

## 12 CONFIDENTIAL REPORTS

### 22.6.15 LEASE OF RANFURLY LUCERNE PADDOCKS

Doc ID: 587639

#### Public Excluded

<b>Section under the Act</b>	The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Official Information and Meetings Act 1987</i> .
<b>Sub-clause and Reason:</b>	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

#### 1. Purpose of Report

To consider ratifying a lease to the Maniototo Rugby Football Club for the Ranfurly lucerne paddocks.

#### Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
- B. Agrees to ratify the lease of the Ranfurly lucerne paddocks to the Maniototo Rugby Football Club pursuant to the Reserves Act 1977 section 73(1).
- C. Agrees to grant consent of the lease under the delegated authority from the Minister of Conservation for the reserve land.
- D. Recommends the Chief Executive Officer to do all that is necessary to give effect to the resolution.
- E. Recommends this report and resolutions are made available to the public when the lease has been executed.

#### 2. Background

The Ranfurly lucerne paddocks (the land), is comprised of Section 9 & 10, and part section 601, Block 1 Town of Ranfurly approximately 31.7798 hectares.

The land is crown derived land, vested in Central Otago District Council and gazetted as a reserve for recreational purposes pursuant to the Reserves Act 1977 section 73(1). Further the Minister of Conservation has delegated authority to Council to grant the lease on the reserve land.

The Maniototo Community Board (the Board), resolved under item 19.8.23 to publicly advertise requesting expressions of interest from clubs or groups within the Mānīatoto to submit proposals to lease the land.

Two proposals were received and evaluated by the tender evaluation team against the criteria prescribed in the Request for Proposal. A report was presented to the Board regarding the proposals and the results of the evaluation. After considering the report (item 22.4.7), the Board made the following resolutions:

- A. *Receives the report and accepts the level of significance.*
- B. *Agrees the Maniototo Rugby Football Club are the preferred party for Council to negotiate a lease with for the Ranfurly lucerne paddocks.*
- C. *Recommends that Mark Harris from the Māniatoto Community Board be appointed to be present during lease negotiations.*
- D. *Recommends to Council the lease be ratified.*
- E. *Recommends the Chief Executive Officer to do all that is necessary to give effect to the resolution.*
- F. *Recommends this report and resolutions are made available to the public when the lease has been executed.*

### **CARRIED**

### **3. Discussion**

As per the resolution of the Board, negotiations have been held with the Maniototo Rugby Football Club (the Club) and all parties have agreed to the following terms:

#### Proposed Lease Terms

- Initial term of the Lease – 5 years.
- Right of Renewal – 2 further terms.
- Maximum term of the lease – 15 years.
- Rent Renewal Dates – 2027 and 2032.
- Lessee to meet all outgoings including rates and water rates.
- The demised land shall be used solely for the purposes of cropping, grazing sheep, and limited to grazing calves/heifers for duration of the yield of the crop only.
- Fence replacement to be the responsibility of the lessee at no reimbursement from Council at the termination of the lease.
- \$3,000 to be paid annually at the lease commencement date.
- Annual income and expenditure accounts of operations on the leased paddocks to be submitted to Council no later than 30 June annually. These accounts are to be audited by an agreed responsible member of the Māniatoto community with no Club affiliations.
- Proof that competitive market sale price for products is sought.
- Identify additional monetary and/or voluntary resources for projects the Club commits to delivering on Māniatoto Park and/or Stadium facilities, no later than 30 June annually.
- Written status updates on identified projects within 20 working days when requested by Council.

#### Public Notification of the Proposed Lease

Prior to the lease being ratified, Council is required to give the public notice in accordance with Section 119(1)(b)(i) and (ii) of the Reserves Act 1977 of its intention to lease the reserve and consider any objections. One public notice was placed in the Otago Daily Times and two notices were placed in the Central Otago News. Submitters had one month until 1 August 2022 to submit any objections for or against the proposal. To date no submissions have been received.

#### 4. Financial Considerations

Income from the lease will be receipted into the Other Reserves Māniatoto cost centre. This cost centre is where all income and expenditure for parks and open spaces in Māniatoto is accounted for – including Māniatoto. The income from the lease will help offset the contribution required from rates for this cost centre.

#### 5. Options

##### Option 1 – (Recommended)

- Council agrees to ratify the lease of the Ranfurly Lucerne Paddocks to the Maniototo Rugby Football Club.
- Council agrees to grant consent of the lease under the delegated authority from the Minister of Conservation for the reserve land.
- Recommends the Chief Executive Officer to do all that is necessary to give effect to the resolution.

##### Advantages:

- The community can see that a robust transparent process was followed.
- The leasee is a well-established Māniatoto club based with the Māniatoto ward
- Terms of the lease:
  - Allows for the Club to generate a profit as a fundraising venture for the Club
  - Requires the Club to contribute additional monetary/voluntary resources for projects at Māniatoto Park and Stadium facilities
  - Guarantees annual income from the lease to help offset the contribution required from rates for the “Other Reserves Māniatoto” cost centre which will benefit the Māniatoto ratepayer
  - Requires reporting from the Club back to Council

Projects that the Club will undertake on Māniatoto Park and/or Stadium facilities will benefit all users of the grounds and facilities.

##### Disadvantages:

- There are no clear disadvantages with this option.

##### Option 2

- Council declines to ratify the lease of the Ranfurly Lucerne Paddocks to the Maniototo Rugby Football Club.

##### Advantages:

- There are no clear advantages with this option.

##### Disadvantages:

- This option will create disquiet and frustration amongst the Club, the Board and ultimately the community.
- Loss of income from the land.
- Lost opportunity for projects to be undertaken on Māniatoto Park and/or Stadium facilities.

## 6. Compliance

<p><b>Local Government Act 2002 Purpose Provisions</b></p>	<p>Under section 10 (b) this decision enables democratic local decision making and action by, and on behalf of communities for good quality local infrastructure and local public services, in a way that is most cost effective for households and businesses.</p> <p><b>AND</b></p> <p>This decision promotes the social, economic and environmental wellbeing of communities, in the present and for the future by ensuring reserve land vested in Council is appropriately managed under Section 73 and 79 of the Reserves Act 1977.</p>
<p><b>Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.</b></p>	<p>Consideration has been given to the Grants Policy and the Community Leasing and Licensing Policy. However, awarding this lease was the result of going out to the market for a transparent process and competitive outcome, resulting in the best income offered to offset rates.</p>
<p><b>Considerations as to sustainability, the environment and climate change impacts</b></p>	<p>Because the land is on the fringe of Ranfurly, it is important that the land be managed appropriately rather than left to grow rank vegetation that could create a fire risk in summer.</p> <p>Cattle and dairy stock will be excluded from grazing to reduce impacts on the land and from greenhouse gases. However grazing calves/heifers for duration of the yield of the crop only will be permitted.</p>
<p><b>Risks Analysis</b></p>	<p>There are no health and safety risk to Council associated with issuing a lease as the responsibility rests with the lessee who are required to comply with obligations under the Health &amp; Safety at Work Act 2015.</p>
<p><b>Significance, Consultation and Engagement (internal and external)</b></p>	<p>The Request for Proposal – Lease of Ranfurly lucerne paddocks was publicly advertised in the Central Otago News, the Otago Daily Times, Council's web site and on Facebook.</p> <p>Notice of the proposal to lease parts of the Ranfurly recreation reserve, known as Ranfurly Lucerne Paddocks was publicly advertised as a statutory requirement under the Reserves Act 1977. The public had one month to make a submission for or against the proposal.</p> <p>This issue does not trigger the Significance and Engagement Policy.</p>

**7. Next Steps**

25 - 31 August 2022 – Lease be executed by both parties.

**8. Attachments**

**Nil**

Report author:

Reviewed and authorised by:



Janice Remnant  
Property and Facilities Officer (Māniatoto)  
28/07/2022

Louise van der Voort  
Executive Manager - Planning and Environment  
12/08/2022

Released from public domain