



Notice is given that an ordinary meeting of the Community Development Committee will be held on:

Date: Thursday 29 October 2015
Time: 9.30 am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Community Development Committee

LATE ITEMS AGENDA

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.

LATE ITEMS

5 LATE ITEMS

That the late item, 9.7, Appointment of Hearing Panel – Intention to Grant Lease Fearons Bush, Motueka Top 10 be considered at today's meeting. The item is late because information was not available at the time this agenda was compiled. The commercial sensitivity and public access implications need to be resolved as soon as possible for the summer peak period.

9 REPORTS

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9 REPORTS

9.7 APPOINTMENT OF HEARING PANEL - INTENTION TO GRANT LEASE FEARONS BUSH, MOTUEKA (TOP 10)

Decision Required

Report To: Community Development Committee

Meeting Date: 29 October 2015

Report Author: Gene Cooper, Commercial Manager

Report Number: RCD15-10-07

1 Summary

- 1.1 The reason this report is not on the agenda for this meeting is because information was not available at the time this agenda was compiled. This request complies with section 46A (7) of the Local Government Official Information and Meetings Act 1987. Delaying any appointment of a panel will slow the process until after Christmas. The commercial sensitivity and public access implications need to be resolved as quickly as possible for the summer peak period.
- 1.2 In November 2014, Council developed a Campground Financial Strategy (CFS) which highlighted the preferred model of operation and improvement ownership.
- 1.3 The Motueka Top 10 Holiday Park site had a mixture of assets owned by the lessee and Council. As a result of the lessee owning improvements, Council's lease income was heavily reduced. The implementation of the CFS was designed to ensure Council's return on this asset was maximised.
- 1.4 Commercial negotiations ensued to gain agreement on the improvements purchase price (giving total ownership to Council) and subject to due process, a lease extension of tenure.
- 1.5 The lease extension from the current 27 years to 33 years and the annual rental commercial terms were the majority of the proposed lease changes. Other terms were largely unchanged from the existing lease which has been renewed at least three times, in the past 12 years.
- 1.6 The public consultation process by Council is required in terms of the Reserves Act 1977 to grant a campground lease to replace the one already in place. The public notice required has been undertaken.
- 1.7 We have received four submissions against the renewal of the lease from the public notification process which closed on 12 October 2015. We are now requesting a date for a formal hearing, before reporting back to Council with any staff recommendations.

2 Draft Resolution

That the Community Development Committee:

1. receives the Appointment of Hearing Panel - Intention to Grant Lease Fearons Bush, Motueka (Top 10) report RCD15-10-07; and

Item 9.7

2. **appoints Crs (Chair), and to hear the submissions on the intention to grant a lease over the Fearons Bush Recreation Reserve (Motueka Top 10 Holiday Park); and**
3. **authorises the Chair to co-opt alternative Councillors onto the panel in the event of unavailability of any panel members.**

3 Purpose of the Report

- 3.1 To request the Community Development Committee to appoint a hearing panel to hear submissions on the Council's notification of the intention to grant a lease of the Motueka Top 10 Holiday Park for a term of 33 years, from early 2016.

4 Background and Discussion

- 4.1 The current lessee at the Motueka Top 10 Holiday Park at Fearons Bush has an existing lease for a term of 33 years from 1 July 2007.
- 4.2 In line with Council's campground financial strategy, adopted November 2014 and as part of a commercial arrangement to repurchase improvements at the Motueka site, the Council approved the acquisition of all improvements owned by the lessee with the extension of the lease documented within the business case (motion below), but subject to public notification.

Moved Cr Dowler/Cr King

CN15-06-1

That the Full Council

- 1. receives the Motueka Top 10 Holiday Park (Referral from Committee) report; and**
- 2. approves an investment of \$1.5m in the Motueka Top 10 Holiday Park as set out in the Business Plan (as amended at the meeting) as Attachment three to this report; and**
- 3. agrees that the investment be loan funded with a term of 20 years;**
- 4. agrees that a principle-plus-interest loan be advanced from the Motueka Harbour and Coastal Works Reserve fund for an initial term of three years;**
- 5. agrees that the resolution be reported in the Open Meeting.**

CARRIED

- 4.3 As part of the negotiations, the lessee asked for the maximum amount of certainty in relation to their lease. It was agreed to issue a new lease which would be for a term of 33 years from the date of the new lease, subject to public notification. The old lease would be cancelled.
- 4.4 As the land is a Recreation Reserve, and the replacement lease was effectively another lease, the Council publicly notified the intention to grant the replacement lease under the Reserves Act 1977.
- 4.5 The term of the existing lease has 27 years left to run, it was made clear in the public notification the technical issues involved in any lease extension. It was part of a complex commercial negotiation, and thus there was no report to the committee in advance of the public notice, and no hearing panel appointed in advance of the public notice. The key terms of the lease in relation to public consultation objectionable areas, have also not changed.
- 4.6 The Council has received four submissions on the intention to grant the lease. All four have objected to the lease being granted, and three have asked to be heard, with the forth submitter not advising whether or not they wished to be heard.
- 4.7 Given this is an important commercial transaction, involving a significant sum of money, the hearing process is somewhat urgent. The alternative would be to try to organise a hearing

panel at either the Full Council or Community Development Committee meetings in late November/early December, which would not leave sufficient time to hear the objections and refer the matter back to the Full Council until well into 2016.

- 4.8 The preference is to organise a hearing at the Motueka Top 10 Holiday Park facility in the week of 16–20 November 2015, and tentatively fix the date for the afternoon of Wednesday 18 November from 2.00 pm. That date is flexible within that week if the panel members were not available at that time, but were available at another time.
- 4.9 It is suggested that the panel comprise a chairperson from outside the Motueka Ward, and two Councillors from the Motueka Ward.

5 Options

- 5.1 To appoint a hearing panel to consider the submissions received.
- 5.2 To decline to receive this late report and refer the matter for more detailed consideration at the next meeting in December. This would delay the hearing until 2016.

6 Strategy and Risks

- 6.1 The decision to appoint a hearing panel is not considered to pose any significant risks to the Council. The risks associated with the proposal will be provided to the hearing panel, and subsequently to the Council, in the detailed reports on the submissions, and proposal.

7 Policy / Legal Requirements / Plan

- 7.1 The granting of a lease of a Recreation Reserve is undertaken pursuant to Section 54(1)(d) of the Reserves Act. Section 54 (2) required the intention to grant the lease to be publicly notified and for any objectors to be provided the opportunity of presenting their views to a hearing.
- 7.2 This item is a late paper. Section 46A (7) of the Local Government Official Information and Meetings Act 1987 states that:
- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if—
- (a) the local authority by resolution so decides; and
 - (b) the presiding member explains at the meeting at a time when it is open to the public,—
 - (i) the reason why the item is not on the agenda; and
 - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.
- 7.3 The reason this paper is not on the agenda for this meeting is because information was not available at the time this agenda was compiled. The reason why the discussion of the item cannot be delayed until a subsequent meeting is because of compressed timetables leading up to Christmas and the commercial sensitivity and implications for our tenant around lease implications.

8 Consideration of Financial or Budgetary Implications

- 8.1 The decision to appoint the panel carries no financial or budgetary implications. The lease itself does have significant implications for Council and will be covered off in the reports to

the Hearing Panel and subsequent report to the Full Council when it is asked to endorse (or otherwise) the Hearing Panel's recommendations in respect of the lease.

9 Significance and Engagement

- 9.1 The decision to appoint the panel is of low significance because it does not have a material impact on Councils finances or services.
- 9.2 Once again the decision to grant the lease will have a higher level of significance and will be covered off in other reports. However with only a small amount of submissions it could also be argued it has little interest from the wider community and continues the current activities within this reserve that Council have conducted since the 1970's and in its current format for past 15-20 years.

10 Conclusion

- 10.1 The Committee is being asked to appoint the members of a hearing panel to consider the submissions received on the Council's intent to grant a lease of the Motueka Top 10 Holiday Park at Fearons Bush. This is a late report due to the desire to complete the hearing process and provide the tenant with certainty (one way or another) on their lease arrangements, prior to the Christmas break.

11 Next Steps / Timeline

- 11.1 If the Committee agrees to appoint a hearing panel, the hearing is hoped to be undertaken on Wednesday 18 November, or another day during the week of 16-20 November 2015.

12 Attachments

Nil