

**QLDC Council
30 April 2015**

Report for Agenda Item: 3

Department: Operations

Commercial Jetty for Roys Bay, Lake Wanaka – Consideration of initial funding to purchase pontoon

Purpose

- 1 The purpose of this report is to consider the purchase of a second-hand pontoon jetty structure, associated with a proposed new commercial jetty in Roys Bay, Lake Wanaka.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Authorise** the Chief Executive to reallocate waterways repair and maintenance budgeted funds of up to \$6,000 including GST and to purchase and store of the pontoon structure from Central Machine Hire .
3. **Recommend** Council officers include the proposal to construct and operate a commercial jetty in Roys Bay, Lake Wanaka through reserve network planning in the 2015-16 financial year.
4. **Recommend** Council officers make provision for project and construction costs associated with a commercial jetty in Roys Bay, Lake Wanaka in Annual and 10 Year Financial Planning.

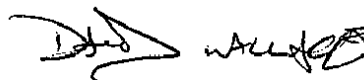
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14/04/2015

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Background

- 2 Roys Bay in Lake Wanaka has a limited number of jetties available for use by the general public and commercial operators. It is understood that due to population and tourism numbers increases demand for waterways facilities is increasing, particularly on Lake Wanaka, and that additional facilities will be needed to accommodate the increasing resident and holiday populations in summer.
- 3 The main commercial operator locations in Roy's Bay are at Council owned jetty #147 and off the main waterfront beach which is Land Information New Zealand (LINZ) controlled foreshore. There are also launching facilities operated by the Wanaka Yacht and Power Boat Clubs at The Groyne.
- 4 Council has constructed a new launching ramp at Glendhu Bay, Lake Wanaka during the current financial year and a new ramp has also been suggested for Eely Point, however no planning or inclusion in LTP funding has been considered.
- 5 Council recently adopted the Wanaka Lakefront Reserves Management Plan, 2014. One of the key implementation actions (5.2.1.3) arising from the plan is to develop concept design plans (reserve network plans) for the Wanaka waterfront in order to provide public engagement and project prioritisation. This work is programmed to be undertaken in the 2015-16 financial year.
- 6 Council has also recently adopted the Waterways and Ramp Fees Bylaw 2014. The bylaw sets out a means to permit commercial operators using a Council owned structure. The first such permit is currently being considered on Jetty #147, and full implementation of this Bylaw is currently being scheduled by Council staff for later in 2015.
- 7 Permit fees will be set in accordance with the Waterways and Ramp Fees Bylaw 2014. Annual fees for a commercial activity permit are yet to be set through the Annual Plan process, with charges likely to come into effect on the 1st July 2015.

Comment

Pontoon purchase

- 8 Councillor MacLeod has requested that consideration be given to the purchase of a pontoon structure, with the view to installing it as a new commercial jetty adjacent to Wanaka Marina and the Council owned ramp off Lakeside Road, near to the Wanaka Town Centre.
- 9 Council has been offered the ability to purchase the main structural components of the jetty, namely the 20m long steel pontoon section, for use on Lake Wanaka. The pontoon was salvaged from the Milford Sound Underwater Observatory and we understand it is now owned by Central Machine Hire of Wanaka.

- 10 The pontoon has been offered to Council at \$5,000 inclusive of GST, and if purchased in the first instance would need to be relocated to Council land at approximately \$1,000 incl GST. It is suggested that funds be diverted from the Council waterways repair and maintenance budget 2014-15 to enable the structure to be secured and to allow further planning to commence subject to Annual Plan and Long Term Plan (LTP) approvals.
- 11 There is potential for Council to save money by purchasing the second hand pontoon, if it decides to construct a new jetty of this type. The amounts of savings are not yet confirmed, however are estimated at \$50k +GST when compared to other new 'off the shelf' floating jetties available for purchase.
- 12 A review of waterways budgets for 2014-15 show that there are funds available, however some discretionary repair and maintenance that is not health and safety related, may need to be delayed into the next financial year when budgets are renewed.
- 13 Initial conversations held by Councillor MacLeod indicate that up to six commercial operators might be interested in gaining a permit to operate their vessels from a dedicated commercial pontoon jetty in the Wanaka Marina area.

Jetty location planning

- 14 A location for the jetty has been proposed adjacent to existing facilities near Wanaka Marina and Council owned jetty #147. A map of this location is attached for reference with this report.
- 15 Council recently adopted the Wanaka Lakefront Reserves Management Plan, 2014. One of the key implementation actions (5.2.1.3) arising from the plan, is to develop concept design plans (reserve network plans) for the Wanaka waterfront for public engagement and project prioritisation. This work is programmed to be undertaken in the 2015-16 financial year.
- 16 It is considered appropriate that the location for a new commercial jetty is planned in conjunction with the future development opportunities for surrounding land and water uses. Therefore detailed jetty planning work including determining a jetty location should be deferred until the reserve network plan for Roys Bay is complete in 2016.

Jetty consent planning

- 17 Significant planning will be required to ensure the jetty is correctly positioned, fit for purpose and durable in order to operate successfully into the future. It may be appropriate that the planning project for the jetty be deferred until the location is confirmed.
- 18 If the project proceeds, the jetty is likely to require a notified resource consent application, LINZ lakebed licence and building consent before any onsite works can commence.

- 19 This process is estimated to take between six months and a year to complete, provided funding is available, and no issues arise relating to the second hand nature of the structure or consenting process.
- 20 An initial scope of works has been prepared, estimating the overall cost of the project (including construction) at approximately \$200,000+GST. This figure should be used for indication only, and is subject to further investigation that would need to cover location, geotechnical, design, planning and construction quotes.
- 21 It is considered that the project should be considered as part of Annual and LTP processes currently being consulted on by Council.
- 22 In the interim, if the pontoon is purchased, it is recommended that it be stored on disused Council freehold land until all consents are obtained and construction can commence.
- 23 It should be noted that without detailed engineering approvals confirming that the pontoon structure is undamaged and fit for purpose, there is potential risk that the pontoon may not ultimately be useable. If this occurs, there is possibility for Council to recoup part or all of the purchase costs by selling the pontoon to another entity or as selling as scrap metal.

Options

- 24 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:
- 25 **Option 1** Approve the purchase of the pontoon jetty with waterways repair and maintenance funds while deferring decision on potential location until after reserve network plans are adopted for the Wanaka lakefront reserves.

Advantages:

- 26 Allows the Council to secure the pontoon now, which may otherwise be sold to another party. If a jetty is constructed, it will help manage increasing demand for waterways facilities on Lake Wanaka.
- 27 Decision regarding potential jetty location will be made following pre-agreed process of developing reserve network plans in conjunction with the community.

Disadvantages:

- 28 There is a cost to the rate payer that could otherwise be used for repair and maintenance of waterways structures.
- 29 There is potential for the pontoon to not be fit for purpose depending on the outcome of the engineering assessment and preferred design, resource and building consenting processes.

- 30 The size of the jetty may limit the potential for commercial use at its chosen location as investigations have not been completed into the needs of the potential users.
- 31 **Option 2** Approve the purchase of the pontoon jetty with waterways repair and maintenance funds confirming the proposed location in the Wanaka Marina Area.

Advantages

- 32 The advantages for this option are the same as option 1 with added certainty regarding the future location of the jetty.

Disadvantages

- 33 The disadvantages for this option are the same as option 1 with added disadvantage that locating the jetty prior to agreed process regarding development of reserve network management plans may not meet expectations of community in relation to involvement in the future development of the Wanaka lake front.
- 34 **Option 3** Decline to purchase the pontoon jetty

Advantages:

- 35 No cost to the rate payer, allowing increased maintenance of other waterways structures.

Disadvantages:

- 36 Council would not have the opportunity to make use of the structure and its potential cost savings.
- 37 This report recommends Option 1 for addressing the matter.

Significance and Engagement

- 38 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because deferral of a portion of repair and maintenance budget to purchase the pontoon will have low impact on the Council and its ratepayers.

Risk

- 39 This matter does not have significant risk.
- 40 There is low financial risk that by diverting aforementioned repair and maintenance funds to make the purchase, budgets for repair and maintenance may become overspent towards the end of the financial year.
- 41 There is some risk that the structure may not be fit for purpose, this is counter-balanced by Council's ability to re sell the structure or to sell the pontoon for scrap metal should it be unusable or the project not proceed.

Financial Implications

- 42 This paper proposes spending operational funds of approximately \$6,000 including GST to purchase and relocate the pontoon structure. This cost can be met by diverting some waterways repair and maintenance funds.
- 43 Planning and construction costs of a new jetty will be considered separately to this paper through the Annual Plan and LTP process.

Council Policies, Strategies and Bylaws

44 The following Council policies, strategies and bylaws were considered:

- **Wanaka Lakefront Reserves Management Plan 2014**
The recommendations of this paper conform to the required actions of the plan. Specifically key implementation action (5.2.1.3) whereby Council is to develop concept design plans (reserve network plans) for the Wanaka waterfront. This work is programmed to be undertaken in the 2015-16 financial year, and it is recommended that this process be used to inform the positioning of the new commercial jetty.
- **Waterways and Ramp Fees Bylaw 2014**
The recommendations in this report conform with this Bylaw whereby the intention for future commercial operators using the proposed jetty would require a commercial activity permit.

45 The recommended option is consistent with the principles set out in the named policies.

46 This matter is not included in the 10-Year Plan/Annual Plan

- Funding of the planning and construction associated with the jetty is not allocated in either the 10 Year Plan or Annual Plan. However should the pontoon structure be purchased, a request to include funding will be made through the annual internal submission process.

Local Government Act 2002 Purpose Provisions

47 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 allowing Council to construct a new commercial jetty that will help distribute some usage of existing public facilities on Lake Wanaka.;
- Can be implemented through funding under the 10-Year Plan and Annual Plan if approved through the annual plan and LTP internal submission process;
- 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

- 48 The persons who are affected by or interested in this matter are the commercial operators, residents and ratepayers of Wanaka.
- 49 The Council, through Councillor MacLeod, has discussed the potential need and interest to use such a jetty with commercial operators on Lake Wanaka. Council has also received some feedback from the Harbourmasters office regarding peak season usage of facilities on Lake Wanaka indicating increased numbers of boats on the lake during peak times.
- 50 It is considered appropriate for further consultation to take place regarding the positioning of the jetty when reserve network plans are developed for the Wanaka Lakefront. The public will have an opportunity to make submissions and provide their opinion regarding the location of the jetty at that time. It is not considered necessary for the Council to consult with the public regarding the acquisition of the jetty structure.
- 51 The resource consenting process is very likely to provide a further means for public submissions on the jetty itself.

Attachments

- A Commercial Jetty for Roys Bay – Pictures of Pontoon and 3D design drawings
- B Commercial Jetty for Roys Bay – Map of proposed location
- C Commercial Jetty for Roys Bay – Photo of pontoon structure