

Wānaka-Upper Clutha Community Board

22 August 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [3]

Department: Community Services

Title | Taitara: Wānaka Tennis Club Incorporated – Approval of New Lease

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to consider recommending to Council to grant a new 30-year lease to the Wānaka Tennis Club Incorporated, for the site they occupy between Upton and Warren streets.

Executive Summary | Whakarāpopototaka Matua

The Queenstown Lakes District Council (QLDC) is the administering body pursuant to the Reserves Act 1977, of the land currently used by the Wānaka Tennis Club.

The Wānaka Tennis Club has a current lease over land described as part of Sections 1, 2, 5, 6 and 7 Block XXXV Town of Wanaka and Section 1 SO 24567. The area of the lease is 8,167 square metres.

The current lease was publicly notified in 2018 by the Wānaka Community Board, and thereafter granted by Council resolution on 13 December 2018. The term has a final expiry of 31 January 2028.

The Wānaka Tennis Club now seeks a greater term to occupy the site, hence a new proposed 30 year lease has been notified. If approved, the Wānaka Tennis Club will enter into a new 30-year lease and surrender its current lease with a new final expiry date in 2054.

The proposed lease was publicly notified in accordance with sections 54 and 119 of the Reserves Act 1977. No submissions were received.

Recommendation | Kā Tūtohuka

That the Wānaka-Upper Clutha Community Board:

1. **Note** the contents of this report;
2. **Recommend to Council** to grant a new lease to the Wānaka Tennis Club, under sections 54(1)(b) and (c) of the Reserves Act 1977. The proposed lease is upon land legally described as part 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 January 2025

Term	Thirty (30) years being an initial term of ten (10) years from 1 January 2025 with two (2) rights of renewal for terms of ten (10) years each.
Final Expiry	31 December 2054.
Rent	Pursuant to Community Facility Funding Policy (\$1 per annum at commencement).
Rent Reviews	To be undertaken throughout the term in accordance with the Community Facility Funding Policy or successors.
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	Subject to 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.
Preparation of Lease	All associated legal costs to be paid by the Wānaka Tennis Club.

Prepared by:



Name: Matthew Judd
Title: Parks Property Planner
6 August 2024

Reviewed and Authorised by:



Name: Ken Bailey
Title: GM Community Services
8 August 2024

Context | Horopaki

1. The Wānaka Tennis Club ('the club') operates a successful community tennis club on seven outdoor courts located between Upton Street and Warren Street in Wānaka.
2. The club has leased the site from Council since 1 February 2000 and currently pays an annual rental of \$1, as anticipated by the Community Facilities and Funding Policy for such activities. The current lease was agreed by Full Council in 2018, and entered into in 2019, for an overall term expiring on 31 January 2028.
3. QLDC staff have been approached by the club to extend the existing lease (or occupation of the land).
4. The reason for the 30-year term, is that the club requires a greater certainty of tenure to enable capital investment in the courts and clubrooms. Finance is less restricted and at a lower rate with a longer lease in place.

Analysis and Advice | Tatāritaka me kā Tohutohu

5. The Wānaka Tennis Club is a leading club in the area and the largest tennis club in the district. This is a successful club that provides coaching at all levels as well and social and competitive tennis.
6. The land occupied by the club is central and considered prime Wānaka land, because it is centrally located and primarily flat (upon a slight terrace above Upton Street). The club is adjacent to land occupied by a Croquet Club and less than 500m from the lake front.
7. A new 30-year lease provides the opportunity for the club to have certainty to invest capital in the infrastructure required on site. This provides certainty to the club and to the community as a whole. Over the past 15 years the club has already invested more than \$500,000 into courts, nets, fencing and club rooms.
8. For QLDC this gives greater certainty that the wider community benefits from the Wānaka Tennis Club are retained.
9. A lease of this length removes the option of redevelopment or alternative use for up to 30 years. Over that time, Wānaka will grow significantly, and the town centre will intensify. This land will come under further pressure as a recreation reserve and will increase in underlying value.
10. In accordance with sections 54 and 119 of the Reserves Act 1977, the intention to grant the lease was publicly notified for one month. No submissions were received following public notification.
11. Any decision relating to granting a new lease will be made under the Reserves Act 1977 and the appropriate delegations will be followed. A final decision to grant a lease can be made by Full Council under the Minister of Conservation's delegation.

12. 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.
13. **Option 1** Recommend to Council to grant a new lease for the Wānaka Tennis Club, on the following terms:
- The total period of the new lease will be for thirty (30) years being an initial term of ten (10) years from 1 January 2025 with two (2) rights of renewal for terms of ten (10) years each. The final expiry to be no later than 31 December 2054.
 - The annual rent payable from 1 Jan 2025 shall be in accordance with the QLDC Community Facility Funding Policy. This is currently \$1 per year.
 - The tenant is responsible for all rates, insurance and QLDC legal fees to prepare the lease.

Advantages:

- A new lease would give the Wānaka Tennis Club certainty and ability to invest in the tennis club infrastructure.

Disadvantages:

- The length of the proposed lease means that land would not be available for another recreation reserve purpose for up to 30 years.

14. **Option 2** Don't recommend to Council to grant a new lease to the Wānaka Tennis Club

Advantages:

- Would free up the Leasehold Land for other potential pursuits from 31 January 2028.

Disadvantages:

- Generates uncertainty for the long-term home of the Wānaka Tennis Club.

15. This report recommends **Option 1** for addressing the matter as this option will give the Wānaka Tennis Club certainty of tenure and allow future expenditure.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

16. This matter is of medium significance, as determined by reference to the Significance and Engagement Policy 2021. This is due to the long-term nature of the lease on reserve land. However, according to the Significance and Engagement Policy, this reserve is not identified as a strategic asset, the recommendation is not inconsistent with existing policy and strategy and the recommendation does not impact QLDC's capability or capacity.

17. The persons who are affected by or interested in this matter are users of the Tennis Club facilities and other potential users of the Reserve.

Māori Consultation | Iwi Rūnaka

18. QLDC has not specifically consulted with Iwi regarding the proposed new lease. The lease was publicly notified which allowed everyone the opportunity to submit on the proposal.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

19. This matter relates to the Community & Wellbeing risk category. It is associated with RISK10014 Ineffective Financial Strategy within the QLDC Risk Register. This risk has been assessed as having a low residual risk rating.
20. In addition to the financial risks, the recommended option may commit QLDC to an extended term of a Lease that may not be suitable to QLDC's objectives in future (given the final expiry date in 2054).

Financial Implications | Kā Riteka ā-Pūtea

21. The Wānaka Tennis Club shall pay all costs in relation to the negotiation, preparation, and execution of the Deed of Lease and ongoing Rates and Insurance costs.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

22. The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050
 - The QLDC Disability Policy
 - Community Facility Funding Policy
23. The recommended option is consistent with the principles set out in the named policies.
24. This matter is not included in the Long Term Plan/Annual Plan, but has no effect on it.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

25. QLDC is delegated its authority as administering body of the Reserve Land under the Reserves Act 1977. Any decision must be made in accordance with the provisions of the Reserves Act 1977.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

26. The recommendation would enable QLDC to meet its obligations under Section 10 of the Local Government Act 2002 which states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. This lease will provide a long term tennis facility which will help promote community well-being. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act;
27. The recommended option:
- Can be implemented without funding under the Ten-Year Plan and Annual Plan;
 - Is consistent with the Council's plans and policies; and
 - Would not significantly alter 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.

Attachments | Kā Tāpirihaka

A	Location Plan
B	Lease Plan

ATTACHMENT A – LOCATION PLAN



ATTACHMENT B – LEASE PLAN

