

Item 2: Ngāi Tahu Hot Pools Lakeview Reserve Land Lease

SESSION TYPE: Briefing

PURPOSE/DESIRED OUTCOME:

Provide briefing to Elected Members on the status of the Ngāi Tahu Tourism Hot Pools Lakeview reserve land lease and introduce representatives from Te Rūnanga o Ngāi Tahu, who intend to progress the project.

DATE/TIME:

Tuesday, 15 October 2024 at 11:35am

TIME BREAKDOWN:

Presentation:

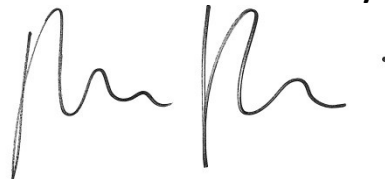
1. Introduction and background (10 minutes) Paul Speedy
2. Ngāi Tahu proposal (20 minutes) Brett Ellison, Mike Stevens
3. Questions (30 minutes)

Prepared by:



Name: Paul Speedy
Title: Manager Strategic Projects
3 October 2024

Reviewed and Authorised by:



Name: Meaghan Miller
Title: General Manager Corporate Services
4 October 2024

ATTACHMENTS:

A	Ngāi Tahu Hot Pools Briefing Memo
B	Ngāi Tahu Presentation (to be provided on day)

Memo

To:	Elected Members
From:	Paul Speedy
Date:	Monday, 7 October 2024
Subject:	Ngāi Tahu Hot Pools Lakeview Reserve Land Lease

Purpose

1. Provide briefing on the status of the Ngāi Tahu Tourism (NTT) Hot Pools Lakeview reserve land lease and proposal of Te Rūnanga o Ngāi Tahu (NT) to progress the project.

Background

2. NT's involvement in the possible use of land forming part of the Lakeview site for hot pools (the Site) dates back to around 2010.
3. Following initial discussions between QLDC and NTT at that time and a wider 'expression of interest' process, QLDC and NTT entered into lease negotiations for the Site.
4. The proposed recreation reserve land lease was subject to public consultation in 2018 and following that consultation QLDC and NTT entered into an Agreement to Lease (ATL). The ATL fell away during Covid-19 when NTT suspended its tourism operations.
5. While the use of the Site for hot pools was originally proposed by NT, QLDC has also identified potential economic diversity benefits of this activity and subsequently agreed / accommodated that use as part of its wider planning for the Lakeview development.

Proposal Summary

6. Representatives of NT have proposed to 'refresh' the reserve land lease arrangements, with the involvement of an investment / development partner for NT.
7. The current proposal would align closely with the earlier intended lease arrangements: a long-term lease of the Site, for the development and operation of public hot pools, and with rent largely based on a revenue-proportion model (as with other community leases within the district).
8. The tenant structure would involve a 50 / 50 partnership between NT and Ninety Four-Foot Pty Limited (NFF). The terms of the arrangement are subject to further negotiation. However, the clear intention is for NT to have material influence / involvement in the design, delivery and running of the project, including to ensure that the facility has the identity / character of an authentic NT project - albeit with NFF also playing a significant role in the funding and management of the project.
9. Essentially, the proposal remains one whereby NT leases the Site from QLDC for the purposes of developing a public hot pools facility - but it is doing so with a partner who will supply funding and project delivery support.

10. Due to NFF carrying out the adjacent development at the same time, the proposed project is likely to benefit from economies of scale and construction synergies. These are capable of yielding significant efficiencies for the project.

Next Steps

11. Obtaining updated commercial advice on the benefits provided to QLDC and the wider community, to satisfy itself that the project would still represent public value, particularly given the passage of time and involvement of a development partner. In association with this, confirm any necessary legal advice on the proposal.

12. In the event that QLDC decides to progress the new arrangements with NT / NFF, the following steps will be required at the appropriate time:

- a. Approval of the full Council to negotiate the revised arrangements.
- b. If Council approval is given, QLDC would then proceed to negotiate an agreement to lease with NT / NFF (any such agreement being subject to appropriate conditions including in relation to consultation).
- c. If agreement is reached, then full Council approval would be sought for the proposed lease arrangement to go to public consultation in accordance with the Reserves Act 1977.

13. As the proposal is in still its initial stage, any further discussions / negotiations would be carefully managed and staged to enable ongoing (re)assessment of the proposal and terms, and to ensure the key elements and benefits from the original proposal still exist.