

Full Council

20 March 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [6]

Department: Property & Infrastructure

Title | Taitara: Disposal of 83-85 Arrowtown-Lake Hayes Road, Arrowtown

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to request formal approval to revoke the reserve status and dispose of the vacant recreation reserve at 83-85 Arrowtown-Lake Hayes Road, legally described as Lot 6 DP 7121 and Lot 1 DP 8699, which is surplus to requirements.

Public Excluded | Ārai te Iwi Whānui

It is recommended that **Attachment A** is considered while the public is excluded. This recommendation is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

Section and Grounds	Reason for this recommendation
7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	To enable the vendor and purchaser to complete contract negotiations in a private and confidential environment, without undue influence from other parties. The public interest in the item is acknowledged, but in this situation, the importance of protecting each party's negotiating position, outweighs the release of such information.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Approve** Council officers to commence the revocation of the reserve status for 83-85 Arrowtown-Lake Hayes Road before disposal;
3. **Approve** Council officers to commence the disposal of this property; and

4. **Delegate** final terms and conditions along with the sales approach, appointment of a real estate agency, negotiation of sale price and placement of any easement or covenant and signing authority to the Chief Executive of Council; and
5. **Agree** that Attachment A shall remain public excluded until an unconditional Sale and Purchase Agreement has been entered into with the purchaser.

Prepared by:



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10 February 2025

Reviewed and Authorised by:



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12 February 2025

Authorised by:



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12 March 2025

Context | Horopaki

1. 83-85 Arrowtown-Lake Hayes Road (the property) comprises two parcels of land, being Lot 6 Deposited Plan 7121 and Lot 1 Deposited Plan 8699. The property has a combined area of approximately 809sqm and extends from Arrowtown-Lake Hayes Road down a steep slope to the Lake Hayes Track. It overlooks Lake Hayes and is adjoined by high end residential properties on either side. Refer to **Diagram A** below:



Diagram A: Aerial imagery (GRIP) showing Reserve 83 (yellow) and Reserve 85 (blue).

2. The property was classified as Recreation Reserve by Gazette Notice 273 in 1956.
3. The parcels were vested initially in the Crown as Recreation Reserve, before automatically vesting in Council's predecessor (Lakes County Council) in 1961 pursuant to the Counties Amendment Act 1961.
4. The property is one of several reserves known as the "Lake Hayes Reserves", which are administered under the Arrowtown-Lake Hayes Reserve Management Plan 2013 (RMP). 83-85 Arrowtown-Lake Hayes Road has been identified for disposal under Policy 14.3 of the Reserve Management Plan, noted as follows:
 - *14.3 Dispose of Lot 1 DP 8699 and Lot 6 7121 being number 83-85 Arrowtown-Lake Hayes Road*
 - *14.4 Apply the net proceeds of the disposal of the above reserves to the improvement of other reserves within the Arrowtown or Wakatipu Wards*

Analysis and Advice | Tatāritaka me kā Tohutohu

5. As the reserves are not Crown derived, they become fee simple land vested in Council on revocation of the reserve status and Council can dispose of the fee simple land in accordance with its internal disposal policy.
6. The RMP completed in 2013 contains the following explanation for disposal:
 - *83-85 Arrowtown-Lake Hayes Road is currently undeveloped and appears as a vacant residential section. This lot does have potential to provide an additional pedestrian access to the lake for the four or five properties immediate above the Arrowtown-Lake Hayes Road, however a pedestrian easement could be included prior to disposal, if desired. Alternative access is available 500m to the north and 325m to the south.*
 - *Subject to the adoption of these policies within the final management plan Council would be free to dispose of these properties without further public consultation unless the property is identified by Council as a strategic asset as defined by the Local Government Act 2002 or listed in the Council's policy of significance.*
7. There is additional pedestrian access from Arrowtown-Lake Hayes Road at other locations. Any pedestrian access provided across the subject property would result in an estimated 5% reduction in revenue to Council.
8. There is no Record of Title for Lot 1 DP 8699, and this will need to be raised before disposal.
9. The property is located within the Informal Recreation Zone under the Proposed District Plan and are gazetted as Recreation Reserves. The property will need to revoke the reserve status before the land disposal process can commence.
10. Internal stakeholders were consulted on possible alternative uses for this property. It was identified that the most viable option is to dispose of this property.
11. The Parks Team has confirmed that it is appropriate that the revocation of reserve status for 83-85 Arrowtown-Lake Hayes Road is commenced. When the reserve status is revoked, the underlying planning zone and designation would remain. The underlying reserve designation will need to be revoked under s182 of the Resource Management Act 1991.
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** Approve the revocation of reserve status and disposal of 83-85 Arrowtown-Lake Hayes Road

Advantages:

- The sale will provide revenue to the Council.
- Saving on future maintenance costs of the property.

Disadvantages:

- The property will no longer be available for the public to access.

14. **Option 2** Decline the revocation of reserve status and disposal of 83-85 Arrowtown-Lake Hayes Road, Arrowtown

Advantages:

- The property will continue to be used as a reserve.

Disadvantages:

- Council will not receive revenue from the sale.
- Council will continue to incur the costs of maintaining the property.

15. This report recommends **Option 1** for addressing the matter as the property is surplus to requirements and the disposal will financially benefit the Council.

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 Council's Significance and Engagement Policy 2024 because it involves the disposal of the property.
17. The persons who are affected by or interested in this matter are the residents and ratepayers of Queenstown Lakes District.
18. The Council will keep the public informed via Council's media platforms. As the RMP was publicly notified, it is not deemed necessary to undertake formal consultation.

Māori Consultation | Iwi Rūnaka

19. The Council has not consulted with iwi in this instance.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

20. This matter relates to the Financial risk category. It is associated with RISK10014 Ineffective Financial Strategy within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

21. Approval of the recommended option will allow Council to avoid the risk. This will be achieved by gaining revenue from the property disposal.

Financial Implications | Kā Riteka ā-Pūtea

22. As part of the Long Term Plan (LTP), revenue from asset sales will be used to repay debt or fund the purchase of new assets. The RMP indicates that for this property, the net proceeds from the land disposal will be applied to the improvement of other reserves within the Arrowtown or Wakatipu Wards.

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

23. The following Council policies, strategies and bylaws were considered:

- Arrowtown-Lake Hayes Reserve Management Plan 2013
- Property Sale and Acquisition Policy 2014
- Reserves Act 1977
- Resource Management Act 1991
- Significance and Engagement Policy 2024
- The Queenstown Lakes Joint Housing Action Plan 2023

24. The recommended option is consistent with the principles set out in the named policies listed above.

25. This matter is included in the Long Term Plan/Annual Plan.

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

26. Queenstown Lakes District Council has the delegated authority to administer and dispose of this property.

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

27. Section 10 of the Local Government Act 2002 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. The disposal of this property will generate revenue to Council, which can be used to repay debt, maintain existing reserves or fund the purchase of new assets. As such, the recommendation in this report is appropriate and within the remit of Section 10 of the Act.

28. The recommended option:

- Can be implemented through current funding under the Long Term 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	Valuation Report for 83-85 Arrowtown-Lake Hayes Road, Arrowtown dated February 2025 (publicly excluded)
B	Photographs of 83-85 Arrowtown-Lake Hayes Road, Arrowtown

ATTACHMENT B – PHOTOGRAPHS OF 82-85 ARROWTOWN-LAKE HAYES ROAD



Photo 1 – View down slope towards Lake Hayes Track from street boundary



Photo 2 – Road View of site overlooking Lake Hayes