

**Wanaka Community Board
27 September 2018****Report for Agenda Item: 1****Department: Community Services****Title: Wanaka Tennis Club Incorporated – Notification of New Lease****Purpose**

To consider notifying the intention to grant a new lease to the Wanaka Tennis Club Incorporated, for the site they occupy between Upton and Warren streets.

Recommendation

That the Wanaka Community Board:

1. **Note** the contents of this report;
2. **Approve** notification under section 119 of the Reserves Act 1977, of an intention to grant a new lease to the Wanaka Tennis Club Incorporated, under sections 54(1)(b) and (c) of the Reserves Act. The proposed lease is upon land legally described as Sections 1, 2, 5, 6 and 7 Block XXXV Town of Wanaka, and Section 1 SO 24567. The proposed lease is subject to the following conditions:

Commencement	1 February 2019
Term	3 Years
Renewal	Two further terms of 3 years by agreement of both parties
Rent	Pursuant to Community Facility Funding Policy (\$1 per annum at commencement)
Reviews	5 yearly, or when the Funding Policy is reviewed
Use	Tennis and activities directly related to tennis club activity
Operational costs	All rates and charges associated with the land to be paid for by lessee
Assignment/Sublease	With Council approval
Liability Insurance	\$2 million

Expiry Conditions	Lessee can elect to remove improvements and make good, or improvements to revert to Council ownership with no compensation payable
Break Clause	Council can give a one-year cancellation notice, if the land is required for the 'provision of core infrastructure services'
Maintenance	All maintenance of the building and property, including gardening to be paid for by lessee

3. **Appoint** three board members (any two of which can form a hearing panel) to hear any submissions and make a recommendation to Council.

Prepared by:

Reviewed and Authorised by:



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3/09/2018



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Background

- 1 The Wanaka Tennis Club Incorporated (the Tennis Club) have a lease from Council, for the land they occupy between Upton and Warren Streets. That lease is for a term of 19 years, from 1 February 2000, and will therefore expire on 31 January 2019. The new lease now proposed is to allow the Tennis Club to continue their occupation and use of the land.
- 2 The land is recreation reserve legally described as Sections 1, 2, 5, 6 and 7 Block XXXV, Town of Wanaka, and Section 1 SO 24567. The Wanaka Croquet Club also occupies the majority Sections 2 and 5 Block XXXV TN of Wanaka, and the Tennis Club is seeking a continued occupation by lease over a comparatively small area of those sections. In 2016 the Tennis Club agreed to surrender a part of their lease area so that the Croquet Club could construct a new garage building upon it. The Tennis Club lease area is approximately 6,850 square metres.
- 3 The facility includes clubrooms, tennis courts, car parks and other improvements on the site that belong to the Club.

Comment

- 4 The Tennis Club provides a convenient and low-cost public facility that can be enjoyed by residents and visitors of all ages. They currently have 148 adult

members, 75 holiday members and 72 Junior members. They also host around 500 non-member visits each year. They have approximately one million dollars of assets on the site, including seven tennis courts.

- 5 The Tennis Club is recognised to be a valued community asset. The Council is not aware of any reason to decline notifying the intention to grant a new lease on the reserve, to the club.
- 6 The process of granting a new lease is pursuant to section 54(1)(b) and (c) of the Reserves Act 1977, which requires that an intention to grant a lease be publicly notified calling for submissions.
- 7 An initial term of three years is proposed, with two renewals by agreement of both parties, being consistent with Council's community lease terms guidance.

Options

- 8 Option 1 To approve notification of the intention to grant a lease to the Wanaka Tennis Club.

Advantages:

- 9 Enables a popular and well used recreational activity to continue on the Council reserve land.
- 10 Will provide certainty of tenure to the Wanaka Tennis Club and its users.
- 11 Reduces Council's operational maintenance costs, which will be paid for by the lessee.

Disadvantages:

- 12 The reserve would not be available for other types of recreation without the approval of the club.
- 13 Option 2 Decline the notification of the new lease meaning the lease cannot proceed.

Advantages:

- 14 The reserve would be available for other types of recreation.

Disadvantages:

- 18 Would not enable a popular and well used recreational activity to continue on the Council reserve land.
- 19 Would not provide certainty of tenure to the Wanaka Tennis Club and its users.
- 20 Will not reduce Council's operational maintenance costs, which would otherwise be paid for by the lessee.

21 This report recommends Option 1 for addressing the matter as it will enable the Tennis Club to continue to operate benefiting members and non-member players.

Significance and Engagement

22 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it relates to a reserve but is not a strategic Council asset.

Risk

23 This matter relates to the operational risk OR011A Decision Making, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because the Board is required to make a considered decision in a timely way. The risk is mitigated by the need to publicly notify the lease and consider any submissions received.

Financial Implications

24 Council will not receive any income from the proposed lease under the current Community Facility Funding Policy, however the Tennis Club will pay the costs associated with drafting a new lease document and cover ongoing operational and maintenance costs for the site.

Council Policies, Strategies and Bylaws

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

- Significance and Engagement Policy
- Community Facility Funding Policy

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

27 This matter is not included in the 10-Year Plan/Annual Plan but has no impact upon it.

Local Government Act 2002 Purpose Provisions

28 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 granting a lease to enable a popular recreational activity to continue;
- 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

29 The persons who are affected by or interested in this matter are predominantly the users of the reserve and the residents and ratepayers of the Queenstown Lakes District community.

30 The Council will provide a mechanism for community consultation through the public notification of the intention to grant a lease required by the Reserves Act 1977.

Attachments

A Plan of lease area