

New Lakeview recreation reserve lease summary – Ngāi Tahu Tourism hot pools proposal

Background

The Queenstown Lakes District Council (**Council**) wishes to grant a long-term lease of reserve land forming part of the Lakeview site, as identified in Table 1 below (**Area**), for the purposes of the development and operation of a hot pools facility.

Table 1:

New reserve land known as:	Classification (intended)	Contained in parcel(s) of Legal Description:	Area:
Old Queenstown Lakeview campground	Recreation Reserve	Part Lot 1 DP 354070; and Part Lot 3 DP 354070.	0.8057ha

In accordance with the Reserves Act 1977 the Council is currently engaging in public consultation in respect of the proposed lease. More background information on the proposed lease is available at the link below.

This paper provides supplementary detail in relation to the proposed lease.

The Proposal

The proposal is to grant a lease of the Area to Ngāi Tahu Tourism Limited (**NTT**) under which NTT would develop and operate a hot pools facility.

The commercial terms of the proposed arrangement are subject to ongoing negotiation. However Council is able to provide the following summary of proposed terms:

- **Term:** The lease would be for an initial term not exceeding 33 years, subject to possible renewal in accordance with the Reserves Act 1977 and any other applicable legislation.
- **Rent:** Annual rent will be calculated on the basis of either an agreed percentage of the gross revenue generated by the hot pool facility (subject to a threshold amount for initial years of operation), or a set minimum rental amount (whichever calculation yields the higher value).
- **Rent review:** The minimum rental amount would be subject to CPI adjustments and market rent reviews.
- **Development design:** NTT's proposed designs and specifications for the development will be subject to Council approval.
- **Business plan:** NTT's proposed business plan for the operation of the hot pools facility will be subject to Council approval.
- **Development programme:** The parties will agree a programme for the design and construction of the hot pools development.
- **Other terms:** As provided by Schedule 1 to the Reserves Act 1977 (to the extent applicable), and otherwise as negotiated by the parties.

Further information on the consultation process is available here: [Lakeview reserve lease](#)