

## 8. PROPOSED LEASE TO AKAROA GOLF CLUB INCORPORATED

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<b>Officer responsible:</b>	Michael Aitken Transport & Greenspace Manager DDI 941 6287
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### PURPOSE OF REPORT

1. The purpose of this report is to seek the Board's approval to issue a new Lease to Akaroa Golf Club Incorporated over the area of Recreation Reserve within Certificate of Title Reference CB7C/1117 which is currently occupied by the Duvauchelle Golf Course (refer attached).

### EXECUTIVE SUMMARY

2. The land occupied by the Duvauchelle Golf Course is a Recreation Reserve vested in the Council under the provisions of the Reserves Act 1977.
3. The previous 33 years lease between the former Banks Peninsula District Council and the Akaroa Golf Club Incorporated expired on 31 June 2001.
4. The proposed lease is for 20 year with no right to renew for. This term structure was established to avoid the problem of a deemed subdivision under Section 218(1)(a)(iii) of the RMA 1991.
5. Following negotiations between the former Banks Peninsula District Council property staff and the Akaroa Golf Club Incorporated an agreement was reached in respect to the rent. The new rental will be based on the Club's annual turnover from green fees and the number of full memberships.
6. Under the proposed rental structure the Club will pay the Council \$3 for every full member of the Club in the year preceding the relevant rent payment date plus 2% of the Club's gross annual income from green fees over the year preceding the relevant rent payment date.
7. Based on information provided by the Akaroa Golf Club Incorporated for the 2004/05 financial year, the Club had 216 full memberships and generated \$44,537 in green fees. By applying the methodology outlined in item 6 of this report, this figures would translate to an annual rental of \$1,538.74
8. It is recommended that a new lease is issued to the Akaroa Golf Club Incorporated subject to public notification of the intention to grant a lease occurring in accordance with the provisions of the Reserves Act 1977, and the consent of the Department of Conservation being obtained.
9. Consideration has not been given to the eventuality of Department of Conservation declining to grant consent to a new lease. If that was to occur negotiations and alternative solutions would need to be sought.

### FINANCIAL IMPLICATIONS

10. The Akaroa Golf Club Incorporated will be:
  - (a) charged an appropriate annual rental, based on the methodology outlined in item 6 of this report. The Corporate Support and Transport and Greenspace Unit Managers will be given the delegated authority to approve the annual rent.
  - (b) responsible for meeting all costs associated with Council's compliance under the Reserves Act 1977, and the preparation and execution of any lease.

**Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?**

11. Not applicable.

**LEGAL CONSIDERATIONS**

**Have you considered the legal implications of the issue under consideration?**

12. The Community Board has delegated authority to approve the granting of a lease under Section 54 of the Reserves Act 1977. A new lease is not able to be issued until such time as the requirements of the Reserves Act have been met, as discussed below.
13. Section 54 of the Reserves Act 1977  
This section of the Act enables the Council to issue leases in respect of recreation reserves with the consent of the Minister of Conservation.
14. Section 119 of the Reserves Act 1977  
Relates to publicly notifying the subject matter, in this case the Council's intention to issue a lease.
15. Section 120 of the Reserves Act 1977  
This Section provides for a public notification period of not less than one month from the date of publication of the notice, to allow the public the right of objection and of making submissions.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

**Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?**

16. Page 124 of the LTCCP, level of service under parks, open spaces and waterways.

**ALIGNMENT WITH STRATEGIES**

**Do the recommendations align with the Council's strategies?**

17. Not applicable.

**CONSULTATION FULFILMENT**

18. Public consultation to issue a new lease to the Akaroa Golf Club Incorporated is required. The procedure for consultation is set out in the Reserves Act 1977. The Act requires the Council to publicly notify its intention to issue a lease. The public has one month from the date of publication of the notice in which to make an objection or submission.
19. If objections to the proposal are received and are unable to be satisfied, then these are heard by a hearings panel of the Council. The Department of Conservations retains a prior right to approve or decline the lease following the outcome of the hearings panel process.

## **STAFF RECOMMENDATION**

It is recommended that:

- (a) the Board approve a lease to the Akaroa Golf Club Incorporated of 66 acres of Recreation Reserve within Certificate of Title Reference CB7C/1117 for a term of 20 years for the purposes of promoting and of playing golf subject to:
  - (i) public notification under the Reserves Act 1977 and no sustainable objections being received.
  - (ii) the approval of the Department of Conservation being obtained.
  - (iii) the applicant meeting all costs associated with the granting of the new lease.
- (b) the Corporate Support and Transport and Greenspace Unit Managers be given delegated authority to negotiate and agree the annual rental.