

Kaikōura District Council

Statement of Proposal

Proposed extension of lease area - Kaikōura Springs Ltd. Wellness and Hotpools Development

1. Introduction

At its meeting of 29th November 2023 Kaikōura District Council resolved to seek the views of the community regarding the request from Kaikōura Springs Ltd to consider an increased lease area for the proposed wellness and hotpools development on the recreational reserve at the old swimming pool site.

2. Background & Context

The Council granted a concession lease in favour of Kaikōura Springs Ltd. (Concessionaire) on the 25th July 2022 for an area of recreational reserve located adjacent to the Esplanade for the development of wellness hotpools. A comprehensive process that complied with the statutory requirements under the Conservation Act 1987 and (where relevant) the Local Government Act 2002 was followed before the lease could be granted.

The final lease defined the primary site area of approximately 2400 m². It also identified a possible extension area of up to a maximum of 250m² to the south-east of the primary site area. The conditions relating to this additional area are outlined in Clause 25 of the lease document. The final lease included a term of 33 years with a commencement date which was the earliest of either the date at which the Concessionaire obtained all necessary resource consents and building consents for the construction and operation of the facility or 31st March 2024. During the public notification period two formal submissions and 1 more informal written comment were received and considered.

Kaikōura Springs Ltd. has undertaken further work since the granting of the original lease. This has included a feasibility study, developing a cultural narrative with Te Runanga o Kaikōura, running an architectural design competition to develop a concept design. During this work high level consideration was also given to an alternative location for the development in Kaikōura. The original site at the old swimming pool along the Esplanade has now been reconfirmed as the preferred location. Based on the additional work done, Kaikōura Springs Ltd. are keen to consider a greater lease area at the original location that was originally envisaged. If the further area is agreed this would require the relocation of several community facilities in the immediate location at cost to the development (not the ratepayer). Both the Council and Kaikōura Springs Ltd. understand the importance of the current community facilities and spaces located at Gooches Beach and the need to replicate any facilities if they are relocated in the immediate vicinity. Kaikōura Springs Ltd have outlined a preliminary masterplan for the future enhancement of the Gooches Beach area which is included in the Statement of Proposal. This could form a long-term plan for the area.

3. Purpose of this Statement of Proposal

Kaikōura District Council is keen to consider the views of the community with regard to the request for additional lease area of the recreational reserve. This Statement of Proposal together with supporting information provides a summary of information that is a fair representation of the major matters in the proposal. The information contained in this Statement of Proposal has been approved by Council for notification and consultation.

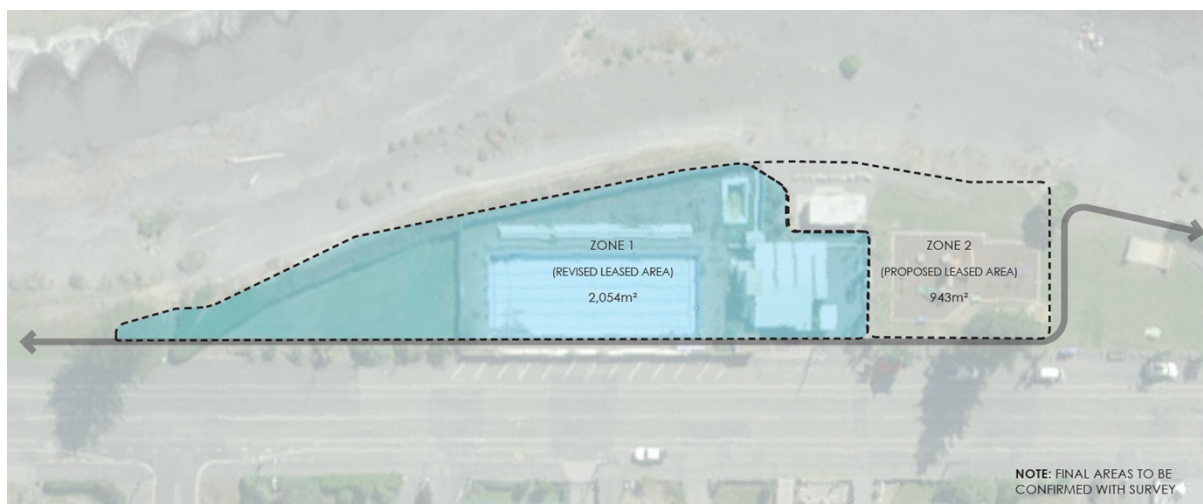
4. Proposal Options

Two options are presented for consideration. The preferred option involves a revised increased lease area whilst the second is the status quo option with the existing confirmed primary lease. The key components of each option are outlined below. An analysis of the advantages and disadvantages of each option is included in Section 5.

4.1 Option 1: Increased overall lease area (preferred option)

This option is shown on Figure 1.0 below. It involves increasing the overall agreed lease area from 2400m² to approximately 3000m². With this option, the original lease area identified as Zone 1 is slightly reduced in area to make allowance for the link pathway, whilst an additional proposed area of 943 m² is added (Zone 2). This results in an overall increase to the area of 600m². This is greater than the 250m² identified in the original lease agreement for possible extension.

Figure 1.0: Increased overall lease area (preferred option)



The addition of the Zone 2 area would require the relocation and replacement of several existing community facilities located within that zone. These include the removal and replacement of the existing toilet and shower block, the relocation of the existing playground and the barbeque area. The proposed relocation is shown on Figure 2.0 below. It should be noted that under the original lease agreement the use of the potential additional area identified would also include partial relocation of facilities. A preliminary future masterplan for the whole area is shown in Figure 3.0 for further discussion. This would not all be delivered by the project but could be a longer term plan to work towards.

It is important to note that the capital cost for rebuilding and relocating these facilities will be met by the development and not by the ratepayer as per the conditions of Clause 25 in the original lease agreement. Council would retain ownership of the facilities and ongoing responsibility for operation and maintenance.

Figure 2.0: Proposed relocation of existing community facilities

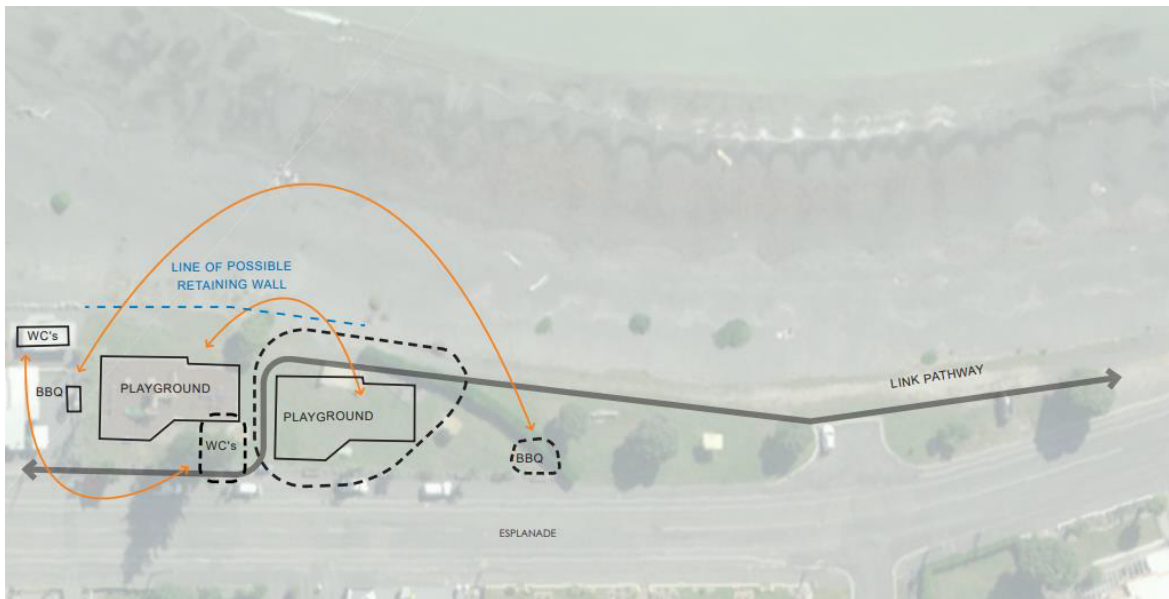
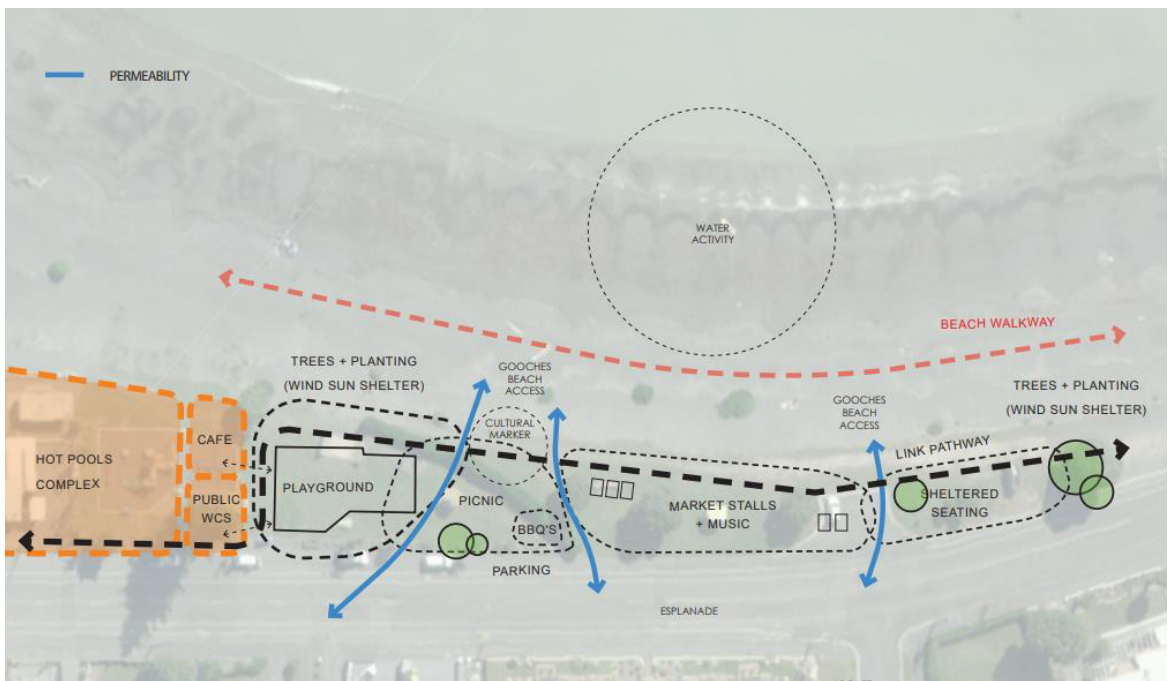


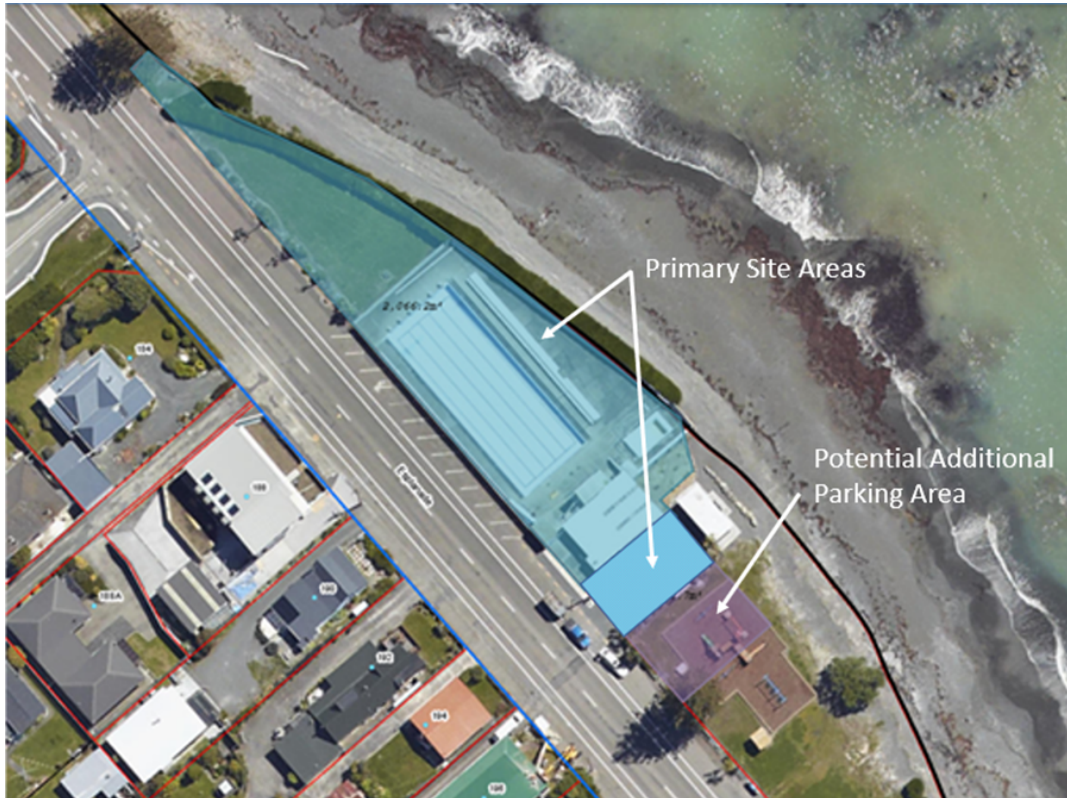
Figure 3.0: Preliminary future Masterplan for the wider area



4.2 Option 2: Status quo – existing agreed primary lease area

The overall lease area remains as currently approved at 2400m². This option does not require the relocation of any existing community facilities adjacent to the agreed lease site. It does however severely restrict the plans for the proposed development.

Figure 4.0: Original primary site area and potential additional parking area.



5. Analysis of Options

	Option 1 Increased overall lease area (Preferred option)	Option 2 – Status Quo
Advantages	<ul style="list-style-type: none"> - Increased economic potential for the development and District including employment opportunities. (potentially 35 FTE for the total larger development). - Increased financial return to ratepayers from lease arrangements (base lease and patronage) - Allows for growth potential of the development and for the facility to be built in one go. - Relocation of existing community facilities with capital cost being met by the project. Ongoing operational cost to be met by Council. This will result in a capital saving in the order of \$300,000 to Council in the long run. - Opportunities for enhancement of facilities and community space adjacent to the development. (long term masterplan). 	<ul style="list-style-type: none"> - No reduction in recreational reserve area for general public.
Disadvantages	<ul style="list-style-type: none"> - Reduction in recreational reserve area available to the public of 600 m2 (350 m2 more than the potential additional area identified in the original lease). - Any effects of the increased footprint (including parking) would need to be fully considered through the resource consent process. 	<ul style="list-style-type: none"> - No room for the proposed link pathway - Hotpools Development is growth restricted. Smaller facility. - Less financial return to ratepayers than options 1 - Future capital replacement cost for existing community facilities will need to be met by ratepayers as currently anticipated.

6. Submissions on this Proposal

Community engagement is proposed to occur upon approval of this proposal for an extended period from 1st December to 22nd January 2024. This is to ensure that at least one full calendar month is given for public feedback taking into account the statutory stand down period.

The online submission form will be available on the KDC Website and links to this will be provided on Facebook.

Paper-based submission forms will be available at KDC reception.

Feedback is invited in respect of the proposed increased lease area request, rather than the development itself. However, during the consultation period, Kaikōura Springs Ltd. will be organising public sessions in Kaikōura prior to Christmas, which will be advertised.

Submissions may be made in writing or by completing the online submission form, addressed to submissions@kaikoura.govt.nz or

The Chief Executive, Kaikōura District Council
PO Box 6, KAIKŌURA 7300

and must be received by Council by 5pm on 22 January 2024.

Council will consider feedback as part of the decision process currently scheduled for the Council meeting on the 31st January 2024.

Chief Executive Officer