



Otorohanga Community Board

AGENDA

10 June 2010

Members of the Otorohanga Community Board

Mrs EM Cowan (Chairperson)
Mr TJ Jones
Mr B McNeil
Mr AG Ormsby
Mr R Prescott
Mr P Tindle

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

OTOROHANGA COMMUNITY BOARD

10 June 2010

Notice is hereby given that an ordinary meeting of the Otorohanga Community Board will be held in the Council Chambers, Maniapoto St, Otorohanga on Thursday 10 June 2010 commencing at 4.00pm.

2 June 2010

DC Clibbery
CHIEF EXECUTIVE

AGENDA

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PRESENT

IN ATTENDANCE

APOLOGIES

ITEMS TO BE CONSIDERED IN GENERAL BUSINESS

CONFIRMATION OF MINUTES - 13 MAY 2010

REPORTS

Item-164 RENEWAL OF LEASE OF LAND - TE WAIREKA ROAD ELECTRICITY SUBSTATION - THE LINES COMPANY

To: **Chairperson and Members
Otorohanga Community Board**

From: **Engineering Manager**

Date: **10 June 2010**

Executive Summary

The Council leases the land at the end of Te Waireka Road to the "The Lines Company" for an electricity substation. The current lease expired 1 July 2005 and contained a right of renewal clause.

Detailed investigations and negotiations have been held with "The Lines Company" and a draft new proposed lease has been produced.

The draft lease is presented for the Community Boards information, input and recommendation to the Council for their final approval.

Staff Recommendation

It is recommended that:

1. The Otorohanga Community Board recommends to the Otorohanga District Council that the proposed lease agreement between the Council and The Lines Company for the Council owned land occupied by The Lines Company Electricity Substation at Te Waireka Road, Otorohanga, be approved.
2. The Mayor and Chief Executive of Otorohanga District Council be authorised to sign and seal the lease agreement, and any other documentation related to the lease of the land to The Lines Company.

Report Discussion

The land at the end of Te Waireka Road was first leased to the now "The Lines Company" in 1963 for 21 years with a renewal in 1984 for a further 21 years and this lease expired on 1 July 2005 and has a right of renewal. The law is that a lease for more than 35 years with a right of renewal is considered to be a subdivision of land requiring the full land subdivision involving the full land subdivision process. This would be very complex and expensive as the land occupied by the electricity substation is both Council freehold land and Council public cemetery.

The proposed lease is for 34 years from 2005 and with no right of renewal.

The proposed lease is not able to be registered in the land registration system and there is a clause that enables The Lines Company to register a caveat on the Council's freehold title recording the existence of the lease.

The following is a brief précis of the main clauses:

- Clause 3 Rent
\$1.00/yr, - \$34.00 payable on signing
- Clause 5 Utility Charges
Lessee to pay including rates and land taxes
- Clause 6 Costs
Lessee to pay costs re this lease etc
- Clause 9.1.1 Permitted Use on Adjoining Land of Lessor (*Important clause*)
The Lessor shall permit the Lessee throughout the term hereby created to transmit electricity across other land of the Lessor adjoining the said land and for that purpose the Lessee may lay, maintain and replace underground cables in and across the said adjoining land. It is acknowledged that the Lessor resolved on 19 September 1977 to permit the Lessee to build a 33Kv line overhead from State Highway 3 to the leased land and that this line is to remain as is.
- Clause 11 Removal of Improvements (*Important Clause*)
Lessee must remove the lessee's improvements at termination if required by Lessor.
- Clause 12 Assignment and Subleasing
Lessee to obtain consent of lessor to assign or sublease.
- Clause 12 Change of Shareholding, Ownership or New Capital
Change which results in a change of lessee's effective control or management will be treated as assignment. Requires lessor's prior written consent.
- Clause 22 Lease not Registrable (*Important Clause*)
22.1 If the Lessee or Lessor wish to Proceed to Registrable Lease
Lessee and Lessor to share costs
22.2 Notice of Requirement to Proceed to Registrable Lease to be given by party wishing to proceed.
22.3 Cost of Organising Process of Obtaining Registerable Lease
Met by party giving notice to meet costs
22.4 Right to Register Caveat on Title to Land
Lessee has right to register caveat on Title 271/106 (Council freehold land)
- Clause 23 Lessors Consent
Consent required by Lessor for each occasion.
Consent not to be unreasonably withheld

General

As can be seen, there is no right of renewal in this lease agreement. When the lease expires in 2039 the conditions will start from a "clean slate" and the main thing that could change is that a "commercial" rental for the land could be included.

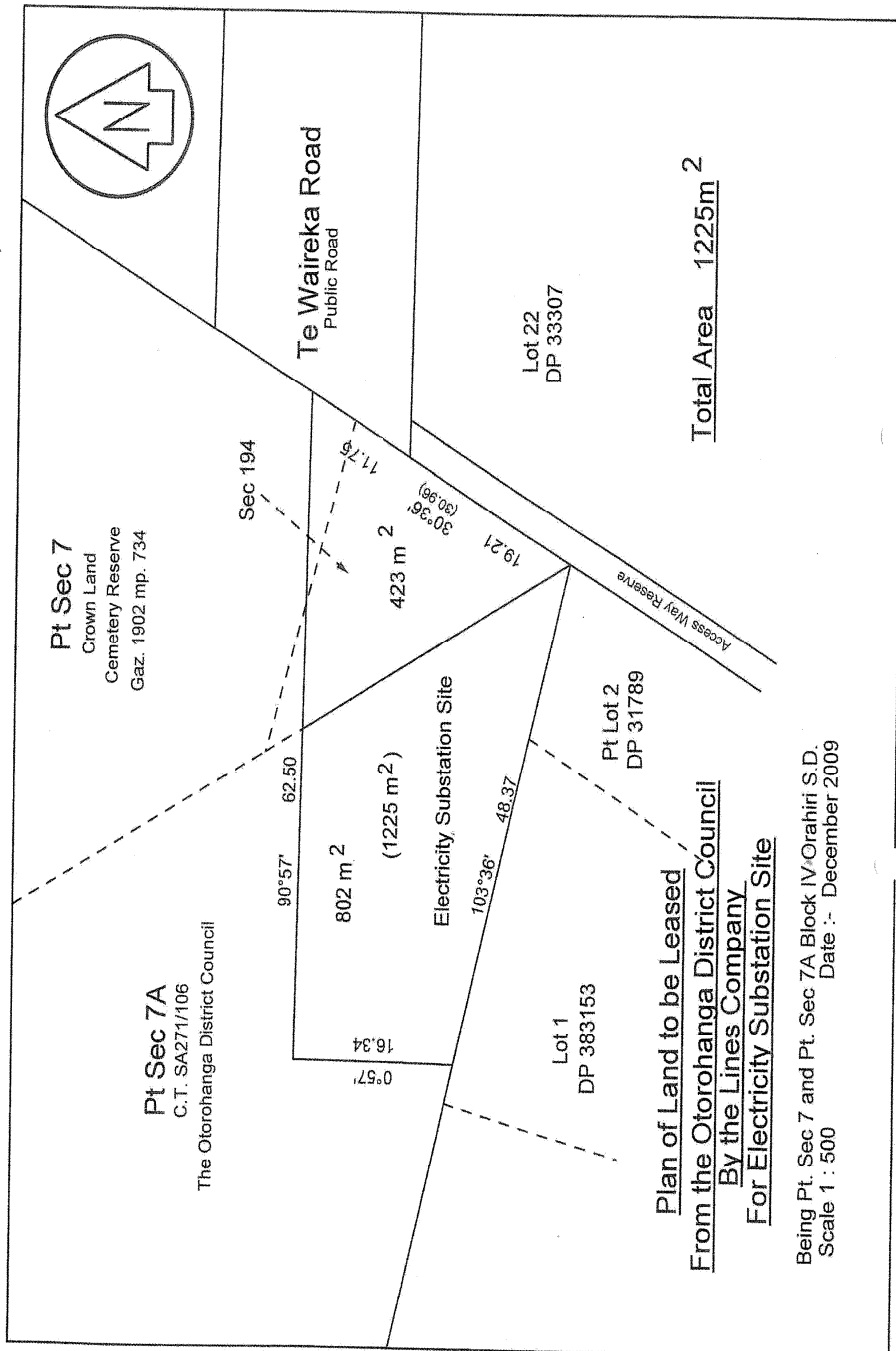
The issue of the caveat on the Council's freehold land has been addressed by the option of either party having the right to give notice of a requirement to proceed to a registerable lease. If the lease becomes registerable then the caveat can be removed.

The proposed lease is seen as a fair and equitable arrangement that enables a "public facility" to be retained and does not compromise the Council's use of the remaining land.

Roy Chadwick
ENGINEERING MANAGER

Attachments

- a. Plan of Land to be Leased from Otorohanga District Council by The Lines Company Limited



Deed of Ground Lease of Urban Land
Otorohanga District Council and The Lines Company Limited

Item-165 **TENDERS - RIVER CONTROL RESERVE LICENCES**

To: **Chairperson and Members
Otorohanga Community Board**

From: **Engineering Manager**

Date: **10 June 2010**

Executive Summary

Tenders have been received for the renewal of the licences to graze the areas of the river control reserve. This is a report of those tenders for the Board's information.

Staff Recommendation

It is recommended that:

The report be received

Report Discussion

The river control reserve licences expired on 31 May 2010 and therefore were due for renewal.

The properties were offered for grazing under licence as separate parcels of land and were advertised in the Waitomo News on 27 April 2010. As part of the process, a pre-tender meeting was held at the Council offices on 6 May for the purpose of explaining the key requirements of the licence and tendering process and to answer any questions that the prospective tenderers had. The tenders closed on 20 May 2010.

The new licences are to be for a term of 5 years commencing 1 June 2010.

All tenders received were from the existing licence holders and were generally of a similar value to the existing rentals. No tender was received for area 10 and the area currently licenced to the Otorohanga Sports Club was not tendered as this is to be offered to them at a rate based on the average of the tenders received as had been done previously.

The following tenders were received – all prices inclusive of GST:

area #			Area ha	tender
1	L & P Rendall	Off Otewa Rd - Sth of Waipa River & east of Mangawhero Stream	23.6000	\$19,800.00
3	MF Caldwell	Off Otewa Rd	0.5534	\$200.00
4	J Connolly	South of Waipa river from SH3 along Otewa Rd to the Western side of Mangawhero Stream	6.3260	\$3,093.75
5	J Connolly	East of Mangapu Stream & Sth of Waipa River – between SH3 and railway & Nth of SH3 to the Waipa River.	7.3300	\$3,093.75
6	J Connolly	West of Mangapu Stream and either side of SH3 to the Waipa	1.7250	\$618.75

		River		
8	A Ormsby	Both sides of SH31 between Waipa River and McCready & Old Golf Roads	6.4200	\$6,677.46
9	L & P Rendall	Nth of Waipa River from SH3 to Rangiatea Road – includes dog exercise area & beside water treatment plant	12.9030	\$7,240.00
10	No Tender	Off Old Te Kuiti Road opposite No 18A		
	Total		58.8574	\$40,723.71
		Average / ha		\$691.90

The previous total rental for the above properties was \$38,482.47 including GST

Area 10 which was previously licenced to P Barker has been offered to Mrs Caldwell at the same rate per hectare as her tender for area 3. She has yet to decide if she will take up this offer and if not it will be re-tendered.

The Otorohanga Sports Clubs currently has a licence for 20.8228 ha with the rental based on the average of the other tenders received and it had been agreed that this process would be retained. There was also an agreement in the previous licence that an area of 3.6 ha used by the polo cross would be reduced by \$100 plus GST per hectare and this has again been included in the assessment. From this, the annual rental including GST should be \$14,002.30 and this will be offered to them.

Roy Chadwick
ENGINEERING MANAGER

Item-166 OTOROHANGA TOWNSHIP GARDENS CONTRACT

To: **Chairperson and Members
Otorohanga Community Board**

From: **Engineering Manager**

Date: **10 June 2010**

Executive Summary

A review of the existing agreement with Tidy Gardens to maintain the Otorohanga Town gardens with a view to entering into a formal contract was considered by the Board on 13 May 2010. It was agreed that further discussions be held with Tidy Gardens to confirm the contract price which has now been undertaken.

Staff Recommendation

It is recommended that:

A formal contract be entered into with Tidy Gardens for the maintenance of the Otorohanga Township gardens for a price of \$22,383.50 exclusive of GST. The term of the contract to be 3 years plus two by one year rights of renewal, commencing 1 July 2010.

Report Discussion

At the Community Board Meeting on 13 May 2010, the Community Facilities Officer's report on a possible contract between Tidy Gardens and Council was considered. It was agreed that further discussions be conducted with Tidy Gardens to revise and 'firm' the contract price. Further discussions have been held and the result of these and additional information is now provided to the Board.

An informal agreement has been in place with Tidy Gardens for approximately the past 5 years to undertake maintenance of a number of the town's gardens. This includes the maintenance of the gardens on the north side of SH3 / Otewa Road. The requirements of the work as set out in the original agreement covered the following:

The enhancement of gardens through the replacement planting in specified beds as advised by Council's Communities Facilities Officer.

Control of weeds, insects, fungi and other pests through weeding, spraying or such other method as may be appropriate.

Nourishment of plants through the application of water, fertiliser, compost, bark and other mulches.

The maintenance of plants by appropriate pruning, deadheading, thinning and transplanting as advised by Council's Communities Facilities Officer.

Removal and disposal of litter and plant debris encountered or generated during the course of normal garden maintenance work. Such matter is to be deposited in appropriate Council facilities. Non-green waste is to be deposited in the nearest street litter bins whilst large quantities of green waste can be disposed of at Council's green waste disposal site or at the recycle centre at Council's expense.

The cost of this work has been escalated over the period and at the present time is \$12,672.00 per annum excluding GST.

Since the original agreement was entered into several new gardens have been built and additional maintenance added to the works being undertaken by Tidy Gardens. These additional works have been undertaken as day works or at agreed rates and include:

1. The maintenance of the small coprosma beds at the entrance to the ODC carpark and at the intersection of Hinewai & Kakamutu Streets.
2. The dwarf agapanthus beds in Wahanui Crescent.
3. The removal and planting of the annuals in the main street gardens in summer and winter.
4. The maintenance of the small beds behind the ash berms and the RSA beds at the cemetery.
5. Tidy Moshims property at the intersection of SH3 / SH3
6. From the discussions with Tidy Gardens their price for the removal of litter and rubbish from the Ed Hillary Walkway and The Village Green has been confirmed. It has been decided that weeding of the south bank (SH3 / Otewa Road) should not be included in a new contract as the extent of the work is unknown.

The above items can now be included in a formal contract with Tidy Gardens to give certainty of work and value for both parties. There would need to be an escalation clause written into the contract and there may also be additional one off works as required from time to time which could be undertaken as day works or at an agreed rate.

The cost of a new contract based on the above and at today's rates, excluding GST would be.

Original works	\$12672.00
Item 1 - Coprosma beds	\$1137.50
Item 2 – Wahanui Cres	\$1820.00
Item 3 – annuals	\$1400.00
Item 4 – cemetery	\$1365.00
Item 5 – Moshims	\$804.00
Item 6 – Walkway & Village Green	<u>\$3185.00</u>
Total contract price	\$22383.50

As advised previously the cost of all these works except item 6 are included in the existing Otorohanga reserves operations budget as they have been undertaken in the past. For 2008/09, Tidy Gardens were paid a total of \$18,300 and for 2009/10 to end of April 2010 a total of \$17,000. The budget has been increased for 2010/11 by \$5000 in anticipation of the work needed for the cleaning of the Ed Hillary Walkway and the Village Green.

Roy Chadwick
ENGINEERING MANAGER

Item-167 OCB MATTERS REFERRED FROM 13 MAY 2010

**To: Chairperson and Members
 Otorohanga Community Board**

From: Governance Supervisor

Date: 10 June 2010

Executive Summary

1. GENERAL PURPOSES COMMITTEE

13 May 2010

- i. To consider the request from the Te Kuiti & Districts Highland Band to play in the Parade and Service for the ANZAC Day Civic Ceremony in Otorohanga.

2. CHAIRPERSON

13 May 2010

- i. To approach Ms Pye re activity structures for the Otorohanga Memorial Pool.
- ii. To approach the McDonald's Restaurant to encourage them to extend their area of litter control.

3. MR MCNEIL

11 February 2010

- i. To contact Mr David Bailey to arrange a time to look at the playing areas on the Domain to the right of the Pavilion, in conjunction with Council's Community Facilities Officer.

13 May 2010

- ii. To continue to organise the installation of an adult sized changing table at the Otorohanga Memorial Pools and in conjunction with the Governance Supervisor, prepare an application for funding assistance to Trust Waikato.
- iii. To discuss with Council staff and Rosemary Davison suitable planting areas and types of plants to take advantage of the Forest & Bird and Flooring Xtra's national promotion.

4. ENGINEERING MANAGER

13 May 2010

- i. To arrange for a report to be prepared evaluating the proposal to install 'blisters' at the Maniapoto Street intersections and to obtain the opinion of Transit on the proposal.
- ii. To arrange a meeting with the Gardening Contractor to discuss further the Otorohanga Community Gardening contract, to revise and form the Contract price.
- iii. To arrange for firm figures to be presented in regard to the Village Green oval and advice on maintaining the area.

5. FINANCE & ADMINISTRATION MANAGER

13 May 2010

- i. To ensure the Tenders received for the River Control Reserve Licences to Graze are considered with the Works & Water Committee.

6. COMMUNITY FACILITIES OFFICER

11 March 2010

- i. To obtain an estimate of the costs to include the new air conditioning units at the Otorohanga Support House within Council's maintenance programme.

CA Tutty
GOVERNANCE SUPERVISOR

GENERAL

