylaws were considered:
- Significance and Engagement Policy 2014 – the proposal is a matter with low significance in terms of this policy as determining as a new building is not considered significant as it does not impact Council's strategic assets, affect a large number of residents, ratepayers and the environment or and is not expected to create a community interest in the matter.
 - This matter is not included in the 10-Year Plan/Annual Plan. Construction of the new viewing deck will be paid for entirely by Skyline.
 - Ben Lomond and Queenstown Hill Reserve Management Plan – Policy 12.1.1 (1) "limit the development of built facilities such as commercial facilities) to the general area of the existing facilities associated with the gondola, the Powerhouse area and the adjoining reserve below the heritage Villas". This proposal is consistent with the plan.

Local Government Act 2002 Purpose Provisions

- 27 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 supporting the improvement of tourist activities in the region.

- 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

28 No consultation is envisaged or required by Council as detailed in this report.

Attachments

- A Site Plan
- B Proposed design



Attachment B: Proposed Design





