

Wanaka Community Board
18 November 2014

Report for Agenda Item: 1

Department
Operations

1: New Ground Lease – Riverbank Road – Wanaka Firewood Ltd

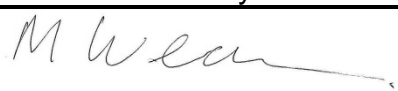

Purpose

To consider a new ground lease to Wanaka Firewood Limited at Riverbank Road.

Recommendation

That the Wanaka Community Board:

- a. **Agree** to recommend to Queenstown Lakes District Council that the intention to grant a new licence to Wanaka Firewood Limited be notified over approximately 5000 square metres of section 37 Block III Lower Wanaka SD, to operate a firewood yard, lease to commence as soon as resource consent is granted (but before 30 June 2015) for a term of five years, for \$5,200 plus GST.

Advice Prepared by:	Report Advice Reviewed and Recommended by:	Reviewed and Authorised by:
		
Dan Cruickshank Senior Property Manager, APL Property 10/11/2014	Mike Weaver Manager, Parks and Operations 10/11/2014	Ruth Stokes General Manager, Operations 10/11/2014

Background

- 1 There is an area of around 5000 square metres on Riverbank Road that is essentially vacant land. It is known as section 37 Block III Lower Wanaka survey district. The abandoned car lot is located in the south west corner of the site and Wanaka Landfill Limited owns the rear part of the section and uses it for hardfill. The land to the southwest is occupied by the transfer station and recycling depot and ORC occupy the land to the north. It has been vacant for many years since the old Wanaka landfill closed.

- 2 The land is a gravel reserve vested from the Crown in 1957 and was the access to the old Wanaka landfill. There are no services to the site but it is fenced to Riverbank Road with screen planting on that boundary.
- 3 The land is across Riverbank Road from the Three Parks site and is part of the land on the Riverbank Road/Ballantye Road intersection owned by Council. In time the roads need to be realigned to reflect their actual location, or some future need. Those two matters may change the needs and use of land in the area in the future, but that does not preclude a short term, low impact use of the land to generate funds now.
- 4 The site was advertised for lease by tender in August 2014 and two responses were received. A summary of the responses is attached.
- 5 The most appropriate tender is Wanaka Firewood Limited which wants to use the site as a firewood yard and is willing to pay \$5,200 per annum. The company will sell firewood from the site, but will not undertake any processing. The only improvements proposed are a portaloos for staff and clients, a 10m x 10m barn type building and fencing the full site. Hours of operation sought are 8.00 am until 5.00 pm Monday to Friday and 8.00 am to 12.00 noon on Saturday.
- 6 The applicant will need to seek resource consent because retail is non-complying in a rural zone. Any consent would consider the visual effects of the proposal, vehicle ingress and egress, dust, noise etc.
- 7 The process to grant such a lease requires the Wanaka Community Board to make a recommendation to Queenstown Lakes District Council that they approve notification of the intention to grant a licence pursuant to section 74 of the Reserves Act to Wanaka firewood, subject to the following conditions:

Commencement:	Tbc, once resource consent is obtained (no later than 30 June 2015)
Rent	\$5,200 per annum plus GST
Term	5 years
Rent reviews	1 and 1/2 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.

- 8 If objections are received, there will need to be a hearing, and then a resolution of Council approving the lease or not.

Comment

- 9 The land has essentially been vacant for some years and there is no use proposed in the foreseeable future. The licence is proposed for 5 years being the maximum available in section 74. At expiry, if no renewal is granted, the licensee

would need to remove any improvements from the site and reinstate it to the current condition.

Options

- 10 The Wanaka Community Board to recommend to Queenstown Lakes District Council that the intention to grant a new licence to Wanaka Firewood Limited be notified over approximately 5000 square metres of section 37 Block III Lower Wanaka SD, to operate a firewood yard, lease to commence as soon as resource consent is granted for a term of five years, for \$5,200 plus GST; or
- 11 The Wanaka Community Board to recommend to Queenstown Lakes District Council that the intention to grant a new licence to Wanaka Firewood Limited be notified over approximately 5000 square metres of section 37 Block III Lower Wanaka SD, to operate a firewood yard, subject to different terms and conditions; or
- 12 The Wanaka Community Board make a recommendation to Queenstown Lakes District Council that a request for a new lease to Wanaka Firewood Limited be declined; or
- 13 The site is re-advertised seeking other applicants.

Financial Implications

- 14 All costs relating to public notification and lease preparation will be met by the applicant.
- 15 A tendering process was conducted by APL to ascertain the current market rate of the block for leasing purposes. The applicant made the highest tender offering \$5,200+GST per annum to Council.

Local Government Act 2002 Purpose Provisions

- 16 The notification of the intention to grant a lease to a commercial entity over disused land is consistent with Section 10 of the Local Government Act as it supports local involvement in decisions on the administration of local public services.

Council Policies

- 17 The following Council Policies were considered:

Policy on Significance 2013 – notifying a new revised lease is not deemed to be significant as it does not impact Council assets, nor does it affect to a moderate extent a large number of residents and ratepayers.

Consultation

- 18 Consultation will be undertaken in accordance with section 119 of the Reserves Act 1977, requiring public notification of the intention to grant a lease over a reserve.

Publicity

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

Attachments

1. Aerial photograph showing the site to be leased.
2. Summary of tenders received.



Area: 5200 m²

Riverbank Road

The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Queenstown Lakes District Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented by the GIS data. While reasonable use is permitted and encouraged, all data is copyright reserved by Queenstown Lakes District Council. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED

	Riverbank Road Lease	
	Tender 1	Tender 2
Lessee	Wanaka Firewood Limited C/- Checketts McKay PO Box 263, Wanaka 9343	Chris Aspinall T/A C A Fencing 45 Lagoon Ave, Wanaka
Proposed Activity	Firewood storage and sale	To stockpile fencing materials, small quantities of timber, and some machinery, trailers up to 3, caravan, tractor with postdriver attached (sometimes), portable tailing pen and a small digger (1.5T) on a trailer, not yet purchased but plan to
Improvement	Construct a shed 10mx10m	None planned
Term	5yrs and 3 rights of renewal	Annual with rights of renewal. Commencement date 26-9-14 or thereabouts
Rent	\$5,200.00 +GST p.a	\$500.00 + GSTm this can be negotiated as I have no idea what it would be worth but that's a close figure to what I would be prepared to pay
Hours of operation	8.00am - 5.00pm Monday to Friday, 8.00am - 12.00 noon Saturday	Will be coming and going regularly for short periods, delivery day for materials from Alex is Tuesdays. Probably an average of once a day
Proposed area required		Approx. 2000m2. Would prefer the area just inside the gate off riverbank Road to the left where most things will be well screened from the road by native plantings inside the roadline
Services	Not required, Port-a-loo on site for customers and employees	No problem, don't require any
Fencing	Boundary to be fenced with deer posts and netting	Don't propose to fence boundaries but may decide along the northern boundary with top up netting about the existing fence. Maybe planting for screening would be suitable
Neighbours	The site will be used for the loading and unloading of firewood. The firewood will be cut and split off-site. This can be a condition of the lease. There will be no offensive noise	I would anticipate very little
Experience	Raymond Johnson has had firewood business for 20 years	Spent many years operating as a casual farm worker, about 12 years ago combined with part-time fencing, for the last 12 months have been fulltime fencing with one to two staff
Community Resource Consent	The public can pick up trailer loads of dry firewood or have delivered	Not a lot except that the bulk of my work is fencing lifestyle blocks around Wanaka and Hawea
Footnote		Will apply if lease is granted subject to consent Hope the council can see the benefits of a local business having an area to operate from and that the site has screening by way of native planting.